

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

**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 1001270243 ONTARIO INC.**

Applicant

**AMENDED MOTION RECORD  
(Motion for WEPP Relief,  
returnable November 12, 2025)**

September 25, 2025

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Lawyers for Synaptive Medical Inc., the  
former applicant

TO: THE SERVICE LIST

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TAB1

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SUPERIOR COURT OF JUSTICE  
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Applicant

**AMENDED NOTICE OF MOTION  
(Motion for WEPP Relief,  
returnable November 12, 2025)**

Synaptive Medical Inc. (“**Synaptive**”), the former applicant in this proceeding, will make a motion to a judge of the Commercial List on Wednesday, November 12, 2025, for a full-day, in-person hearing at 330 University Avenue, Toronto.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

- (a) An order declaring that Synaptive and/or 1001270243 Ontario Inc. (“**ResidualCo**”) meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Regulations**”, and such relief, the “**WEPP Relief**”).
- (b) Such further and other relief as this Court may deem just.

**THE GROUNDS FOR THIS MOTION ARE:**

- (c) On March 19, 2025, Synaptive was granted protection under the CCAA by way of an initial order of this Court. That order granted Synaptive customary “day 1” relief, including a stay of proceedings, authorization to make an initial draw from a DIP

facility, customary charges and the appointment of Richter Inc. as the monitor (in such capacity, the “**Monitor**”).

- (d) On March 26, 2025, following the comeback hearing, this Court granted Synaptive an amended and restated initial order expanding that relief and extending the stay of proceedings to June 20, 2025. That same day, this Court also granted an order, among other things, approving a sale and investment solicitation process (the “**SISP**”) in respect of Synaptive and/or its assets.
- (e) On April 25, 2025, this Court granted Synaptive an order that, among other things, approved a key employee retention plan and granted a corresponding charge in favour of participating employees.

#### **The June 18 RVO Motion**

- (f) On June 18, 2025, this Court granted Synaptive an approval and reverse vesting order (the “**RVO**”) that, among other things, approved and implemented the successful bid under the SISP—a subscription agreement between Synaptive and 1001253954 Ontario Inc. dated June 12, 2025—and the transaction contemplated therein (collectively, the “**Transaction**”).
- (g) That same day, this Court also granted an ancillary order (the “**Ancillary Order**”) that, among other things: (i) extended the stay of proceeding to September 30, 2025; (ii) approved the Monitor’s reports and the Monitor’s activities described therein; and (iii) approved the fees and disbursements of the Monitor and its legal counsel incurred to June 6 and June 9, 2025, respectively.

- (h) However, the Ancillary Order that this Court granted did not include all of the relief that Synaptive originally requested on its motion. Synaptive also requested that the Ancillary Order, among other things, grant the WEPP Relief.
- (i) Due to opposition to the WEPP Relief that Synaptive received prior to the RVO hearing from the Attorney General of Canada, counsel to Employment and Social Development Canada, Synaptive agreed to adjourn the hearing for that relief to a later date.

#### **The Transaction Closed on June 26, 2025**

- (j) The Transaction successfully closed on June 26, 2025. At that time, among other things, Synaptive was removed as an applicant, and ResidualCo—the entity that served that eponymous role under the Transaction—was added as an applicant, to this CCAA proceeding.
- (k) On August 6, 2025, this Court granted ResidualCo an order that, among other things, provided for the termination of this CCAA proceeding upon the Monitor filing a certificate (the “**Termination Certificate**”) confirming that all matters to be attended to in connection with this CCAA proceeding have been completed.
- (l) The within motion for the WEPP Relief is currently anticipated to be the final matter to be addressed before the Monitor issues the Termination Certificate, save for certain administrative matters.

#### **WEPP Relief**

- (m) During this CCAA proceeding, Synaptive terminated a number of its employees. Those terminated employees have claims for unpaid wages, vacation pay, bonuses,

severance and termination pay. In accordance with the guidance that those terminated employees received from Synaptive and the Monitor, those terminated employees have filed claims under the Wage Earners Protection Program (the “WEPP”).

- (n) Absent their ability to access the WEPP, those terminated employees will receive a far smaller or nil recovery on account of their eligible employment-related claims.
- (o) Accordingly, Synaptive is seeking an order declaring that it and/or ResidualCo meets the criteria prescribed by section 3.2 of the WEPP Regulations. This relief will, in accordance with the framework established under the *Wage Earners Protection Program Act*, S.C. 2005, c. 47, s. 1, including section 5(5) thereof, enable Synaptive’s terminated employees to recover under the WEPP program to the extent they have eligible claims.
- (p) The Monitor supports the WEPP Relief.

### **General**

- (q) The provisions of the CCAA, including sections 11 and 36, and the inherent and equitable jurisdiction of this Court;
- (r) The provisions of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, including section 5(5) thereof, and the *Wage Earner Protection Program Regulations*, SOR/2008-222, including section 3.2 thereof.
- (s) Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

- (t) Such further and other grounds as the lawyers may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the affidavit of Diane Zimmerman dated August 27, 2025, filed;
- (b) the Third Report of the Monitor dated June 14, 2025, and the Fourth Report of the Monitor dated July 28, 2025, filed;
- (c) such further and other evidence as the lawyers may advise and this Court may permit.

September 25, 2025

**Torys LLP**

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1001270243 ONTARIO INC.**

Court File No. CV-25-00739279-00CL

**Applicant**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

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Lawyers for Synaptive Medical Inc., the former  
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TAB2

**ONTARIO  
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AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
1001270243 ONTARIO INC.**

**Applicant**

**AFFIDAVIT OF DIANE ZIMMERMAN  
(Sworn August 27, 2025)**

I, Diane Zimmerman, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND SAY:

1. I am senior law clerk with Torys LLP, counsel to Synaptive Medical Inc. ("**Synaptive**"), the moving party on this motion and the former applicant in this proceeding. As such, I have personal knowledge of the matters contained in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.
2. This Affidavit is sworn in support of Synaptive's motion before the Ontario Superior Court of Justice (Commercial List) for, among other things, an order declaring that Synaptive meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Relief**").
3. I have attached the following materials to this affidavit at the indicated Exhibits. I am advised by Mike Noel, an associate at Torys LLP, that all of these materials have been previously filed in this CCAA proceeding.


- (a) **Exhibit “A”**: the affidavit of Magnus Momsen sworn March 18, 2025 (without its exhibits), which was sworn in support of Synaptive’s initial application in this proceeding;
- (b) **Exhibit “B”**: this Court’s initial order dated March 19, 2025;
- (c) **Exhibit “C”**: this Court’s amended and restated initial order dated March 26, 2025;
- (d) **Exhibit “D”**: the affidavit of Magnus Momsen sworn April 17, 2025 (without its exhibits), which was sworn in support of Synaptive’s motion for this Court’s approval of a key employee retention plan;
- (e) **Exhibit “E”**: the subscription agreement dated June 12, 2025 (the “**Subscription Agreement**”), by and between Synaptive and 1001253954 Ontario Inc.;
- (f) **Exhibit “F”**: this Court’s approval and reverse vesting order dated June 18, 2025 (the “**RVO**”), which, among other things, approved and implemented the Subscription Agreement and the transactions contemplated thereby;
- (g) **Exhibit “G”**: the endorsement of Justice Dietrich dated June 18, 2025, which provided Her Honour’s reasons for granting the RVO;
- (h) **Exhibit “H”**: the third report of Richter Inc., in its capacity as the monitor (in such capacity, the “**Monitor**”), dated June 14, 2025, which was filed in connection with Synaptive’s motion for the RVO;
- (i) **Exhibit “I”**: the fourth report of the Monitor dated July 28, 2025, which was filed in connection with 1001270243 Ontario Inc.’s motion for an order terminating this CCAA proceeding upon the Monitor’s filing of a termination certificate; and
- (j) **Exhibit “J”**: this Court’s CCAA termination and scheduling order dated August 6, 2025.

4. I also attach as **Exhibit “K”** the Monitor’s employee claims register. I am advised by Karen Kimel of Richter Inc. that this register provides a summary of certain employment-related claims

asserted by Synaptive's terminated employees, including those employees' eligible claims under the Wage Earner Protection Program (to the extent this Court grants the WEPP Relief).

5. I swear this affidavit in support of the relief sought by Synaptive and for no improper purpose.

**SWORN REMOTELY** by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O.Reg. 431/20, Administering Oath or Declaration Remotely.

A blue ink signature, appearing to read "Mike Noel", written in a stylized, cursive script.

---

Commissioner for Taking Affidavits  
(or as may be)

**MIKE NOEL**  
(LSO#: 80130F)

A brown ink signature, appearing to read "Diane Zimmerman", written in a stylized, cursive script.

---

**Diane Zimmerman**

This is Exhibit “A” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, appearing to read "MIKE NOEL", with a stylized, overlapping design.

---

*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

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SYNAPTIVE MEDICAL INC.**

**Applicant**

**AFFIDAVIT OF MAGNUS MOMSEN  
(Sworn March 18, 2025)**

I, Magnus Momsen, of the City of San Jose, in the State of California, in the Country of the United States of America, MAKE OATH AND SAY:

1. I am the Chief Financial Officer of Synaptive Medical Inc. ("**Synaptive**"), the applicant in this proceeding. I have been the Chief Financial Officer since I joined the company in January 2022. Before that time, I spent eleven years with Varian Medical Systems, the world's leading supplier of radiation therapy equipment, software and accessories for cancer treatment, and, prior to that, I spent 13 years with PricewaterhouseCoopers LLP in its life science and venture capital group. I received my Bachelor of Arts in Economics from the University of California and a Masters in Accounting from San Jose State University. I am also a California licensed Certified Public Accountant.

2. In my capacity as the Chief Financial Officer, I am familiar with the day-to-day operations, business affairs and books and records of Synaptive and the other members of the Synaptive Group (as such term is defined below). I therefore have personal knowledge of the matters contained in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

3. All references to currency in this Affidavit are references to United States dollars unless otherwise indicated. For ease of reference, this Affidavit is organized as follows:

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## I. OVERVIEW

4. Synaptive is a Canadian medical technology champion in need of urgent relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). It is known globally for its technological excellence and its best-in-class patient results. The ongoing trade tensions with the United States, the threat of tariffs, retaliatory tariffs, and newly imposed tariffs have contributed to a liquidity crisis for Synaptive. Along with the continuing support of Export Development Canada, the breathing room and tools provided by the CCAA are needed to navigate this sensitive time and to achieve a restructuring for the benefit of the company and its myriad stakeholders.

5. This Affidavit is sworn in support of an application under the CCAA before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order (the “**Initial Order**”) in respect of Synaptive. If granted, the Initial Order would, among other things:

- (a) declare that Synaptive is a “debtor company” to which the CCAA applies;
- (b) appoint Richter Inc. (“**Richter**”, or the “**Proposed Monitor**”) to monitor the assets, business, and affairs of Synaptive (if appointed in such capacity, the “**Monitor**”);
- (c) stay, for an initial period of not more than 7 days (the “**Initial Stay Period**”), all proceedings and remedies taken or that might be taken in respect of Synaptive, the Monitor or certain of Synaptive’s directors and/or officers (collectively, the “**Directors and Officers**”), or affecting Synaptive’s business (the “**Business**”) or any of Synaptive’s current and future assets, undertakings, and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (collectively, the “**Property**”), except with the written consent of Synaptive and the Monitor, or with leave of the Court (the “**Stay of Proceedings**”);
- (d) authorize Synaptive to continue to utilize the Cash Management System (defined below) and to maintain the banking arrangements currently in place for Synaptive;
- (e) authorize Synaptive to: (i) enter into the DIP Term Sheet (defined below) and approve Synaptive’s ability to borrow under the interim financing facility set out therein (the “**DIP Financing Facility**”) with Export Development Canada (“**EDC**”, and in such capacity, the “**DIP Lender**”) as lender, up to an initial maximum

amount of C\$1,000,000 (the “**Initial Amount**”); and (ii) comply with its obligations under the DIP Term Sheet; and

(f) grant the following charges (collectively, the “**Charges**”) over Synaptive’s Property:

- (i) the Administration Charge (defined below) up to a maximum amount of C\$250,000;
- (ii) the DIP Lender’s Charge (defined below); and
- (iii) the Directors’ Charge (defined below) up to a maximum amount of C\$1,100,000.

6. If the proposed Initial Order is granted, Synaptive intends to bring a motion to be heard within 7 days thereafter (the “**Comeback Hearing**”) seeking:

(a) an order (the “**SISP Approval Order**”), among other things:

- (i) approving a sale and investment solicitation process (“**SISP**”) for a transaction in respect of Synaptive’s Property and/or Business and authorizing Synaptive to implement the SISP pursuant to the procedures, terms and conditions set forth therein (the “**SISP Procedures**”);
- (ii) authorizing and directing the Monitor and Synaptive to perform their respective obligations and do all things reasonably necessary to perform their obligations under the SISP Procedures; and
- (iii) declaring that Synaptive, the Monitor and the DIP Lender, and their respective affiliates, partners, directors, employees, agents, and controlling persons shall have no liability or obligation whatsoever for any act or omissions related to the process contemplated by the SISP Procedures; and

(b) an amended and restated Initial Order (the “**ARIO**”), among other things:

- (i) authorizing Synaptive to borrow under the DIP Financing Facility up to a maximum principal amount of C\$7,000,000 (the “**Maximum Amount**”) in accordance with the DIP Term Sheet;

- (ii) increasing the maximum amount of the Administration Charge to C\$500,000; and
- (iii) providing an extension of the Stay of Proceedings.

7. Synaptive has run into a liquidity crisis. It is a Canadian-grown, Toronto-based medical device company focused on developing cutting-edge neurosurgical and imaging products that provide a complete neurosurgery solution—from pre-operative imaging, planning and diagnosis to surgical interventions and post-operative care. Critically, Synaptive’s technology saves the lives of brain and spine surgery, cancer and stroke patients, leads to better outcomes and, ultimately, improves the qualities of life of patients following these significant medical events.

8. However, Synaptive’s sales have not adequately supported its cost structure and its losses, while shrinking, are significant. Its ongoing research and development (“**R&D**”) efforts, costs associated with maintaining its substantial intellectual property (“**IP**”) portfolio, significant employee base and working capital needs have been a significant drain on its cash position. The recent market uncertainty caused by trade tensions and the threat of tariffs has caused these challenges to boil over.

9. Synaptive has already exhausted its out-of-court options to resolve these operational and financial challenges. It has undertaken a variety of initiatives since 2023 to find a long-term financing solution for these challenges, including by engaging Royal Bank of Canada (“**RBC**”) in October 2023 to conduct a process to seek financing and/or investment.

10. Indeed, in late 2024, Synaptive reached an agreement with EDC and another investor that would have resulted in it raising \$25 million through the issuance of new equity. This proposal was not accepted by the requisite number of Synaptive’s existing shareholders, and, as a result, the total additional funding needed beyond the two lead investors was not secured. As recently as March 2025, Synaptive was on the verge of achieving a sustainable refinancing that would have addressed its liquidity and positioned it for operational success, with the support of EDC. The recent market uncertainty could not have come at a worse time. Those efforts failed and precipitated the present restructuring efforts, which importantly have the continued support of EDC.

11. Despite Synaptive's diligent efforts to resolve these challenges, it is insolvent and does not have the necessary liquidity to sustain its operations going forward or to pay its obligations generally as they come due. Synaptive is in default of approximately \$103 million of secured debt obligations, and its seniormost creditor, EDC, is in a position to enforce its security against Synaptive's property. Synaptive requires CCAA protections to avoid the likeliest alternative scenario: the cessation of its operations and the value-destructive liquidation of its assets, to the detriment of its stakeholders.

12. Importantly, Synaptive comes prepared with a map of the road ahead in this CCAA proceeding. It has worked extensively with EDC, in consultation with the Proposed Monitor, to prepare a value-maximizing SISP to solicit offers for a sale of and/or investment in Synaptive's Property, Business and/or shares, along with a DIP facility that would provide Synaptive with both an immediate injection of cash on day 1 to meet its liquidity needs through to the comeback hearing, and, following the comeback hearing, sufficient funding to operate the Business and implement the proposed SISP Procedures (all of which is subject to this Court's approval).

13. Synaptive requires immediate protection under the CCAA to prevent enforcement actions, normalize its operations and allow for an orderly sale/investment process. In light of, among other things, the nature of Synaptive's business and the stakeholders involved, the framework and flexibility provided by the CCAA would provide the most effective, efficient and equitable method through which to rescue Synaptive's business for the benefit of its creditors, employees and other stakeholders including, importantly, neurosurgery patients. I believe that this path forward gives Synaptive its only realistic opportunity to achieve that outcome.

## **II. BACKGROUND**

### **A. Corporate History**

14. Synaptive is a Canadian medical technology company. It was incorporated in Ontario on April 30, 2012, with a vision of leveraging high-tech solutions to improve surgical outcomes and qualities of life for neurosurgery patients. For much of its early years, it focused on laying the groundwork for this vision through initial R&D efforts, resulting in patent filings to support the development of its IP. The Company had no sales during this initial period.

15. In 2014, Synaptive made its initial filings for its first product, BrightMatter Plan—an advanced surgical planning software solution that provides real-time 3D rendering of medical scan images (such as MRI scans) and tools for reviewing, manipulating and annotating those images. BrightMatter received approval from the U.S. Food and Drug Administration (“**FDA**”) in June 2014. Later that year, Synaptive acquired the assets of ClearCanvas Inc. (“**ClearCanvas**”), which had worked with Synaptive prior to the acquisition to develop a number of products.

16. Over the subsequent years, Synaptive continued to release new products and improved versions of its existing products, including a robotic digital exoscope first released in 2015 as BrightMatter Drive (with the current generation released in 2023 as Modus X, described below) and a mid-field MRI machine first released in 2020.

17. In 2016 Synaptive made its first sale outside of North America, with the installation of a BrightMatter Drive system in Pakistan. As of today’s date, Synaptive has customers in fifteen countries.

## **B. Corporate Structure**

18. Synaptive is organized under the Ontario *Business Corporations Act*. Its registered office is located at 555 Richmond Street West, Toronto, Ontario. A copy of Synaptive’s corporate profile current as of March 12, 2025 is attached as **Exhibit “A”**.

19. Synaptive is the ultimate parent company of each of the other entities in its corporate group, the names and jurisdictions of which are summarized below (collectively, the “**Non-Applicant Entities**”, and together with Synaptive, the “**Synaptive Group**”). Additionally, the Synaptive Group’s organizational chart, along with additional corporate information on each entity, is attached as **Exhibit “B”**.

<b>Subsidiary</b>	<b>Jurisdiction</b>
Synaptive Medical (Barbados) Inc.	Barbados
Synaptive Medical USA, Inc.	United States (Delaware)
Synaptive Medical International SA	Switzerland

Synaptive Medical (UK) Ltd.	United Kingdom
Synaptive Medical Pte. Ltd	Singapore
Synaptive Medical (Germany) GmbH	Germany
Synaptive Medical (Australia) Pty Ltd.	Australia
Synaptive Medical Denmark ApS	Denmark

20. Synaptive’s centre of main interest is Canada. All significant assets and operations of the Synaptive Group are located in Canada. Key decisions are made in Canada and major contracts are negotiated and/or approved from Canada. While certain of the non-applicant entities in the Synaptive Group, including Synaptive Medical USA, Inc. (“**Synaptive USA**”), employ Synaptive’s non-Canadian employees, none of those entities have any material assets or business.

21. Moreover, most employees are located in Canada (though the majority of medical device systems sold by Synaptive are deployed in the United States and are serviced by U.S.-based employees of Synaptive USA). The Synaptive Group’s presence in other countries is limited and represents only a small portion of its business. Except as otherwise discussed herein, each of the other entities in the Synaptive Group exist primarily for the purpose of employing individuals in the jurisdiction of the given entity.

22. That being said, the Synaptive Group’s business is interdependent across its entities. A number of other intercompany agreements exist among the Synaptive Group, including cost sharing and distribution agreements between Synaptive and Synaptive Barbados, as well as sales representative agreement between Synaptive and Synaptive USA, Synaptive and Synaptive Switzerland, and Synaptive Switzerland and Synaptive Singapore.

23. While Synaptive does not currently plan to seek recognition of this CCAA proceeding or similar relief in other jurisdictions, it may do so if necessary or desirable to achieve a restructuring or sale on terms that maximize value for creditors.

### **III. SYNAPTIVE'S BUSINESS**

#### **A. Synaptive Develops and Sells Cutting-Edge Medical Devices and Platforms**

24. Synaptive is a Canadian medical device company driven by its mission of enabling better outcomes for neurosurgery patients through innovative tools, platforms and other solutions. Synaptive's products ensure that neurosurgeons and other healthcare professionals are delivered the right information at the right place and the right time, before, during and after surgical procedures. Synaptive achieves this goal through its advanced software algorithms, robotics and optical technologies designed to improve efficiencies while focusing on clinical outcomes.

25. Each of Synaptive's key product lines and platforms is discussed in turn.

##### **1. *Modus X***

26. Launched in March 2023, Modus X is Synaptive's next-generation robotic digital microscope that sets a new standard for automated optical power in surgical visualization. It is a fully-automated, hands-free robotic exoscope featuring advanced 3D optics to support a wide range of surgical approaches and workflows during neurosurgery, spinal surgery and similar operations. An independent study indicates that implementing the Modus X in a surgical workflow can result in an approximate average 19% reduction in operative time, 40% reduction in the length of a patient's stay and 79% reduction in patient blood loss.

27. An illustrative photograph of the Modus X being used during a surgical operation is reproduced below:

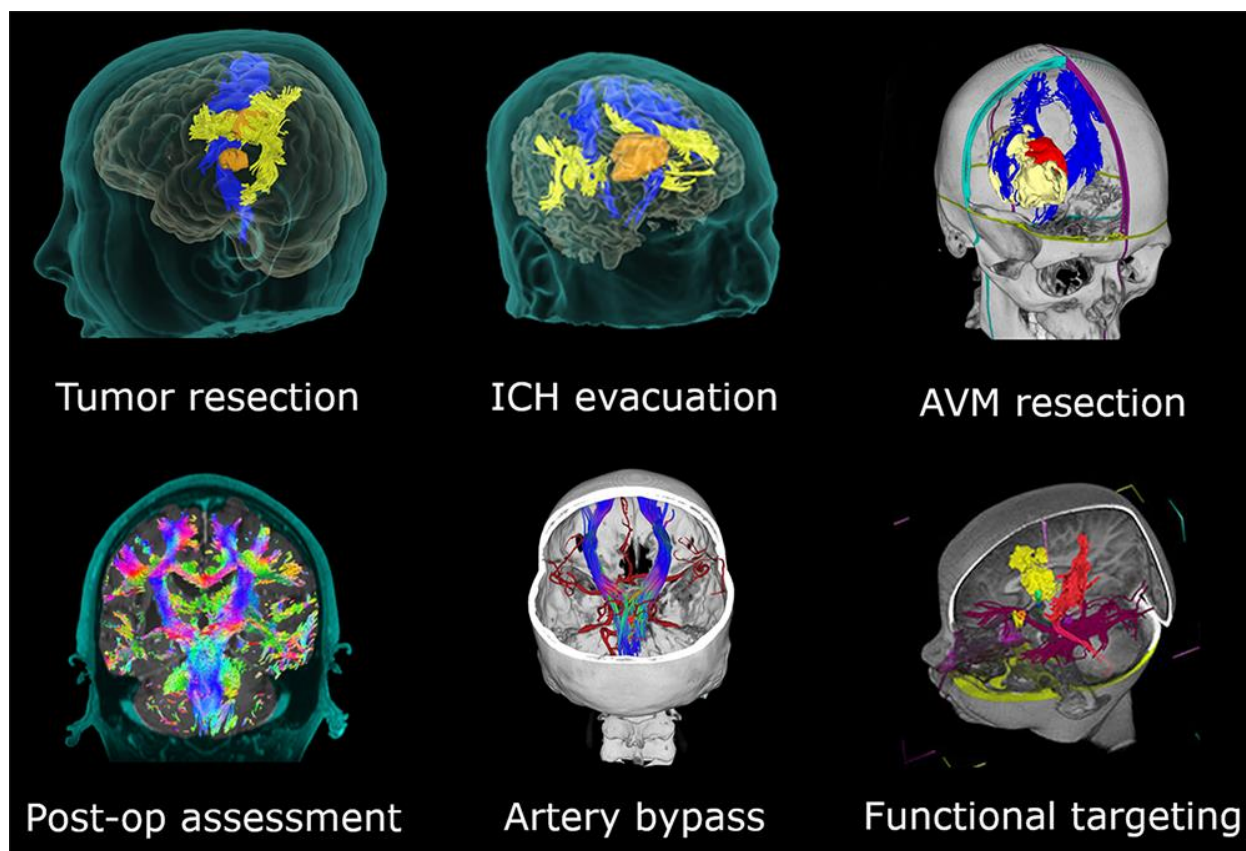


## 2. *Modus Plan*

28. Modus Plan is the successor to BrightMatter Plan, the first of Synaptive's surgical products that launched in 2014. It is designed to assist surgeons in creating pre-operative plans by providing the surgeon with a high-fidelity, dynamic image of the entire brain. This gives surgeons real-time access to information about a patient's brain structure and allows the surgeon to explore multiple surgical approaches and help provide guidance during surgery.

29. Illustrative samples of brain images generated using Modus Plan are reproduced below:





### 3. *Modus Nav*

30. Modus Nav (originally called “BrightMatter Guide”) was launched in April 2015. It is a hardware and software solution designed to complement Modus Plan by tracking a surgeon’s instruments in real time, providing him or her with a dynamic map of the patient’s brain during surgery and the location of their tools within this map. Modus Plan can, for example, determine an optimal approach through a patient’s brain to a tumor, help define the boundaries of the tumor’s resection (i.e., removal) and track the patient recovery following surgery. Modus Nav helps the surgeon to navigate in real time within the brain using the tractography maps from Modus Plan.

### 4. *Synaptive MRI*

31. Synaptive MRI is an innovative MRI (i.e., magnetic resonance imaging) platform, launched in April 2020, which generates high-quality images using a lower magnetic field strength than Synaptive’s competitors. MRI machines typically generate very high-strength magnetic fields using large, cryogenically-cooled electromagnets to produce a scan of the patient’s body. Synaptive MRI uses a novel, cryogen-free superconducting magnet that operates at a lower

strength, meaning the MRI machine is smaller and can be installed in a wider variety of locations, including operating rooms, emergency rooms and intensive care units, potentially broadening demand.

## **5.     *Service Program***

32.     Synaptive also has a service offering that encompasses installation, upgrades, support, repair, preventative maintenance, operational assistance and training, among other things.

### **B.     Customers**

33.     The majority of Synaptive's initial customers have been hospitals with neurosurgery centers in the U.S. market. This is an important market segment, because U.S. surgeons are often viewed as leaders in their field. Synaptive has provided equipment to neurosurgeons from leading U.S. neurosurgical centers, such as Aurora St. Luke's Medical Center, Cedars-Sinai, Houston Methodist, Mount Sinai, Swedish Medical Center, University of Michigan, Henry Ford Health System, University of Pennsylvania Medical Center and Dartmouth-Hitchcock. Beyond this, Synaptive has also provided equipment to leading hospitals in Canada, Europe, Australia, Pakistan and South-East Asia.

### **C.     Suppliers**

34.     Synaptive relies on a number of suppliers for components, materials, equipment, and services related to its products and programs. Key suppliers include JENOPTIK Medical GmbH, Sony Electronics Inc., VadaTech, IPro, Universal Robotics, Beckoff, MDA, Advance Medical Designs, Advance Motion, Harbec Inc., QSDM Inc., Uniserve Communications, Inc. and Pacer Air Freight Ltd.

35.     Synaptive's dependence on these suppliers is part of the reason why this CCAA proceeding is necessary. Without the stay of proceedings and other relief detailed below, Synaptive could soon face a material interruption in the supply of products and services from its suppliers. This would impair Synaptive's ability to manufacture products and meet the demands of its customers, harming its business. Identifying and qualifying additional or replacement suppliers for any of the components or materials used in Synaptive's products, or obtaining additional inventory if required, may not be possible and could, in any event, involve significant additional costs. For

these reasons, among others, the CCAA stay of proceedings will be a key component of restructuring and sale process efforts.

#### **D. Cash Management**

36. In the ordinary course of business, the Synaptive Group utilizes an integrated, centralized cash management system to collect and disburse funds (collectively, the “**Cash Management System**”). The Cash Management System is similar to those commonly employed by corporate entities of comparable size and complexity to the Synaptive Group and provides a cost-effective and efficient means of managing the group’s finances.

37. Part of the Cash Management System includes general accounts, through which customer payments are collected, and accounts through which payroll and supplier payments are disbursed. Synaptive maintains bank accounts in Canada, the U.S., Australia and Germany.

#### **E. Regulatory Oversight**

38. Synaptive’s North American operations are subject to regulatory oversight. In Canada, Synaptive’s products cannot be sold without Health Canada approvals. In the U.S., Synaptive’s products and operations are subject to extensive and rigorous regulation by the FDA under the *Federal Food, Drug, and Cosmetic Act* and its implementing regulations, guidance documents, and standards.

39. Synaptive’s international sales are subject to the applicable regulatory requirements in the countries in which products are sold. The regulatory review process varies from country to country. Certain jurisdictions may require the submission of clinical data.

40. For example, “CE” marks are required to sell products in most Western European countries and are also accepted in some countries outside of Western Europe. Synaptive has received CE marks in the European Union, Switzerland and the U.K. for each of its Modus family of products and accessories.

41. An integral part of Synaptive’s regulatory efforts has been the updating of Synaptive’s ISO and MDR certificates for ongoing compliance with European requirements. This certificate

surveillance audit was conducted in December 2024 and the certificate was issued and remains valid until June 2026.

42. Finally, Synaptive is subject to healthcare fraud and abuse regulation in the jurisdictions in which it operates. This includes, without limitation, applicable anti-kickback legislation, false claims legislation, physician payment reporting legislation and patient privacy regulations.

#### IV. ASSETS OF THE SYNAPTIVE GROUP

43. Financial statements are prepared for the Synaptive Group on a consolidated basis. Due to the Synaptive Group's organizational structure, as well as the nature of the assets and operations (or lack thereof) of certain entities within such structure, there are no stand-alone audited financial statements available for Synaptive's subsidiaries. The Synaptive Group is largely intertwined and conducts operations primarily through Synaptive and assets are almost exclusively held in the Canadian entity.

44. The most recent audited financial statements, being for the calendar year ended December 31, 2020, are attached as **Exhibit "C"**. In addition, a copy of the Synaptive Group's unaudited balance sheet and income statement for the calendar year ended December 31, 2024, being the most recent available period, is attached as **Exhibit "D"**.

45. As of December 31, 2024, the Synaptive Group's total assets had a book value of approximately \$39.8 million. The assets of the Synaptive Group consisted of the following:

Assets (approximate as at December 31, 2024)	
Current Assets	
Cash and equivalents	\$ 1,055,974
Trade receivables	4,040,915
Other current receivables	274,859
Inventories	18,759,747
Prepaid expenses and deposits	2,567,418

<b>Total Current Assets</b>	<b>\$ 26,698,913</b>
Property and equipment, net	1,298,208
Right-of-use assets	8,015,272
Goodwill	2,085,000
Intangible assets	1,738,168
<b>Total Non-Current Assets</b>	<b>\$ 13,136,648</b>
<b>Total Assets</b>	<b>\$ 39,835,561</b>

**A. Synaptive**

**1. *Facilities and Leases***

46. Synaptive currently operates out of a primary location at 555 Richmond Street West, Toronto, Ontario, and is in the process of moving to a new headquarters at 5055 Satellite Drive, Mississauga, Ontario, under a lease that expires on September 30, 2034 as part of its cost saving efforts and manufacturing scalability. Synaptive also leases a small manufacturing location in London, Ontario, which expires on July 31, 2028 and a small distribution, maintenance and storage facility in Memphis, Tennessee, which expires on December 31, 2026. All international employees work from their homes.

**2. *Insurance***

47. Synaptive maintains insurance coverage that it believes to be consistent in practice with other similar manufacturers in the medical device industry, including general liability insurance (\$10 million); product liability insurance (\$10 million); errors and omissions insurance, including cyber security (\$5 million); property insurance (\$19.2 million); cargo insurance (\$1 million); crime insurance (\$1 million) and director's and officer's liability insurance (\$18 million). Each of the foregoing insurance policies expire on March 31, 2025. While Synaptive is in discussions with its insurance provider to renew and/or replace this coverage, no such renewal/replacement has happened to date.

### **3. *Intellectual Property***

48. Given the high value and strategic importance of IP in the medical technology sector, Synaptive has focused on building a core portfolio of owned and licensed IP. Synaptive's current IP strategy involves both filing for patents to cover new approaches in technology while partnering with appropriate third parties to obtain licensing access to helpful or complementary IP.

49. Synaptive is building a broad patent portfolio, with specific emphasis in the areas of multi-modal image registration, navigation systems and accessories, MRI and optical imaging systems. Synaptive's patents also cover other advanced medical imaging technologies that can be applied to a variety of medical procedures.

50. To date, Synaptive has filed over 1,275 patent applications in a number of key jurisdictions, including Canada, the U.S., Europe, China and Japan. Synaptive has received 839 patents, with over 330 grants in the U.S. alone. Synaptive also licenses 43 patents, 37 of which have been granted.

### **4. *Other Material Assets***

51. Synaptive's other material assets consist of the following:

- (a) inventories, consisting of raw materials, work-in progress, and finished goods in connection with Synaptive's product lines;
- (b) property and equipment, consisting of furniture and equipment, computer and research equipment, leasehold improvements, and tradeshow and demonstration equipment; and
- (c) intangible assets consisting of computer software, software technology, license agreements, including with the University of Western Ontario, Stryker Corporation and Sunnybrook Research Institution, and patents.

## **V. THE SYNAPTIVE GROUP'S INDEBTEDNESS**

52. As of December 31, 2024, the Synaptive Group's total liabilities had a book value of approximately \$130 million. The liabilities of the Synaptive Group consisted of the following:

<b>Liabilities (approximate as of December 31, 2024)</b>	
Current Liabilities	
Accounts payable and accrued liabilities	\$ 15,286,740
Long-term debt (current portion)	5,684,182
Lease liabilities (current portion)	798,917
Income taxes payable	-
Deferred revenue	6,692,807
<b>Total Current Liabilities</b>	<b>\$ 28,462,646</b>
Long-term debt	94,700,562
Lease liabilities	7,509,000
<b>Total Liabilities</b>	<b>\$ 130,672,208</b>

53. Additionally, the Synaptive Group’s key long-term funded debt as at March 10, 2025 is summarized in the following table:

<b>Key Secured Debt Obligations</b>			
Facility	Creditor	Priority	Approximate Amount Outstanding
Espresso Facility	Export Development Canada	First	\$6,020,000
EDC Convertible Notes	EDC and the other holders listed in Exhibit “L”	Second	Aggregate of \$59,778,028
BDC Convertible Notes	BDC Capital Inc. and the other holders listed in Exhibit “N”	Third	Aggregate of \$7,231,496
Subordinated Convertible Notes	The holders listed in Exhibit “P”	Fourth	Aggregate of \$30,875,636
<b>Total</b>			<b>\$103,905,160</b>

**A. Secured Debt**

**1. Espresso Loan Facility**

54. On or around December 23, 2020, Synaptive, as borrower, entered into a loan facility and security agreement (as amended from time to time, the “**Espresso Loan Agreement**”) with Espresso Capital Ltd. (“**Espresso Capital**”), pursuant to which Espresso Capital committed, subject to the terms and conditions therein, to advance \$5,000,000 to Synaptive (the “**Espresso Facility**”). Espresso Capital acted as the administrative and collateral agent and Espresso Venture Debt LP (“**Espresso Venture**”) acted as the lender under the Espresso Facility.

55. As continuing security for Synaptive’s obligations under the Espresso Facility: (i) Synaptive granted Espresso Capital a security interest in all of its personal property under the Espresso Loan Agreement; and (ii) Synaptive executed an intellectual property security agreement dated December 23, 2020, in favour of Espresso Capital, under which Synaptive granted Espresso Capital a security interest in all of its intellectual property (the “**Synaptive IP Security Agreement**”).

56. In support of Synaptive’s obligations under the Espresso Facility, Synaptive USA and Espresso Capital signed a guarantee dated December 23, 2020 (the “**Synaptive USA Guarantee**”), whereby Synaptive USA guaranteed all of all Synaptive’s obligations under the Espresso Facility. Synaptive USA also executed an intellectual property security agreement dated December 23, 2020, in favour of Espresso Capital, under which Synaptive granted Espresso Capital a security interest in all of its intellectual property (the “**Synaptive USA IP Security Agreement**”).

57. On April 18, 2023, Espresso Capital, Espresso Venture and Synaptive entered into a first amendment to the Espresso Loan Agreement, under which they agreed to amend certain interest and other commercial terms of the Espresso Facility.

58. On August 30, 2023, Espresso Venture and Espresso Capital assigned to EDC all of their right, title and interest in and to, among other things, the Espresso Loan Agreement, the Synaptive IP Security Agreement, the Synaptive USA Guarantee and the Synaptive USA IP Security Agreement (the “**Espresso Assignment**”). Following the Espresso Assignment, EDC and



Synaptive entered into a second amendment to loan facility and security agreement on July 22, 2024 (such amendment, the “**Second Amended Espresso Loan Agreement**”).

59. The Second Amended Espresso Loan Agreement, among other things, separated the Espresso Facility into two tranches: (i) a first tranche of \$1,500,000, which Espresso Capital advanced prior to the Espresso Assignment Agreement; and (ii) a second tranche of \$3,500,000, which EDC advanced in three payments in July, August and September 2024 in the amounts of \$1.75 million, \$1 million and \$750,000. The Espresso Facility bears interest at a rate of 20% from and after July 22, 2024. The Espresso Facility was originally scheduled to mature on December 23, 2023 (in respect of the first tranche) and December 16, 2024 (in respect of the second tranche), but these date were both subsequently extended on various occasions, most recently to March 12, 2025.

60. Copies of the Espresso Assignment, the Second Amended Espresso Loan Agreement, the Synaptive IP Security Agreement, the Synaptive USA Guarantee and the Synaptive USA IP Security Agreement are attached as **Exhibits “E” to “I”**, respectively.

61. As of March 10, 2025, Synaptive’s indebtedness under the Espresso Facility is approximately \$6,020,000.

## **2. EDC Convertible Notes**

62. Between November 1, 2022 and December 23, 2024, Synaptive issued a total of 75 convertible promissory notes (collectively, the “**EDC Convertible Notes**”) to various investors in an aggregate amount of \$49,684,800. EDC acted as the lead investor under the EDC Convertible Notes and advanced an aggregate principal amount of \$40,000,000 thereunder.

63. The EDC Convertible Notes bear interest at a rate of 10% per annum, subject to the terms thereof, and were originally scheduled to mature on February 6, 2025; however, this date was extended to March 12, 2025. Each EDC Convertible Note is convertible into shares of Synaptive if the conditions described therein have been met. As security for its obligations under the EDC Convertible Notes, Synaptive granted each holder a security interest in substantially all of its personal property.

64. The EDC Convertible Note held by EDC has been amended or amended and restated seven times since it was first entered into on November 1, 2022. A copy of EDC's fourth amended and restated EDC Convertible Note (being the most recent amended and restated version of the note), together with the seventh amendment thereto (being the most recent amendment to the note) are attached as **Exhibits "J" and "K"**, respectively. The fourth amended and restated EDC Convertible Note was erroneously titled the "third" amended and restated EDC Convertible Note.

65. Additionally, a table summarizing the holders of EDC Convertible Notes, including the holder, the date of the note and the amount advanced to Synaptive is attached as **Exhibit "L"**.

66. As at March 10, 2025, Synaptive's aggregate indebtedness under the EDC Convertible Notes, including accrued and unpaid interest, was approximately \$59,778,028.

### **3. *BDC Convertible Notes***

67. Between December 23, 2020 and February 1, 2021, Synaptive issued a total of 66 convertible promissory notes (collectively, the "**BDC Convertible Notes**") to various investors in an aggregate amount of \$14,792,678.46. BDC Capital Inc. ("**BDC**") acted as the lead investor under the BDC Convertible Notes and advanced a principal amount of \$5,000,000 thereunder.

68. The BDC Convertible Notes bear interest at a rate of 8.55%. They were originally scheduled to mature on December 23, 2023, but this date was subsequently extended on various occasions, most recently to March 12, 2025. Each of the BDC Convertible Notes are convertible into shares of Synaptive if the conditions described therein have been met. As security for its obligations under the BDC Convertible Notes, Synaptive granted each holder a security interest in substantially all of its personal property.

69. In June 2021, holders of 61 BDC Convertible Notes, with an aggregate principal amount of \$9,911,678.46, converted into Class B Preferred shares of Synaptive (and which were subsequently converted to Common shares on February 6, 2023), leaving 5 BDC Convertible Notes outstanding, with an aggregate principal amount of \$5,119,000.

70. A copy of the BDC Convertible Note held by BDC is attached as a sample at **Exhibit "M"**, and a table summarizing the holders of BDC Convertible Notes (for greater certainty, excluding

those BDC Convertible Notes that were converted into equity), including the holder, the date of the note and the amount advanced to Synaptive is attached as **Exhibit “N”**.

71. As at March 10, 2025, Synaptive’s aggregate indebtedness under the BDC Convertible Notes, including accrued and unpaid interest, was approximately \$7,231,496.

#### **4. Subordinated Convertible Notes**

72. Between October 5, 2021 and December 10, 2024, Synaptive issued a total of 107 subordinated convertible promissory notes (collectively, the “**Subordinated Convertible Notes**”) to approximately 95 investors in an aggregate amount of \$23,711,493. The Subordinated Convertible Notes bear interest at a rate of 10% per annum and were originally scheduled to mature on October 31, 2024; however, the maturity date was subsequently extended on various occasions, most recently to March 12, 2025. Each Subordinated Convertible Note is convertible into shares of Synaptive if the conditions described therein have been met.

73. As security for its obligations under the Subordinated Convertible Notes, Synaptive granted each holder a security interest in substantially all of its personal property. However, the security interest of each Subordinated Convertible Note was postponed and subordinated to the EDC Convertible Notes.

74. A copy of a sample investor’s Subordinated Convertible Notes is attached as at **Exhibit “O”**, and a table summarizing the holders of Subordinated Convertible Notes, including the holder, the date of the note and the amount advanced to Synaptive is attached as **Exhibit “P”**.

75. As at March 10, 2025, Synaptive’s aggregate indebtedness under the Subordinated Convertible Notes, including accrued and unpaid interest, was approximately \$30,875,636.

#### **5. Credit Card Facility**

76. Synaptive also has two long-standing credit card facilities with RBC (the “**Credit Card Facilities**”)—one for Canadian dollars and another for U.S. dollars. RBC holds cash collateral in a blocked account as security for Synaptive’s obligations under the Credit Card Facilities. As at March 10, 2025, Synaptive’s indebtedness under the Credit Card Facilities were approximately C\$127,166 and US\$50,000.

**B. Accounts Payable**

77. As of December 31, 2024, the Synaptive Group had accounts payable and other liabilities of approximately \$15.2 million, most of which is owed to trade creditors. These trade debts are unsecured and relate to goods and services supplied to the Synaptive Group. Some of the Synaptive Group's largest trade creditors include, among others: Pacer Air Freight Ltd., PricewaterhouseCoopers LLP, JENOPTIK Medical GmbH, Uniserve Communications, Total Benefit Solutions LLC, ARCH Medical Solutions – Sparta, Deloitte Management Services LP, Panaxium SAS and Paradigm Capital.

**C. Regional Relief Recovery Loan**

78. On June 29, 2020, Synaptive entered into a loan agreement with the Federal Economic Development Agency for Southern Ontario for proceeds of C\$500,000 from the Regional Relief and Recovery Fund—a program designed to assist businesses with the impact of the pandemic. The loan is interest free, with monthly repayments commencing on January 15, 2023. The loan matures on December 15, 2027.

79. As at March 10, 2025, the outstanding balance under this loan was C\$291,667.

**D. Employee Wages**

80. The Synaptive Group's gross payroll is approximately \$220,000 and C\$650,000 every two weeks. As at March 14, 2025, Synaptive owed \$139,276 and C\$527,152 of wages in arrears, \$562,600 of accrued vacation pay and C\$44,297 of CPP and EI contributions in respect of its current and temporarily laid off employees.

**E. Taxes**

81. Synaptive expects that, while not presently due and payable, source deductions will be triggered upon payment of the employee wage amounts described in the previous paragraph. Synaptive is otherwise current on its Canadian tax obligations.

## **F. Landlords**

82. As noted above, Synaptive is a tenant under a lease for its office located in 555 Richmond Street, Toronto. Synaptive is approximately two months behind on rental payments (i.e., it did not make a payment for February rent and has not prepaid March rent).

## **G. Litigation**

83. On May 28, 2024, a former Synaptive USA salesperson filed a Charge of Discrimination with the U.S. Equal Employment Opportunity Commission. The parties attended a mediation session on December 9, 2024 and, on February 18, 2025, executed a settlement agreement whereby Synaptive USA agreed to pay \$75,000. This amount remains outstanding.

## **H. PPSA Registrations**

84. Synaptive's counsel conducted a search as against Synaptive in the Ontario personal property security registration system. A copy of the summary of that search, which is current as at March 11, 2025, is attached as **Exhibit "Q"**.

## **I. Share Capital**

85. Synaptive's authorized share capital consists of an unlimited number of Common Shares, 99,578,281 of which are issued and outstanding as of March 14, 2025. Key shareholders include General Atlantic, Sensegain, Avina Acquisition Corp, Linamar Corporation, Daniel Bordessa, Cameron Piron, Tim Macready, David Gallop, Gal Sela, Audible Capital Corp, Wes Hodges, Cannonball Capital Inc., Ludwig and Valerie Piron, Synaptic Cleft LLC, and Quadrille Technologies III FPCI.

# **VI. DIRECTORS AND OFFICERS**

86. All Synaptive board meetings are held in Toronto. Synaptive's minute books are stored electronically. The members of Synaptive's board of directors (the "**Board**") are Tim Scannell, Jing Yang, Richard Hausmann, Daniel Bordessa and Cameron Piron.

87. The members of Synaptive's executive management team, including their names, titles and residency, are set out in the following table:

Name	Title	Residency
Cameron Piron	President	Canada
Dylan White	Secretary, Chief Legal Officer	Canada
Shawn Campbell	SVP, Operations	Canada
Magnus Momsen	Chief Financial Officer	United States
Chris Marrus	Chief Commercial Officer	United States

## **VII. EMPLOYEES**

88. The Synaptive Group currently employs 40 individuals on an active basis. Additionally, in connection with its cost-saving efforts (described below), the Synaptive Group made the difficult decision to issue temporary layoff notices to 149 of its valued employees on March 4, 2025, with a tentative recall date scheduled for March 24, 2025.

89. Additionally, the Synaptive Group has a direct sales force in the U.S. and Canada with distributor managers in Australia and Europe. This sales force consists of 11 employees in the U.S. and 1 employee in Canada. The Synaptive Group also employs salespeople in Lebanon and Australia who are responsible for setting up distribution agreements in the Middle East, Pakistan, and South Asia. The Synaptive Group's Canadian sales leader is located in Ontario, while its U.S. sales leader is located in Houston, Texas.

### **A. Employee Benefits**

90. The Synaptive Group maintains various benefits for its employees. These include group life benefits, accidental death and dismemberment benefits, dependent life insurance benefits, short-term disability benefits, long-term disability benefits, contract employee assistance program benefits, extended health care benefits, a global medical assistance/best doctors plan, and dental care benefits.

91. In addition, the Synaptive Group maintains a pension plan for its employees in the form of an RRSP in Canada and 401(k) plan in the U.S.

## **VIII. RECENT FINANCIAL DIFFICULTIES AND SYNAPTIVE'S INSOLVENCY**

### **A. History of Challenges Facing the Synaptive Group**

92. Synaptive has faced significant and growing financial difficulties in recent years. Synaptive's sales have not adequately supported its cost structure, and the result has been a deterioration in Synaptive's financial position combined with mounting losses. For the year ended December 31, 2024, the Synaptive Group had consolidated revenues of approximately \$19.0 million and an approximate net loss of \$29.6 million.

93. Numerous factors have caused a substantial drain on Synaptive's cash position, including costs associated with Synaptive's ongoing R&D efforts, costs associated with maintaining Synaptive's substantial IP portfolio and costs associated with its significant employee base. As a result, Synaptive lacks the liquidity needed to meet its ongoing payment obligations.

94. Synaptive's business is capital-intensive. It continues to devote a substantial portion of its resources to research and development of surgical technologies, including devices, components, software, tools, and systems for a range of fields. To date, Synaptive has not demonstrated sufficient revenues to pay for this growth and has been dependent on financing to fund its ongoing operations. Increased sales, working capital and further development and cost reductions are needed to achieve sustainability and profitability.

95. The issues faced by Synaptive are compounded by the nature of sales in the surgical technology sector. Long sales lead times create quarterly fluctuations in Synaptive's revenue. Additionally, most of Synaptive's customers are health care providers that rely on third-party payers—such as government and private health insurers—to reimburse the costs of the procedures in which Synaptive's products are used. Continuing efforts by these third-party payers to contain or reduce costs impedes capital spending by Synaptive's customers and can hinder Synaptive's access to steady revenue.

96. Despite Synaptive's significant efforts described below, it has been unable to successfully restructure its operations and raise capital outside of formal insolvency proceedings. Synaptive is now insolvent and unable to meet its liabilities as they become due. As a result of Synaptive's

financial challenges, it has been unable to meet its payroll obligations, working capital needs and other amounts.

97. These problems have been compounded in recent months by the market uncertainty caused by the threat of tariffs with and against the U.S.—the largest market for Synaptive’s products. These tariffs have a significant impact on the cost of Synaptive’s products, which are manufactured exclusively in Canada and compete with other companies that manufacture in the U.S. or other countries not subject to equivalent tariffs.

98. Indeed, Synaptive has been in default of its obligations under its secured facilities since October 2022 when it first defaulted under the Espresso Facility. While Synaptive has been a party to forbearance arrangements since that time, which have been amended from time to time, it has not been able to cure those defaults. The most recent forbearance period expired on March 12, 2025, meaning EDC is now in a position to enforce its security against Synaptive’s property.

99. Without the protection of the CCAA, a shut-down of operations is inevitable. This would be detrimental to Synaptive’s stakeholders, including its lenders, employees, suppliers, and customers. CCAA protection will allow Synaptive to maintain operations while providing it with the necessary time to facilitate the implementation of a sale or investment process with respect to its property and business.

## **B. Responses to Challenges**

100. In response to the financial difficulties described above, Synaptive has undertaken extensive efforts to cut costs, seek additional sales, and raise additional financing.

101. To reduce costs, Synaptive has reduced the number of R&D initiatives it is pursuing and has significantly reduced spending on R&D consultants and material, as well as other discretionary spending across other parts of its business. Synaptive has also consolidated its operating facilities and sub-leased redundant space. Finally, Synaptive made the difficult decision on March 4, 2025, to temporarily lay off 149 of its 189 valued employees, with a tentative recall date scheduled for March 24, 2025.



102. To increase sales, Synaptive has, among other things, improved product performance, partnered with institutions in clinical publications, reduced costs to produce its products, reduced prices on certain products, entered into agreements with European and Asian distributors, and entered into a co-marketing agreement with Stryker Corporation to sell Synaptive's planning software in North America. Because of the obstacles described above that Synaptive faces in its market, these operational responses have had only minor success to date. However, Synaptive is continuing to look for ways to expand its sales network.

103. Synaptive has also made efforts to secure funding and raise additional capital, but these efforts have been largely unsuccessful. In October 2023, Synaptive engaged RBC to act as placement agent for a preferred share financing of up to \$50 million. RBC made outreach efforts throughout 2023 and 2024 with a large number of potential investors, including potential strategic partners. However, RBC was unable to secure a commitment from any party to act as lead investor. Synaptive continued to fund its operations during this period in part by issuance of additional convertible debt.

104. Throughout 2024, Synaptive also engaged independently with various groups of investors, including EDC, to secure a long-term financing solution. These discussions continued throughout the year and ultimately resulted in Synaptive signing a term sheet with EDC and another co-investor in November 2024 (as amended in February 2025), which would have resulted in at least \$25 million of new equity in Synaptive being issued to investors. However, Synaptive was unable to secure the sufficient number of consents it needed from its existing shareholders as well as source all of the remaining capital required beyond the two lead investors to move forward with this strategy.

105. As set out above, Synaptive does not have the means to repay amounts owing under its debt instruments and requires additional funding to continue as a going concern. It will only be able to receive this funding through these CCAA proceedings. The only financing available to Synaptive is the debtor-in-possession loan described below, which cannot be finalized until Synaptive obtains the Initial Order it seeks in these proceedings.

**C. Cash Flow Forecast**

106. I understand that a projected cash flow statement for Synaptive for the 2-week period from March 17, 2025 through the period ending March 28, 2025 (the “**Cash Flow Statement**”) will be attached to the Proposed Monitor’s pre-filing report, to be filed in this matter (the “**Proposed Monitor’s Report**”), and that the Proposed Monitor’s Report will provide further commentary regarding the Cash Flow Statement.

107. The Cash Flow Statement demonstrates that, given the assumptions described therein, Synaptive will not have sufficient liquidity to fund its operations during the Initial Stay Period without immediate access to the Initial Amount of C\$1,000,000 under the DIP Financing Facility.

108. The Cash Flow Statement was prepared in consultation with the Proposed Monitor and is accompanied by the prescribed representations in accordance with the CCAA.

**IX. RELIEF SOUGHT**

109. This section of the affidavit provides a summary of the relief that Synaptive seeks in this application. The descriptions provided herein are based on my understanding of such relief from my discussions and correspondence with Synaptive’s counsel, EDC and its counsel and the Proposed Monitor.

**A. Relief Sought at the Initial Hearing on this Application**

**1. *Stay of Proceedings under the CCAA***

110. Synaptive requires a broad Stay of Proceedings to prevent, among other things, exercise of contractual remedies by its creditors, suppliers, vendors, landlords and other contractual counterparties.

111. The Stay of Proceedings is intended to stabilize and preserve the value of Synaptive’s business and provide the breathing room required to conduct the SISF. At the initial hearing of this application, Synaptive requests a stay up to and including March 26, 2025 (i.e., the comeback date).

## **2. *Approval of the DIP Financing Facility and the Initial Amount***

112. To facilitate this CCAA proceeding, the DIP Lender has agreed to provide financing to Synaptive in a maximum amount of the Initial Amount during the first 7 days of this CCAA proceeding (i.e., C\$1,000,000), and the Maximum Amount following the Comeback Hearing (i.e., C\$7,000,000).

113. On March 18, 2025, Synaptive and the DIP Lender entered into a DIP facility loan agreement (the “**DIP Term Sheet**”), a copy of which is attached as **Exhibit “R”**. The DIP Term Sheet requires that, among other things, any funds advanced be secured by a charge on Synaptive’s Property (the “**DIP Lender’s Charge**”), subordinate only to the Administration Charge and ranking ahead of the Directors’ Charge.

114. The DIP Term Sheet provides for Synaptive to borrow from the DIP Lender on, among other things, the following commercial terms:

- (a) DIP Financing Facility and Initial Amount: A non-revolving, secured credit facility: (i) up to the Initial Amount of C\$1,000,000 during the first 7 days of this CCAA proceeding; and (ii) up to the Maximum Amount of C\$7,000,000 following the issuance of the ARIO.
- (b) Term: Amounts owing under the DIP Term Sheet shall be due and payable on the earliest of the following: (i) June 20, 2025; (ii) the closing of any sale of substantially all of the Property or Business; (iii) the implementation of a plan of compromise or arrangement in respect of Synaptive; (iv) the date on which the Initial Order or the ARIO expires without extension, or on which the CCAA proceeding is terminated; and (v) the occurrence of an Event of Default (as defined in the DIP Term Sheet).
- (c) Interest: All amounts outstanding under the DIP Term Sheet bear interest at a rate of 15% per annum; and
- (d) Fees: An exit fee in the amount of C\$350,000, representing 5% of the Maximum Amount, which will be non-refundable and fully earned as of the date of the DIP Term Sheet and payable on the Maturity Date (as defined in the DIP Term Sheet).

115. Along with other customary covenants, conditions precedent, and representations and warranties made by Synaptive, the Initial Amount under the DIP Financing Facility is subject to this Court authorizing Synaptive to borrow such amount under the DIP Financing Facility and the Court's approval of the corresponding DIP Lender's Charge (as defined below).

116. Synaptive will also be seeking a charge on Synaptive's Property (the "**DIP Lender's Charge**") to secure the Initial Amount owing under the DIP Financing Facility plus all accruing interest and fees under the DIP Financing Facility. The proposed DIP Lender's Charge would rank second in priority, in accordance with the priority set out in the proposed Initial Order.

117. At the Comeback Hearing, Synaptive intends to seek further authorization to borrow the Maximum Amount under the DIP Financing Facility.

### **3. *Continued Use of the Cash Management System***

118. In order to continue operations in the ordinary course, Synaptive requires continued access to its Cash Management System, including to its bank accounts. This relief is required to ensure that Synaptive can continue to make ordinary course payments in accordance with the Cash Flow Statement and avoid disruptions to its ongoing business.

### **4. *The Proposed Monitor***

119. Synaptive seeks the appointment of Richter as Monitor. Richter has consented to act as Monitor of Synaptive in this CCAA proceeding, subject to Court approval.

120. Richter became involved with Synaptive in August 2023 as a financial advisor. Richter's role as financial advisor has included reviewing the company's financial position, reviewing, assessing and monitoring Synaptive's weekly cash flow forecasts, supporting discussions with EDC, working with Synaptive's management team on assessing restructuring plans, monitoring progress with respect to its various financing initiatives including with RBC, reviewing amendments to Synaptive's numerous forbearance agreements and other matters.

121. In preparation for this CCAA proceeding, Richter has assisted in reviewing the Cash Flow Statement and has participated in strategic discussions regarding Synaptive's financial and liquidity position, available options, and the relief requested by Synaptive in connection with this

CCAA proceeding. Richter has also assisted Synaptive in the preparation of the SISP and the review of the terms of the DIP Term Sheet. As a result of its engagement to date, Richter has developed an intimate knowledge of Synaptive's business and challenges. None of Richter nor its affiliates has ever acted as auditor to any member of the Synaptive Group.

## **5.     *Administration Charge***

122. Synaptive is seeking a charge on Synaptive's Property in priority to all other charges, in the maximum amount of C\$250,000 (the "**Administration Charge**") to secure the fees and disbursements of the Monitor, counsel to the Monitor and counsel to Synaptive, in each case incurred in connection with services rendered to Synaptive both before and after the commencement of this CCAA proceeding. This amount is necessary to protect the beneficiaries of the Administration Charge during the first 7 days of this CCAA proceeding. Synaptive will be seeking an increase to the Administration Charge at the Comeback Hearing.

123. It is important to the success of this CCAA proceeding to have the Administration Charge in place to ensure the continued involvement of critical professionals.

124. Synaptive has worked with the Proposed Monitor and the other professionals to estimate the proposed quantum of the Administration Charge based on the nature of the proceedings and the expected demands on the professionals in the time prior to the Comeback Hearing.

125. As described in both the Initial Order and the ARIO, none of the proposed Charges, including the Administration Charge, are proposed to rank in priority to the security of any person with properly perfected purchase money security interests under the applicable legislation.

## **6.     *Directors and Officers Indemnity and Charge***

126. Synaptive is seeking customary provisions indemnifying the Directors and Officers of Synaptive against any obligations and liabilities they may incur as a director or officer of Synaptive after the commencement of this CCAA proceeding (the "**D&O Indemnity**").

127. I understand that in some circumstances directors can be held liable for certain obligations of a company, including those owing to employees and government entities.

128. Synaptive maintains director's and officer's liability insurance (the "**D&O Insurance**") that is applicable to Synaptive's Directors and Officers. The current D&O Insurance policies include an aggregate amount of \$18 million in coverage. However, this coverage is subject to certain retention amounts, deductibles, exclusions, or some combination of the foregoing, all of which create a degree of uncertainty. As noted, Synaptive's D&O Insurance policy expires on March 31, 2025; while Synaptive is in discussions with its insurance provider to renew and/or replace this coverage, no such renewal/replacement has happened to date.

129. The knowledge and guidance of the Directors and Officers and their expertise remains essential to the overall success of this CCAA proceeding. The Directors and Officers have indicated that, due to the risk of personal exposure associated with Synaptive's liabilities, they will not continue their service with Synaptive during the post-filing period unless the Initial Order grants a charge on Synaptive's Property, in a sufficient amount to secure the D&O Indemnity.

130. Synaptive is seeking a charge on Synaptive's Property in the maximum amount of C\$1,100,000 (the "**Directors' Charge**") as security for the D&O Indemnity. The proposed Directors' Charge would apply only to the extent that the Directors and Officers do not have coverage under the D&O Insurance and will rank third in priority, in accordance with the priority set out in the proposed Initial Order.

131. The Directors' Charge will allow Synaptive to continue to benefit from the expertise and knowledge of the Directors and Officers.

132. The quantum of the Directors' Charge is the amount necessary to protect the Directors and Officers in the first 7 days of this CCAA proceeding having regard to the potential personal liabilities they may be exposed to in respect of Synaptive's employment and tax related obligations in that period. Synaptive has worked with the Proposed Monitor to calculate the quantum of the Directors' Charge by reference to the above noted potential liabilities and believes the Directors' Charge is reasonable in the circumstances.

133. I understand that the Proposed Monitor will address its support of the Directors' Charge and its quantum in the Proposed Monitor's Report.

**B. Relief Anticipated to be Sought at the Comeback Hearing**

**1. *SISP Approval Order***

134. As described above, Synaptive requires CCAA protection to pursue a going concern transaction for the benefit of its stakeholders. The comeback hearing has been scheduled for seven days hence in order to balance the need to commence the SISP with the need to provide adequate notice to stakeholders. Synaptive intends to hit the ground running. At the comeback hearing, Synaptive intends to seek the SISP Approval Order:

- (a) approving the SISP, and authorizing Synaptive and the Monitor to implement the SISP Procedures;
- (b) authorizing and directing Synaptive and the Monitor to perform their respective obligations and do all things reasonably necessary to perform same under the SISP Procedures;
- (c) declaring that Synaptive and the Monitor, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents, and controlling persons shall have no liability with respect to any losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent such claims result from the gross negligence or wilful misconduct of Synaptive or the Monitor, as applicable, in performing their respective obligations under the SISP Procedures, as determined by the Court in a final order; and
- (d) granting the Monitor, in connection with its role in overseeing the SISP, all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of the Court in this CCAA proceeding.

135. The granting of the SISP Approval Order is a milestone under the DIP Term Sheet.

## 2. *SISP*<sup>1</sup>

136. A copy of the SISP is attached as **Exhibit “S”**.

137. Synaptive developed the SISP in consultation with the Proposed Monitor and EDC in order to ensure a process that is: (i) concise enough to protect the value of the Property and the Business as a going concern, taking into consideration the terms and availability of financing, and the immediate liquidity challenges facing Synaptive; but also (ii) of sufficient duration to provide a reasonable market test.

138. Importantly, Synaptive has already engaged in extensive marketing efforts since 2023, including RBC’s investment solicitation process and Synaptive’s other efforts to secure sustainable financing. The SISP will be able to pick up where those efforts left off, including by contacting, among others, the parties who were previously contacted during those refinancing efforts.

139. The SISP sets out the parameters by which the Monitor, in consultation with Synaptive and the DIP Lender (and subject to any requisite prior written consents as set out in the SISP Procedures) will:

- (a) Provide notice to and disseminate marketing materials and a process letter to potentially interested parties identified by Synaptive, including those previously identified by Synaptive’s pre-filing investment marketing efforts, and provide such parties with access to a data room upon their executing a non-disclosure agreement in form and substance satisfactory to the Proposed Monitor and Synaptive and as approved by the DIP Lender;
- (b) solicit interest in executable transaction involving, without limitation, a sale of or investment in the Property, Business and/or shares of Synaptive;
- (c) select any Successful Bid(s); and
- (d) seek the approval of the Court of any Successful Bid(s).

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<sup>1</sup> Capitalized terms used in this section that are not otherwise defined shall have the meanings given to them in the SISP. This summary is qualified in all respects by the terms of the SISP.



140. The SISP provides for the solicitation of potentially interested parties that wish to make a formal offer to purchase or make an investment in the Property and/or the Business, which will commence following the granting of the SISP Approval Order.

141. The key milestones set out in the SISP Procedures (the “**Milestones**”) are:

<b>Milestone</b>	<b>Deadline</b>
Commencement of SISP	March 26, 2025
Deadline to publish notice of SISP, deliver Teaser Letter and NDA to Known Potential Bidders, and set up electronic data room	March 28, 2025
Deadline for delivery of Secured Creditor Participation Notices and Insider Participation Notices	April 11, 2025
Deadline for submission of Phase I Non-Binding Letters of Intent	No later than 5:00 p.m. (Toronto time) on April 30, 2025
Determination of Qualified Bidders for Phase II	No later than 5:00 p.m. (Toronto time) on May 2, 2025
Deadline for submission of Phase II Bids	No later than 5:00 p.m. (Toronto time) on May 16, 2025
Determination of Selected Bidders	No later than 5:00 p.m. (Toronto time) on May 20, 2025
Selection of the Successful Bid(s) and Back-Up Bid(s), and Notification of Auction (if any)	No later than 5:00 p.m. (Toronto time) on May 23, 2025
Auction Date (if required)	May 27, 2025
Deadline for finalizing transaction documents based on Successful Bid(s)	June 3, 2025
Filing of motion to approve the Successful Bid(s)	No later than 5:00 p.m. (Toronto time) on June 5, 2025
Hearing of the Sale Approval Motion	No later than June 13, 2025, subject to the availability of the Court
Outside Date for the Closing of the Successful Bid(s)	June 20, 2025

142. Under the SISP Procedures, any officer, director or employee of Synaptive or other non-arm’s length party in relation to Synaptive (each, a “**Participating Insider**”) may participate as a Potential Bidder, Qualified Bidder, Selected Bidder, or Successful Bidder (each as defined under

the SISP), provided that the Participating Insider notifies the Monitor by the Participation Notice Deadline of its intention to participate in the SISP. To the extent a Participating Insider is or is related to a Potential Bidder, such Participating Insider will not be provided with any information that might create an unfair advantage or jeopardize the integrity of the SISP unless the Participating Insider confirms in writing to the Monitor that it will not submit or participate directly or indirectly in the submission of a Bid (as defined in the SISP).

143. Further, the Monitor, in consultation with Synaptive, may, as it deems appropriate, consult with Synaptive's secured creditors throughout the SISP upon such assurances as to confidentiality that the Monitor may require.

144. Secured creditors of Synaptive may also elect to participate as a Potential Bidder and may commit to bid its secured debt, provided that such credit bid provides for the payment in full in cash of any senior ranking obligations, and the secured creditor notifies the Monitor by the Participation Notice Deadline of its intention to participate as a Potential Bidder in the SISP (the **"Secured Lender Participation Notice"**). The DIP Lender may choose to support a transaction by, without limitation, being treated as an unaffected creditor or converting all or part of its debt to equity in respect of a transaction. The DIP Lender's failure to submit a Secured Lender Participation Notice will not disqualify it from supporting any Bid(s).

145. In developing the SISP Procedures, including the Milestones, Synaptive, in consultation with the Proposed Monitor, considered a number of factors, including:

- (a) Synaptive's extensive investment marketing efforts since 2023;
- (b) the pool of potential purchasers for Synaptive's Business is limited because of its specialized nature; and
- (c) the limited amount of funding available under the DIP Term Sheet and the corresponding constraints on timing.

146. In light of the foregoing, Synaptive is of the view that the Milestones set out in the SISP Procedures are appropriate, will allow interested parties to participate in the SISP, and will provide a fair and reasonable process that will adequately canvass the market in a manner designed to deliver the best possible result for all stakeholders.

### **3. ARIO**

147. At the Comeback Hearing, Synaptive also intends to seek an ARIO. The most significant amendments that will be sought in the ARIO are described below.

#### **(a) *Approval of the Maximum Amount under the DIP Financing Facility***

148. As noted, the DIP Term Sheet contemplates an increase of the maximum availability under the DIP Financing Facility from the Initial Amount (C\$1,000,000) to the Maximum Amount (C\$7,000,000) following the Comeback Hearing, subject to this Court's approval. The DIP Lender's Charge would continue to secure all outstanding amounts under the DIP Financing Facility, including interest and fees.

149. Accordingly, Synaptive will be seeking this Court's authorization to borrow up to the Maximum Amount under the DIP Financing Facility.

#### **(b) *Stay Extension***

150. The proposed form of Initial Order seeks a Stay of Proceedings until March 26, 2025, or such later date as this Court may order. At the Comeback Hearing, Synaptive intends to seek an extension of the Stay of Proceedings in order to provide Synaptive, with the assistance of the Monitor, time to conduct the SISP.

#### **(c) *Amendments to the Administration Charge***

151. The Administration Charge proposed in the Initial Order is designed for the initial 7-day period only. The proposed ARIO provides for an increase to the Administration Charge to a new maximum amount of C\$500,000. This increase reflects that the hourly professionals will have significant work in the period following the initial hearing on this application, including in assisting Synaptive in managing its customer and vendor relationships, while preparing to conduct the SISP. This proposed increase is the product of negotiation among Synaptive and EDC, with the assistance of the Proposed Monitor.

152. This application is being brought on an urgent basis to provide a Canadian medical technology champion with the breathing room it needs to achieve a successful restructuring under the CCAA and to navigate the economic uncertainty resulting from ongoing trade tensions and the ever-looming threat of tariffs.

153. I swear this Affidavit in support of the relief sought by Synaptive and for no improper purpose.

**SWORN REMOTELY** by Magnus Momsen  
at the City of San Jose, in the State of  
California, in the Country of the United States  
of America, before me on March 18, 2025 in  
accordance with O.Reg. 431/20,  
Administering Oath or Declaration Remotely.

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Commissioner for Taking Affidavits  
(or as may be)

**MIKE NOEL**  
(LSO#: 80130F)

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**Magnus Momsen**

This is Exhibit “B” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 19th
	)	
JUSTICE OSBORNE	)	DAY OF MARCH, 2025

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 SYNAPTIVE MEDICAL INC.

(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**”) for this Initial Order was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavit of Magnus Momsen sworn March 18, 2025 and the exhibits thereto (the “**Momsen Affidavit**”) and the Pre-Filing Report of Richter Inc. (“**Richter**”) as the proposed monitor dated March 18, 2025, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, the proposed monitor and the other parties listed on the counsel slip, and no one appearing for any other party although duly served as appears from the affidavit of service of Elizabeth Nigro sworn March 18, 2025, and on reading the consent of Richter to act as the Court-appointed monitor of the Applicant (in such capacity, the “**Monitor**”),

## **SERVICE AND DEFINITIONS**

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.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings given to them in the Momsen Affidavit.

## **APPLICATION**

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

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, licenses, 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 the Property. The Applicant is 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 continue to utilize the central cash management system currently in place as described in the Momsen Affidavit or

replace it with another substantially similar central cash management system (the “**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 any 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, subject to the terms of the Definitive Documents (as defined below), the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable prior to, on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing 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 and subject to the terms of the DIP Term Sheet, 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 the date of 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) and software, regulatory and intellectual property maintenance; and
- (b) 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 and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (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, but for greater certainty excluding accelerated rent or penalties, fees or other charges as a result of the insolvency of the Applicant or the making of this Order) 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, monthly in payments on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein (including, for greater certainty, in connection with the Definitive Documents), 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; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the

Applicant's Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

11. **THIS COURT ORDERS** that until and including March 26, 2025 (the “**Initial Stay Period**”), 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**

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (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.

## **NO INTERFERENCE WITH RIGHTS**

13. **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, term sheet, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

14. **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, 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**

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased 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.

#### **NO PRE-FILING VS POST-FILING SET-OFF**

16. **THIS COURT ORDERS** that no Person (including without limitation any account bank that provides a Cash Management System) shall be entitled to set off (or exercise any right of consolidation in respect of) any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicant and the Monitor, or with leave of this Court.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

17. **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, arrangement or refinancing or sale transaction in respect of the Applicant, the Business or the Property, if one is filed, is sanctioned or approved by this Court or is refused by the creditors of the Applicant or this Court.

## **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

18. **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.

19. **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 \$1,100,000, as security for the indemnity provided in paragraph 18 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

20. **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 18 of this Order.

## **APPOINTMENT OF MONITOR**

21. **THIS COURT ORDERS** that Richter 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.

22. **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) assist the Applicant, to the extent required by the Applicant, in its dissemination to the DIP Lender (as defined below) and its counsel, on the intervals set out in the DIP Term Sheet or as may otherwise be agreed between the Applicant, the Monitor and the DIP Lender, of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings, all as set out in the DIP Term Sheet;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel in accordance with the DIP Term Sheet, or as otherwise agreed to by the DIP Lender;
- (e) have full and complete access to the Property, including the 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;

- (f) 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; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business 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.

24. **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.

25. **THIS COURT ORDERS** that that the Monitor shall provide the DIP Lender and any other creditor of the Applicant with 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.

26. **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, 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.

27. **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, and counsel to the Applicant, retainers, as applicable, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

28. **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.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, 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 \$250,000, 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 37 and 39 hereof.

#### **DIP FINANCING**

30. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Export Development Canada (the "**DIP Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1,000,000 unless permitted by further Order of this Court.

31. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP facility loan agreement between the Applicant and the DIP Lender dated as of March 18, 2025 (the "**DIP Term Sheet**"), filed.

32. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Term Sheet, the

**“Definitive Documents”**), as may be contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the **“DIP Lender’s Charge”**) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 37 and 39 hereof.

34. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents, the DIP Lender may terminate the commitments under the DIP Term Sheet and declare the obligations thereunder to be immediately due and payable and refuse to permit further advances thereunder, and with leave of the Court sought on not less than two (2) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Definitive Documents and the DIP Lender’s Charge, including without limitation, to set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Term Sheet, the

- Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

35. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

36. **THIS COURT ORDERS** that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**"), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Term Sheet or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made and other obligations set out in the DIP Term Sheet and the Definitive Documents.

## **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

37. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000);

Second – DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of \$1,100,000).

38. **THIS COURT ORDERS** that the filing, registration or perfection of 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.

39. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such 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.

40. **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, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

41. **THIS COURT ORDERS** that the Charges and the Definitive Documents 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**”) and/or the DIP Lender 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 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) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or 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 Applicant entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. **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**

43. **THIS COURT ORDERS** that the Monitor shall: (a) without delay, publish in *The Globe and Mail (National Edition)* a notice containing the information prescribed under the CCAA; (b) within five (5) days after the date of this Order: (i) make this Order publicly available in the manner prescribed under the CCAA; (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000; and (iii) 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.

44. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: [www.richter.ca/insolvencycase/synaptive-medical-inc](http://www.richter.ca/insolvencycase/synaptive-medical-inc).

45. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicant and the Monitor are at liberty to serve or distribute 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 facsimile 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 distribution by courier, personal delivery or facsimile 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.

#### **COMEBACK HEARING**

46. **THIS COURT ORDERS** that the comeback motion in these CCAA proceedings shall be heard on March 26, 2025 at 12:00 p.m. EST.

#### **GENERAL**

47. **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.

48. **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, the Business or the Property.

49. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction, 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

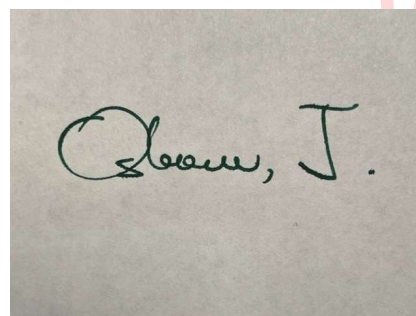


administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

50. **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.

51. **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.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. EST on the date of this Order without the need for entry and/or filing.

A rectangular box containing a handwritten signature in dark ink. The signature appears to be "Osborne, J." written in a cursive, slightly slanted script.

Digitally signed  
by Osborne J.  
Date:  
2025.03.19  
11:22:57 -04'00'

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
SYNAPTIVE MEDICAL INC.**

Court File No. CV-25-00739279-00CL

**Applicant**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**INITIAL ORDER**

**Torys LLP**

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Toronto, ON M5K 1N2  
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416.865.7378 | [mnoel@torys.com](mailto:mnoel@torys.com)

Lawyers for Synaptive Medical Inc.

This is Exhibit “C” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**



Court File No. CV-25-00739279-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 26th
	)	
JUSTICE OSBORNE	)	DAY OF MARCH, 2025

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 SYNAPTIVE MEDICAL INC.

(the "**Applicant**")

**AMENDED AND RESTATED INITIAL ORDER  
(Amending and Restating Initial Order dated March 19, 2025)**

**THIS MOTION**, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order amending and restating the initial order of Justice Osborne (the "**Initial Order**") issued on March 19, 2025 (the "**Initial Filing Date**") was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavit of Magnus Momsen sworn March 18, 2025 and the exhibits thereto (the "**Momsen Affidavit**"), the Pre-Filing Report of Richter Inc. ("**Richter**") as the proposed monitor dated March 18, 2025, and the First Report of Richter, in its capacity as the Court-appointed monitor of the Applicant (in such capacity, the "**Monitor**") dated March 24, 2025, filed, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, the Monitor and the other parties listed on the counsel slip, and no one appearing for

any other party although duly served as appears from the affidavits of service of Elizabeth Nigro sworn March 19 and 24, 2025,

## **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings given to them in the Momsen Affidavit.

## **APPLICATION**

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

## **PLAN OF ARRANGEMENT**

4. **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**

5. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, licenses, 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 the Property. The Applicant is 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.

6. **THIS COURT ORDERS** that the Applicant shall be entitled to continue to utilize the central cash management system currently in place as described in the Momsen Affidavit or replace it with another substantially similar central cash management system (the “**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 (if any) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that, subject to the terms of the Definitive Documents (as defined below), the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the Initial Filing Date:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable prior to, on or after the Initial Filing Date, in each case incurred in the ordinary course of business and consistent with existing 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.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Term Sheet, 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 the Initial Filing Date, 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) and software, regulatory and intellectual property maintenance; and
- (b) payment for goods or services actually supplied to the Applicant following the Initial Filing Date.

9. **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; (iv) income taxes and all other amounts related to such deductions or employee wages payable for periods following the Initial Filing Date pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (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 Initial Filing Date, or where such Sales Taxes were accrued or collected prior to the Initial Filing Date but not required to be remitted until on or after the Initial Filing Date, 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.

10. **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, but for greater certainty excluding accelerated rent or penalties, fees or other charges as a result of the insolvency of the Applicant or the making of this Order) 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 Initial Filing Date, monthly in payments on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the Initial Filing Date shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein (including, for greater certainty, in connection with the Definitive Documents), 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 the Initial Filing Date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Applicant’s Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

12. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA and subject to the terms of the Definitive Documents, 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 \$100,000 in any one transaction or \$500,000 in the aggregate;
- (b) in accordance with paragraphs 13 and 14 of this Order, vacate, abandon or quit any leased premises and/or disclaim any real property lease and any ancillary agreements relating to the leased premises in accordance with section 32 of the CCAA;

- (c) disclaim such other arrangements or agreements of any nature whatsoever with whomever, whether oral or written, as the Applicant deems appropriate, in accordance with section 32 of the CCAA;
- (d) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (e) pursue all avenues of refinancing of its Business or the 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.

13. **THIS COURT ORDERS** that the Applicant shall provide each relevant landlord with notice of its 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 a lease governing a 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 subsection 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.

14. **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, 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**

15. **THIS COURT ORDERS** that until and including June 20, 2025, 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**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (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.

### **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, term sheet, licence or permit in favour of or held by the Applicant, 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, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Initial Filing Date 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 leased or licensed property or other valuable consideration provided on or after the Initial Filing Date, nor shall any Person be under any obligation on or after the Initial Filing Date 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.

### **NO PRE-FILING VS POST-FILING SET-OFF**

20. **THIS COURT ORDERS** that no Person (including without limitation any account bank that provides a Cash Management System) shall be entitled to set off (or exercise any right of consolidation in respect of) any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicant and the Monitor, or with leave of this Court.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

21. **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 Initial Filing Date 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, arrangement or refinancing or sale transaction in respect of the Applicant, the Business or the Property, if one is filed, is sanctioned or approved by this Court or is refused by the creditors of the Applicant or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

22. **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.

23. **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 \$1,100,000, as security for the indemnity provided in paragraph 22 of this Order. The Directors' Charge shall have the priority set out in paragraphs 42 and 44 herein.

24. **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 22 of this Order.

## **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that, as of the Initial Filing Date, Richter is 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.

26. **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) assist the Applicant, to the extent required by the Applicant, in its dissemination to the DIP Lender (as defined below) and its counsel, on the intervals set out in the DIP Term Sheet, or as may otherwise be agreed between the Applicant, the Monitor and the DIP Lender, of financial and other information as agreed to between the Applicant

and the DIP Lender which may be used in these proceedings, all as set out in the DIP Term Sheet;

- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender under the DIP Term Sheet, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel in accordance with the DIP Term Sheet, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicant in its development of the Plan (if any) and any amendments to the Plan (if any);
- (f) assist the Applicant, to the extent required by the Applicant, with holding and administering of creditors' or shareholders' meetings for voting on the Plan (if any);
- (g) have full and complete access to the Property, including the 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;
- (h) 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; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the



Business 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.

28. **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.

29. **THIS COURT ORDERS** that that the Monitor shall provide the DIP Lender and any other creditor of the Applicant with 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.

30. **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, 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.

31. **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, and counsel to the Applicant, retainers as applicable, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. **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.

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, 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 42 and 44 hereof.

## **DIP FINANCING**

34. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Export Development Canada (the “**DIP Lender**”) in order to finance the Applicant’s working capital requirements and other general corporate purposes and capital expenditures.

35. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP facility loan agreement between the Applicant and the DIP Lender dated as of March 18, 2025 (the “**DIP Term Sheet**”), filed.

36. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to borrow, in accordance with the terms of the DIP Term Sheet, provided that: (i) such borrowings shall not, individually or in the aggregate, exceed \$7,000,000 during the Stay Period; and (ii) such borrowings shall be on terms and subject to the conditions, and accrue interest at the rates, set out in the DIP Term Sheet.

37. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Term Sheet, the “**Definitive Documents**”), as may be contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and

obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

38. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before the Initial Filing Date. The DIP Lender’s Charge shall have the priority set out in paragraphs 42 and 44 hereof.

39. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents, the DIP Lender may terminate the commitments under the DIP Term Sheet and declare the obligations thereunder to be immediately due and payable and refuse to permit further advances thereunder, and with leave of the Court sought on not less than two (2) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Definitive Documents and the DIP Lender’s Charge, including without limitation, to set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender’s Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a

- receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

40. **THIS COURT ORDERS** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

41. **THIS COURT ORDERS** that if any of the provisions of this Order in connection with the Definitive Documents or the DIP Lender’s Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), under the DIP Term Sheet or the Definitive Documents with respect to any advances made or obligations incurred prior to the DIP Lender being given notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender’s Charge) for all advances so made and other obligations set out in the DIP Term Sheet and the Definitive Documents.

## **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

42. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

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

Second – DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of \$1,100,000).

43. **THIS COURT ORDERS** that the filing, registration or perfection of 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.

44. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such 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.

45. **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, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

46. **THIS COURT ORDERS** that the Charges and the Definitive Documents 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**”) and/or the DIP Lender 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 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) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or 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 Applicant entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

47. **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**

48. **THIS COURT ORDERS** that the Monitor shall: (a) without delay from the Initial Filing Date, publish in *The Globe and Mail (National Edition)* a notice containing the information prescribed under the CCAA; (b) within five (5) days after the date of this Order: (i) make this Order publicly available in the manner prescribed under the CCAA; (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000; and (iii) 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.

49. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: [www.richter.ca/insolvencycase/synaptive-medical-inc](http://www.richter.ca/insolvencycase/synaptive-medical-inc).



50. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicant and the Monitor are at liberty to serve or distribute 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 facsimile 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 distribution by courier, personal delivery or facsimile 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.

#### **GENERAL**

51. **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.

52. **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, the Business or the Property.

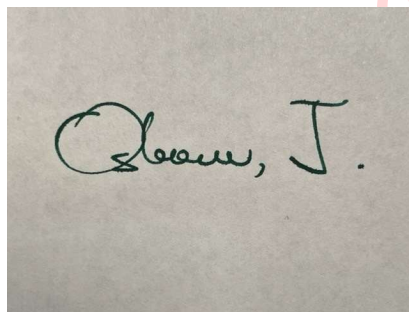
53. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in 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.

54. **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.

55. **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.

56. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. EST on the date of this Order without the need for entry and/or filing.

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Osborne, J." written in a cursive style.

Digitally signed  
by Osborne J.

Date:

2025.03.28

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**IN THE MATTER OF THE COMPANIES’ CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
SYNAPTIVE MEDICAL INC.**

Court File No. CV-25-00739279-00CL

**Applicant**

<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE</b>  Proceeding commenced at TORONTO	
<b>AMENDED AND RESTATED INITIAL ORDER</b> <b>(Amending and Restating Initial Order</b> <b>dated March 19, 2025)</b>	
<b>Torys LLP</b> 79 Wellington St. W., Suite 3000 Box 270, TD Centre Toronto, ON M5K 1N2 Fax: 416.865.7380  <b>Adam Slavens</b> (LSO#: 54433J) 416.865.7333   <a href="mailto:aslavens@torys.com">aslavens@torys.com</a>  <b>Mike Noel</b> (LSO#: 80130F) 416.865.7378   <a href="mailto:mnoel@torys.com">mnoel@torys.com</a>  Lawyers for Synaptive Medical Inc.	

This is Exhibit “D” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT  
ACT, R.S.C. 1985, c. C-36, AS AMENDED*  
AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
SYNAPTIVE MEDICAL INC.**

**Applicant**

**AFFIDAVIT OF MAGNUS MOMSEN  
(Sworn April 17, 2025)**

I, Magnus Momsen, of the City of San Jose, in the State of California, in the Country of the United States of America, MAKE OATH AND SAY:

1. I am the Chief Financial Officer of Synaptive Medical Inc. ("**Synaptive**"), the Applicant in this proceeding. I have been the Chief Financial Officer since I joined the company in January 2022. Before that time, I spent eleven years with Varian Medical Systems, the world's leading supplier of radiation therapy equipment, software and accessories for cancer treatment, and, prior to that, I spent 13 years with PricewaterhouseCoopers LLP in its life science and venture capital group. I received my Bachelor of Arts in Economics from the University of California and a Masters in Accounting from San Jose State University. I am also a California licensed Certified Public Accountant.

2. In my capacity as the Chief Financial Officer, I am familiar with the day-to-day operations, business affairs and books and records of Synaptive and the other entities in Synaptive's corporate group. I therefore have personal knowledge of the matters contained in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

3. I affirm this affidavit in support of Synaptive's motion under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (the "**KERP Approval Order**"), among other things:

- (a) approving the Key Employee Retention Plan (the “**KERP**”) for 43 employees (the “**Participating Employees**”) of Synaptive and its wholly-owned U.S. subsidiary, Synaptive Medical USA, Inc. (“**Synaptive USA**”, and together with Synaptive, the “**Synaptive Employers**”);
- (b) granting a priority charge in favour of the Participating Employees, ranking behind the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge (each as defined below), in the maximum amount of C\$500,000 (the “**KERP Charge**”); and
- (c) sealing the Confidential KERP Exhibit (as defined below) subject to further order from this Court.

4. Unless otherwise indicated, capitalized terms used in this affidavit and not otherwise defined shall have the meanings given to them in the affidavit I previously swore in this proceeding on March 18, 2025, in connection with Synaptive’s application for the Initial Order (as defined below). A copy of that affidavit is attached (without its exhibits) as **Exhibit “A”**.

#### **A. Background**

5. On March 19, 2025, Justice Osborne granted an initial order under the CCAA in respect of Synaptive (the “**Initial Order**”), which, among other things: (i) implemented a stay of proceedings in favour of Synaptive; (ii) appointed Richter Inc. as the monitor (in such capacity, the “**Monitor**”); (iii) approved a DIP facility loan agreement (the “**DIP Term Sheet**”) with Export Development Canada (the “**DIP Lender**”) and authorized Synaptive to draw an initial amount of C\$1,000,000 thereunder; and (iv) established: (a) an administration charge in favour of the Monitor, its counsel and Synaptive’s counsel for their professional fees and disbursements (the “**Administration Charge**”); (b) a charge in favour of the DIP Lender to secure Synaptive’s obligations under the DIP Term Sheet (the “**DIP Lender’s Charge**”); and (c) a charge in favour of Synaptive’s directors and officers (the “**Directors’ Charge**”).

6. Following the comeback hearing held March 26, 2025, Justice Osborne granted: (i) an order approving a sale and investment solicitation process (“**SISP**”) in respect of Synaptive, its business and/or its assets; and (ii) an amended and restated Initial Order (the “**ARIO**”), which, among other things, increased the amount of the Administration Charge and the Directors’ Charge

and authorized Synaptive to make further borrowings under the DIP Term Sheet up to a maximum amount of C\$7,000,000.

**B. Imminent Employee Flight is a Critical Risk**

7. As I described in my March 18 affidavit, Synaptive made the difficult decision on March 4, 2025, to issue temporary layoff notices to 149 of the Synaptive Employers' 189 employees. On March 20, 2025, following the commencement of this CCAA proceeding, the Synaptive Employers permanently terminated 66 of those 189 employees and called the remainder of the temporarily laid off employees back to work. Additionally, prior to this CCAA proceeding, Synaptive had insufficient cash to meet certain of its payroll obligations, which resulted in, among other things, a missed payroll cycle.

8. Based on my discussions with the 123 remaining employees, these layoffs and missed payroll obligations have created a general feeling of uncertainty and anxiety about the future of Synaptive and its employees' roles within its business. I believe that, if employees are not immediately provided an appropriate incentive to remain with the company, many of the employees will choose to look for work elsewhere. Indeed, 6 employees have already quit their employment with Synaptive since the missed payroll and chosen to work elsewhere.

9. Employee flight is a critical risk for Synaptive. Synaptive is already very leanly staffed because of the previous employee terminations. If any one or more of the Participating Employees were to leave the company, Synaptive's operations could be materially disrupted or, worse, ground to a halt. This would be an incredibly value destructive result, not only for Synaptive and its creditors, but also for the surgical patients and medical professionals who rely on Synaptive's technology for successful outcomes.

10. These issues are exacerbated by the nature of Synaptive's business—the development of cutting-edge medical technology—which requires highly skilled employees who possess not only specialized technical expertise, but also familiarity with Synaptive's complex products. The Participating Employees Fulfill critical functions for Synaptive—in addition to the executive team, the Participating Employees' roles include, among others, MRI scientists, optical scientists, software architects, magnet and gradient scientists and clinical applications specialists. Each of the Participating Employees would be difficult or impossible to replace in the near-term. Even if a

qualified replacement was found, the time required to get that individual up to speed on Synaptive's business and products would be costly and ultimately value-destructive. Synaptive has limited tools at its disposal to incentivize employees to remain at the company and to avoid this result, with the KERP being chief among them.

**C. The KERP Provides an Appropriate Incentive**

11. In order to address this employee flight risk, Synaptive has worked diligently with the DIP Lender and the Monitor to develop the KERP. The KERP facilitates and encourages the continued participation of the Participating Employees in the business, with a view to minimizing the risk of employee flight and maximizing the value of Synaptive's business throughout this CCAA proceeding.

12. Below is a summary of the key components of the KERP:

- (a) Aggregate Payment Amount: US\$130,378.66 and C\$315,451.10.
- (b) Eligible Employees: Each of the 43 Participating Employees are eligible to participate in the KERP.
- (c) Payment Structure: Single lump sum payment to each Participating Employee (each, a "**KERP Payment**"), payable on May 30, 2025.
- (d) Conditions for Payment: Each Participating Employee will only be eligible to receive a KERP Payment if such employee continues his or her active employment with the corresponding Synaptive Employer up to May 30, 2025.
- (e) Security: Synaptive's obligations to Participating Employees under the KERP are secured by a court-ordered charge over Synaptive's Property (as defined in the ARIO) up to a maximum amount of C\$500,000.

13. As noted, the Synaptive Employers' respective obligations to pay the KERP Payments to Participating Employees are proposed to be secured by the KERP Charge, which is subordinate to each of the other court-ordered charges in this proceeding (i.e., the Administration Charge, the DIP Lenders' Charge, and the Directors' Charge).



14. I believe that this KERP is necessary and will provide appropriate incentives for the Participating Employees to remain in their current positions and assist Synaptive through the SISF and this CCAA proceeding generally. In particular, given the terminations and missed payroll obligations to date, I believe the KERP Charge is necessary to give Participating Employees confidence that they will receive payment of their respective KERP Payments.

15. On or around April 4, 2025, Synaptive delivered, or caused the applicable Synaptive Employer to deliver, letters to each Participating Employee advising him or her of the proposed KERP and KERP Charge, the terms and conditions of the proposed KERP and KERP Charge, and Synaptive's intention to bring this motion for approval of the KERP and KERP charge. Sample copies of those letters—one that was sent to a Synaptive employee and another that was sent to a Synaptive USA employee—are attached as **Exhibits "B" and "C"**, respectively.

**D. Confidential KERP Exhibit**

16. I have attached a table at **Exhibit “D”** listing each Participating Employee, his or her current annual salary and his or her proposed KERP Payment (the **Confidential KERP Exhibit**). Because the Confidential KERP Exhibit contains highly sensitive personal and commercial information about employees, the proposed KERP Approval Order includes language sealing the Confidential KERP Exhibit such that it shall not form part of the public court record pending further order of this Court.

17. I swear this Affidavit in support of the relief sought by Synaptive and for no improper purpose.

**SWORN REMOTELY** by Magnus Momsen  
at the City of San Jose, in the State of  
California, in the Country of the United States  
of America, before me on April 17, 2025, in  
accordance with O.Reg. 431/20,  
Administering Oath or Declaration Remotely.



---

Commissioner for Taking Affidavits  
(or as may be)

**MIKE NOEL**  
(LSO#: 80130F)

  
**Magnus Momsen**

This is Exhibit “E” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

**1001253954 ONTARIO INC.**

**AS THE PURCHASER**

**- AND -**

**SYNAPTIVE MEDICAL INC.**

**AS THE COMPANY**

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**SUBSCRIPTION AGREEMENT**

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**DATED JUNE 12, 2025**

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**Exhibit “A” - Approval and Reverse Vesting Order**

**Schedule “A” - Assumed Liabilities**

**Schedule “B” - Encumbrances to be Discharged**

**Schedule “C” - Excluded Assets**

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## SUBSCRIPTION AGREEMENT

This Subscription Agreement, dated as of June 12, 2025, is made by and among:

**1001253954 ONTARIO INC.,**

(the “**Purchaser**”)

- and -

**SYNAPTIVE MEDICAL INC.**, a corporation incorporated under the laws of Ontario

(the “**Company**”).

### RECITALS:

**WHEREAS** the Company is a private company, with a registered head office in Toronto, Ontario, and whose business consists primarily of the development of medical technology designed to improve surgical workflows and patient outcomes following neurosurgery and similar medical procedures;

**WHEREAS** the Company commenced a proceeding (the “**CCAA Proceeding**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 19, 2025 as amended and restated on March 26, 2025;

**WHEREAS** the Company obtained an order (the “**SISP Order**”) from the Court on March 26, 2025, authorizing the Company to undertake a sale and investment solicitation process (the “**SISP**”) to solicit offers or proposals for a sale of or investment in respect of the Company and authorizing and directing the Monitor (as defined herein) and the Company to implement the SISP in accordance with the terms thereof;

**WHEREAS** the Monitor, in consultation with the Company, designated: (i) the Purchaser’s Phase I LOI (as defined in the SISP Procedures) as a Qualified Bid (as defined in the SISP Procedures) on May 12, 2025; and, subsequently, (ii) the Purchaser’s Phase II Bid (as defined in the SISP Procedures) as the Successful Bid (as defined in the SISP Procedures) on June 2, 2025, and accordingly, the Parties desire to consummate the Transactions (as defined herein) on the terms and subject to the conditions contained in this Agreement (as defined herein);

**WHEREAS** pursuant to the terms of the Approval and Reverse Vesting Order, (i) the Purchaser has agreed to subscribe for, and purchase from the Company, the Subscribed Shares and (ii) the Company has agreed to issue the Rollover Notes (as defined herein) to the Rollover Noteholders (as defined herein), each on the terms and conditions set out in this Agreement and in accordance with the Closing Sequence set out herein;



**NOW THEREFORE**, in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

**“Administrative Expense Reserve”** means an amount not to exceed C\$9,610,000, to be paid to or retained by the Monitor on the Closing Date pursuant to Section 2.5 and held in trust by the Monitor for the benefit of Persons entitled to be paid the Administrative Expense Costs.

**“Administrative Expense Costs”** means: (a) the reasonable and documented out-of-pocket fees and costs of the Monitor and its professional advisors and the professional advisors of the Company and ResidualCo and in each case for services performed prior to and after the Closing Date, in each case, relating directly or indirectly to the CCAA Proceeding or this Agreement, including, without limitation, costs required to wind down and/or dissolve and/or bankrupt ResidualCo and costs and expenses required to administer the Excluded Assets, the Excluded Contracts, the Excluded Liabilities, and ResidualCo; and (b) amounts owing in respect of obligations secured by the CCAA Charges.

**“Administration Charge”** has the meaning given to it in the Initial Order.

**“Affiliate”** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, the Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to **“control”** another Person if the Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** will have a similar meaning.

**“Agreement”** means this Subscription Agreement, including the preamble and the Recitals, and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

**“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, by-law (zoning or otherwise), Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law (**“Law”**), in each case relating or applicable to the Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

**“Approval and Reverse Vesting Order”** means an Order issued by the Court substantially in the form attached as **Exhibit “A”** to this Agreement, with such modifications as acceptable to the Purchaser, the Company, and the Monitor, each acting reasonably:

- (a) approving this Agreement and the Transactions;
- (b) vesting out of the Company all Excluded Assets, Excluded Contracts, Excluded Liabilities and Subsidiary Equity and discharging all Encumbrances to Be Discharged;
- (c) granting a permanent injunction in favour of the Company and the Purchaser in respect of any Claim relating to all Excluded Assets, Excluded Contracts, Excluded Liabilities and Subsidiary Equity and all Encumbrances to Be Discharged;
- (d) authorizing and directing the Company to file the Articles of Reorganization;
- (e) terminating and cancelling all Existing Equity as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company, if any for no consideration (other than the rights of the Purchaser under this Agreement);
- (f) authorizing and directing the Company to issue the Subscribed Shares to the Purchaser free and clear of any Encumbrances; and
- (g) authorizing and directing the Company to issue the Rollover Notes to the Rollover Noteholders.

**“Articles of Reorganization”** means articles of reorganization to change the conditions in respect of the Company’s authorized and issued share capital immediately prior to completion of the Transactions to provide for a redemption right in favour of the Company or any other provision acceptable to the Company and the Purchaser, acting reasonably, that would result in holders of Existing Equity ceasing to hold their Existing Equity on the Closing Time and receiving nil consideration (other than the rights of the Purchaser under this Agreement), which will be in form and substance satisfactory to the Purchaser, as confirmed in writing in advance of the filing thereof.

**“Assumed Liabilities”** means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in **Schedule “A”**, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date; and (b) Liabilities which relate to the Business pursuant to any Retained Contracts and Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing and including Liabilities in respect of the Continuing Employees except as set forth in Section 5.7.

**“Authorization”** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Entity having jurisdiction with respect to any specified Person, property, transaction or event, or with

respect to any of the Person's property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

**"Books and Records"** means all books, records, files, papers, books of account and other financial data related to the Retained Assets and Assumed Liabilities in the possession, custody or control of the Company, including Tax Returns, sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically or digitally.

**"Business"** means the business and operations carried on by the Company in the ordinary course during the 12-month period prior to the date of this Agreement and as at the date of Closing.

**"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in Toronto, Ontario.

**"Causes of Action"** means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, choate or inchoate, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) any claim based on or relating to, or in any manner arising from, in whole or in part, breach of fiduciary duty, violation of local, provincial, federal, or foreign law, or breach of any duty imposed by law or in equity, including securities laws, negligence, and gross negligence; and (c) the right to object to or otherwise contest Claims.

**"Cash Consideration"** has the meaning set out in Section 2.2(a).

**"CCAA"** has the meaning set out in the Recitals.

**"CCAA Charges"** means the Administration Charge, the DIP Lender's Charge, and the Directors' Charge.

**"CCAA Proceeding"** has the meaning set out in the Recitals.

**"CCPC"** has the meaning set out in Section 4.3.

**"Claims"** means all debts, obligations, expenses, costs, damages, losses, Causes of Action, Liabilities, Encumbrances (other than Permitted Encumbrances), accounts payable, indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise).

**“Closing”** means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

**“Closing Date”** means the date on which Closing occurs.

**“Closing Deliverables”** means all contracts, agreements, certificates and instruments required by this Agreement to be delivered at or before the Closing in order to effect the Transactions.

**“Closing Sequence”** has the meaning set out in Section 6.2.

**“Closing Time”** means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor’s Certificate.

**“Company”** has the meaning set out in the Recitals.

**“Company Employees”** means all individuals who are employed by the Company, whether on a full-time or part-time basis, and including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off that has not expired.

**“Company Released Parties”** has the meaning set out in Section 5.8.

**“Conditions Certificates”** has the meaning set out in Section 7.4.

**“Continuing Employees”** means, collectively, the Company Employees (other than the Terminated Employees) and the Subsidiary Employees who accept offers of employment with the Purchaser (or its Affiliates).

**“Contracts”** means all contracts, agreements, deeds, licenses, leases, obligations, commitments, promises, undertakings, engagements, understandings and arrangements to which the Company is a party to or by which the Company is bound or under which the Company has, or will have at Closing, any right or liability or contingent right or liability (in each case, whether written or oral, express or implied) relating to the Business, including any Real Property Leases and any Contracts in respect of Employees.

**“Court”** has the meaning set out in the Recitals.

**“DIP Agreement”** means the DIP facility loan agreement dated March 18, 2025, between the Company and the DIP Lender, as may be amended and/or restated from time to time in accordance with its terms or replaced.

**“DIP Lender’s Charge”** has the meaning given to it in the Initial Order.

**“DIP Facility”** means the credit facility provided by the DIP Lender to the Company as part of the CCAA Proceeding, as described by the DIP Agreement.

**“DIP Lender”** means EDC, or any other lender under the DIP Facility from time to time.

**“Directors’ Charge”** has the meaning given to it in the Initial Order.

**“Discharged”** means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of the Encumbrance against any Person or upon any asset, undertaking or property and all proceeds thereof.

**“Disclosed Personal Information”** means Personal Information that the Purchaser receives from the Company in connection with this Agreement.

**“EDC”** means Export Development Canada.

**“EDC Warrants”** means those warrants to purchase shares in the capital of the Purchaser issued by the Purchaser to EDC immediately following to the Closing Time, in the amount and substantially on the terms set out in **Schedule “L”**.

**“Employees”** means, collectively, the Company Employees and the Subsidiary Employees.

**“Encumbrances”** means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, floating charges, mortgages, pledges, assignments, conditional sales, warrants, adverse claims, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), restrictive covenants, easements, servitudes, rights of way, licenses, leases, encroachments, and all other encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

**“Encumbrances to Be Discharged”** means all Encumbrances on the Retained Assets, including, without limitation, the Encumbrances listed in **Schedule “B”** (as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date), the Administration Charge, the Directors’ Charge, and the DIP Lender’s Charge, and any other charge granted by the Court in the CCAA Proceeding, excluding only the Permitted Encumbrances.

**“Equity Interest”** means any capital share, capital stock, partnership, membership, joint venture, warrant, option or other ownership or equity interest, participation or securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) in any Person.

**“Excluded Assets”** means: (a) all rights, covenants, obligations and benefits in favour of ResidualCo under this Agreement that survive Closing; and (b) those assets listed in **Schedule “C”**, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date.

**“Excluded Contracts”** means all Contracts that are not Retained Contracts, including those Contracts listed in **Schedule “D”**, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date.

**“Excluded Liabilities”** means all pre-filing Claims against the Company, including, without limitation, any amounts owing in respect of Taxes (including any Taxes arising on the transfer of

the Excluded Assets and the Excluded Liabilities to ResidualCo (other than any Taxes resulting from the application of Section 80 of the *Income Tax Act* (Canada), if any)), and all (pre and post-filing) Claims relating to or under the Excluded Contracts and Excluded Assets, Liabilities for Terminated Employees, in each case, other than Assumed Liabilities, including, among other things, the non-exhaustive list of those certain Liabilities set out in **Schedule “E”**, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date. Without limiting the foregoing, Excluded Liabilities includes any Claims that are not Assumed Liabilities.

**“Existing Common Shares”** means the issued and outstanding common shares in the capital of the Company immediately prior to the Closing of the Transactions.

**“Existing Equity”** means all Equity Interests (including the Existing Common Shares) in the Company immediately prior to Closing.

**“Governmental Entity”** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

**“GST/HST”** means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

**“Initial Order”** means the Initial Order granted by the Court on March 19, 2025 in the context of the CCAA Proceeding, as amended and restated on March 26, 2024, and as may be further amended, restated or varied from time to time.

**“Interim Period”** means the period from the date of this Agreement until the Closing Time.

**“Intellectual Property”** means: (a) all intellectual and/or industrial property in any jurisdiction, including patents, copyrights, trade-marks, industrial designs, trade names, brand names, business names and service marks (including registrations of and applications for all of the foregoing in any jurisdiction and renewals, divisions, extensions and reissues, where applicable, relating thereto); (b) all proprietary information, including trade secrets, know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors’ notes, research data, blueprints, drawings and designs, formulae, processes, technology; and (c) all other intellectual property in any jurisdiction and in whatever form or format, of the Company, including but not limited to the list set out in **Schedule “F”**.

**“Junior Rollover Notes”** means those certain promissory notes issued to the Rollover Noteholders identified in Schedule “J” under the heading “*Junior Rollover Noteholder*”, each in the amounts and substantially on the terms set out in **Schedule “J”** and in form and substance satisfactory to EDC.

**“Law”** has the meaning set out in the definition of “**Applicable Law**”.

**“Liability”** means, with respect to any Person, any liability or obligation of a Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of the Person.

**“Material Adverse Effect”** means any change, effect, event, occurrence, state of facts or development that has or could reasonably be expected to: (a) have a material adverse effect on the business, assets, liabilities, financial conditions or results of operations of the Company, or (b) prevent the ability of the Company to perform its obligations under, or to consummate the Transactions contemplated by, this Agreement, taken as a whole; in each case except to the extent that any change, effect, event, occurrence, state of facts or development is attributable to: (i) general economic or business conditions, except to the extent such change disproportionately affects the Company relative to other participants in the industry; (ii) the credit, debt, securities, financial or capital markets in or affecting Canada, the United States or any other country or the global economy generally, or other general business, banking, financial or economic conditions (including: (A) any disruption in any of the foregoing markets; (B) any change in the currency exchange rates; or (C) any decline or rise in the price of any security, commodity, contract or index); (iii) hurricanes, tornados, floods, earthquakes, natural disasters or other acts of God or other calamities in Canada, the United States or any other country, or conditions arising from or relating to epidemics, pandemics or disease outbreaks; (iv) changes in global, national, regional, state or local political or social conditions, including the engagement and/or escalation by the United States or Canada in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States or Canada or any of their territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States or Canada; (v) conditions affecting generally the industry in which the Company or any of its subsidiaries participates, except to the extent such change disproportionately affects the Company relative to other participants in the industry; (vi) the public announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, this Agreement or the Transactions, or the identity of the Parties, including any termination of, reduction in or similar adverse impact on relationships, contractual or otherwise, with any customers, suppliers, financing sources, licensors, licensees, distributors, partners, employees or others having relationships with the Company or any of its subsidiaries; (vii) changes in Applicable Law or the interpretation thereof; (viii) the imposition, or threatened imposition, of any Tariff, or any change, or threatened change, to the rate of any Tariff; (ix) any change in applicable accounting standards or other accounting requirements or principles; (x) the failure of the Company to meet or achieve the results set forth in any internal projections (but not the underlying facts giving rise to the failure unless the facts are otherwise excluded pursuant to the clauses contained in this definition); or (xi) any change resulting from compliance with the terms of, or any actions taken (or not taken) by any Party pursuant to or in accordance with, this Agreement.

**“Material Permits and Licenses”** means the permits, licenses, Authorizations, approvals or other evidence of authority issued to, granted to, conferred upon, or otherwise created for the Company, including, without limitation, those permits, licenses, Authorizations, approvals or other evidence of authority listed in **Schedule “G”**.

**“Monitor”** means Richter Inc. in its capacity as monitor of the Company in the CCAA Proceeding, and includes, as the context so requires, Richter Inc., in its capacity as monitor or trustee in bankruptcy of ResidualCo to the extent subsequently appointed.

**“Monitor’s Certificate”** means the certificate, substantially in the form attached as Schedule “A” to the Approval and Reverse Vesting Order, to be delivered by the Monitor in accordance with Section 7.4, and thereafter filed by the Monitor with the Court.

**“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Entity.

**“Organizational Documents”** means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

**“Outside Date”** means June 25, 2025, or any later date as the Parties may mutually agree.

**“Party”** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **“Parties”** means more than one of them.

**“Permitted Encumbrances”** means the Encumbrances related to the Retained Assets listed in **Schedule “H”**, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date.

**“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Entity, and the executors, administrators or other legal representatives of an individual in that capacity.

**“Personal Information”** means all information relating to or capable of being associated with an identified or identifiable natural Person.

**“Purchase Price”** has the meaning set out in Section 2.2.

**“Purchaser Released Parties”** has the meaning set out in Section 5.9.

**“Real Property Leases”** means all leases, subleases and other occupancy Contracts with respect to all real or immovable property, and all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon, forming part thereof or benefiting the real or immovable property.

**“Released Claims”** means all Claims and Orders, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.



**“Representative”** when used with respect to a Person means each director, officer, employee, consultant, subcontractor, financial adviser, legal counsel, accountant and other agent, advisor or representative of that Person.

**“ResidualCo”** means a corporation to be incorporated at least three Business Days in advance of Closing, to which the Excluded Assets, the Excluded Contracts and the Excluded Liabilities will be transferred as part of the Closing Sequence, which will have no issued and outstanding shares.

**“Retained Assets”** has the meaning set out in Section 2.4.

**“Retained Causes of Action”** means the Causes of Action of the Company existing as of Closing.

**“Retained Contracts”** means those Contracts listed in Schedule “T”, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date.

**“Rollover Notes”** means the Senior Rollover Note and the Junior Rollover Notes.

**“Rollover Noteholders”** means those Persons listed on Schedule “J”.

**“Senior Rollover Note”** means that certain promissory note issued to the Rollover Noteholder identified in Schedule “J” under the heading *“Senior Rollover Noteholder”*, in the amount and substantially on the terms set out in Schedule “J” and in form and substance satisfactory to EDC.

**“SISP”** has the meaning set out in the Recitals.

**“SISP Order”** has the meaning set out in the Recitals.

**“SISP Procedures”** means the SISP procedures set out in Schedule “A” of the SISP Order.

**“Subscribed Shares”** means 100 common shares in the capital of the Company issued on Closing pursuant to the Transactions, to be issued by the Company to the Purchaser in accordance with the terms of this Agreement.

**“Subsidiaries”** means Synaptive Medical (Barbados) Inc., Synaptive Medical USA, Inc., Synaptive Medical International SA, Synaptive Medical (UK) Ltd., Synaptive Medical Pte. Ltd, Synaptive Medical (Germany) GmbH, Synaptive Medical (Australia) Pty Ltd. and Synaptive Medical Denmark ApS.

**“Subsidiary Employees”** means all individuals who are employed by the Subsidiaries, whether on a full-time or part-time basis, and including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off that has not expired, and **“Subsidiary Employee”** means any one of them.

**“Subsidiary Equity”** means the Equity Interests held by the Company in the Subsidiaries.

**“Target Closing Date”** means June 20, 2025, or any later date as the Parties may mutually agree.

**“Tariff”** means any tariff, duty or similar charge levied, directly or indirectly, by a Governmental Entity on any good or service upon, or in connection with, the import or export of such good or service into, or out of, any nation, province, territory, state or similar geographic or political subdivision.

**“Tax Returns”** means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Entity, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

**“Taxes”** or **“Tax”** means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, global minimum taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, property transfer taxes, capital taxes, net worth taxes, production taxes, GST/HST, sales taxes, goods and services taxes, harmonized sales taxes, Tariffs, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment/unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add on minimum taxes, customs duties, import and export taxes, countervailing and anti-dumping duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity and any instalments in respect thereof including amounts or refunds owing in respect of any form of COVID-19 economic support, together with any interest, penalties, or additions with respect thereto and any interest in respect of the additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, whether disputed or not.

**“Terminated Employees”** means those individuals employed by the Company whose employment has or will be terminated by the Company, including those listed on **Schedule “K”**, as the Schedule may be amended, supplemented or restated by the Purchaser from time to time up to two Business Days prior to the Closing Date.

**“Transactions”** means all of the transactions contemplated by this Agreement, including:

- (a) satisfaction of Administrative Expense Costs pursuant to Section 2.5 (including repayment of the DIP Facility);
- (b) the cancellation of all Existing Equity;
- (c) the issuance by the Company of the Subscribed Shares to the Purchaser and the completion of the other transactions set forth in the Closing Sequence, including the issuance of the Rollover Notes to the Rollover Noteholders;
- (d) the assignment by the Company to ResidualCo of the Excluded Assets, the Excluded Contracts, the Excluded Liabilities and the Subsidiary Equity; and
- (e) the filing of the Articles of Reorganization.

“**Working Capital Amount**” has the meaning set out in Section 2.2(b).

## **1.2 Actions on Non-Business Days**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then the payment or action will be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

## **1.3 Currency and Payment Obligations**

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of the United States of America. For the purposes of any currency conversions expressly contemplated pursuant to this Agreement, the parties shall refer to the daily exchange rate published by the Bank of Canada as of the date which is three (3) Business Days prior to the Closing Date.

## **1.4 Calculation of Time**

In this Agreement, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Eastern time) on the next succeeding Business Day.

## **1.5 Additional Rules of Interpretation**

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement will be written consent, agreement, approval, confirmation, or notice, and e-mail will be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections, Schedules or Exhibits are to Articles or Sections of or Schedules or Exhibits to this Agreement, as applicable.
- (e) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” will not be considered to set forth an exhaustive list.

- (f) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions will be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any amendment, re-enactment, consolidation or replacement, reference herein to a particular provision will be read as referring to the amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean the agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

## 1.6 Schedules

- (a) The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

### **SCHEDULES**

Schedule “A”	Assumed Liabilities
Schedule “B”	Encumbrances To Be Discharged
Schedule “C”	Excluded Assets
Schedule “D”	Excluded Contracts
Schedule “E”	Excluded Liabilities
Schedule “F”	Intellectual Property
Schedule “G”	Material Permits and Licenses
Schedule “H”	Permitted Encumbrances
Schedule “I”	Retained Contracts
Schedule “J”	Rollover Notes
Schedule “K”	Terminated Employees
Schedule “L”	EDC Warrants

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

## ARTICLE 2

### SUBSCRIPTION FOR SUBSCRIBED SHARES; ASSUMPTION OF LIABILITIES

#### 2.1 Deposit

As a deposit for the Purchase Price, (i) the Purchaser paid to the Monitor, on behalf of the Company in accordance with the SISP Procedures, a deposit in the amount of \$650,000 (which, for greater certainty, represents an amount equal to or greater than 10% of the Cash Consideration) on May 14, 2025; (ii) the Purchaser paid to the Monitor, on behalf of the Company in accordance with the SISP Procedures, a deposit in the amount of US\$350,000 on June 6, 2025; and (iii) the Purchaser shall use its best efforts to pay to the Monitor, on behalf of the Company, an additional amount of US\$500,000 prior to 5:00 p.m. (ET) on June 11, 2025 by wire transfer of immediately available funds (collectively, the “**Deposit**”). The Deposit will be held in escrow by the Monitor in an interest-bearing account on behalf of the Company and be dealt with in accordance with the SISP Procedures and this Agreement. In the event of any conflict between the SISP Procedures and this Agreement, this Agreement shall govern.

#### 2.2 Total Transaction Value

The total transaction value payable by the Purchaser on the Closing Date will be an amount equal to the aggregate of the following:

- (a) Cash Consideration: Cash in an amount equal to the United States Dollar equivalent of C\$9,610,000, being the total amount contemplated under the CCAA Charges (the “**Cash Consideration**”);
- (b) Working Capital Amount: Cash in a minimum amount equal to \$22,500,000 and a maximum amount of up to \$50,000,000, in each case *less* the Cash Consideration (the “**Working Capital Amount**”); and
- (c) Assumption of Assumed Liabilities: An amount equal to the Assumed Liabilities assumed by the Company on the Closing Date and in accordance with the Closing Sequence.

#### 2.3 Subscribed Shares

- (a) Upon and subject to the terms and conditions of this Agreement, at the Closing and effective as of the Closing Time, the Company will issue to the Purchaser, free and clear from all Claims, Liabilities and Encumbrances, and the Purchaser will purchase from the Company, the Subscribed Shares in exchange for the Cash Consideration and the Working Capital Amount (the “**Purchase Price**”).
- (b) Pursuant to the Approval and Reverse Vesting Order, all Equity Interests of the Company outstanding prior to the issuance of the Subscribed Shares other than the Subscribed Shares will be cancelled, without consideration, and the Subscribed Shares will represent 100% of the outstanding Equity Interests in the Company after the issuance and cancellation, each in accordance with the Closing Sequence.

## **2.4 Retained Assets**

On the Closing Date, the Company will retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Retained Contracts, the Books and Records, the Retained Causes of Action and the Intellectual Property, but excluding the Excluded Liabilities, the Excluded Assets, and the Excluded Contracts, which the Company will transfer to ResidualCo in accordance with Section 3.1(a) (collectively, the “**Retained Assets**”).

## **2.5 Administrative Expense Reserve**

On the Closing Date, the Monitor will be directed by the Company to retain the Cash Consideration to fund the Administrative Expense Costs. The Monitor will hold such monies in trust for the benefit of Persons entitled to be paid the Administrative Expense Costs. Any unused portion of the Administrative Expense Reserve after payment or reservation for all of the Administrative Expense Costs, as determined by the Monitor, will be transferred by the Monitor to the Company.

# **ARTICLE 3 TRANSFER OF EXCLUDED ASSETS, EXCLUDED CONTRACTS AND EXCLUDED LIABILITIES**

## **3.1 Transfer of Excluded Assets, Excluded Contracts and Excluded Liabilities to ResidualCo**

- (a) On the Closing Date, in accordance with the Closing Sequence and pursuant to the Approval and Reverse Vesting Order, the Excluded Assets, the Excluded Contracts and the Excluded Liabilities will be transferred to and assumed by ResidualCo, and the same will be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.
- (b) Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Company will assume or have any Liability for any Excluded Liabilities or any Liability related to the Excluded Assets or the Excluded Contracts and the Company and its assets, undertaking, business and properties will be fully and finally Discharged from all Excluded Liabilities and any Liabilities related to the Excluded Assets or the Excluded Contracts as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order.

# **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

## **4.1 Representations and Warranties of the Company**

Subject to the Court issuing the Approval and Reverse Vesting Order and the Approval and Reverse Vesting Order becoming effective in accordance with its terms, the Company represents and warrants to the Purchaser on the date hereof and at Closing as follows and acknowledges and

agrees that the Purchaser is relying upon the representations and warranties in connection with the Transactions:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the laws of the Province of Ontario, in good standing under that act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation of the Transactions have been authorized by all necessary corporate action on the part of the Company. Except for the issuance of the Approval and Reverse Vesting Order, no authorization, consent or approval of, or filing with or notice to, any Governmental Entity, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Company and each of the agreements to be executed and delivered by the Company hereunder or any of the Transactions.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement does not or would not, with the giving of notice, the lapse of time, or both, or the happening of any other event or condition, result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company, Applicable Law, or any Contracts (which, in the case of Contracts, would prohibit or seek to enjoin, restrict or prohibit the Transactions or reasonably be expected to materially delay the Company from fulfilling any of its obligations set forth in this Agreement).
- (d) Capitalization. Immediately following the Closing, the Subscribed Shares will constitute all of the issued and outstanding Equity Interests in the capital of the Company and the Purchaser will be the sole registered and beneficial owner of the Subscribed Shares, with good and valid title thereto, free and clear of all Encumbrances, in accordance with the Approval and Reverse Vesting Order.
- (e) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.
- (f) Subsidiaries. Other than the Subsidiaries, the Company does not hold any Equity Interests in any Person. Each of the Subsidiaries is inactive, does not own any assets and does not conduct any business or generate any revenue.
- (g) Liabilities. The accrued Liabilities under the Retained Contracts as of the date hereof do not exceed \$6,000,000.

## 4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon the representations and warranties in connection with the Transactions:

- (a) Incorporation and Status. The Purchaser is duly incorporated, organized or formed (as applicable), validly existing and in good standing under the Laws of the jurisdiction of its incorporation, organization or formation and has full power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action. Except for the issuance of the Approval and Reverse Vesting Order, no authorization, consent or approval of, or filing with or notice to, any Governmental Entity, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser and each of the agreements to be executed and delivered by the Purchaser hereunder or any of the Transactions.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser, Applicable Law, or any Contracts (which, in the case of Contracts, would: (i) prevent the Purchaser from paying the Purchase Price to the Monitor or assuming the Assumed Liabilities; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions; or (iii) reasonably be expected to materially delay the Purchaser from fulfilling any of its obligations set forth in this Agreement).
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms except in each case as the enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or general principles of equity and subject only to the Approval and Reverse Vesting Order.
- (e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement which would result in Liability for the Company.
- (f) Proceedings. As of the date hereof, there are no Causes of Action pending, or to the knowledge of the Purchaser, threatened against the Purchaser, which would: (i) prevent the Purchaser from paying the Purchase Price to the Monitor or assuming the Assumed Liabilities; (ii) prohibit or seek to enjoin, restrict or prohibit



the Transactions; or (iii) which would reasonably be expected to materially delay the Purchaser from fulfilling any of its obligations set forth in this Agreement.

- (g) Independent Advice. The Purchaser acknowledges that in connection with the Transactions contemplated hereunder, it has received no advice as to tax or legal ramifications relating to the Transactions from the Company and has been advised to seek independent advice from its legal, accounting and tax advisors prior to entering into this Agreement.

#### **4.3 CCPC Status**

The Purchaser acknowledges and agrees that (i) the Company has ceased to be a “Canadian-controlled private corporation” (as defined in the *Income Tax Act* (Canada)) (“CCPC”) as of the date hereof as a result of the execution and delivery of this Agreement; and (ii) such change in CCPC status may have material adverse consequences to the Company and its shareholder(s); *provided* that none of any such consequences will constitute a Material Adverse Effect for purposes of this Agreement.

#### **4.4 As is, Where is**

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Company, the Business, the Subscribed Shares, the Retained Assets, the Assumed Liabilities, the Retained Liabilities, the Excluded Assets, the Excluded Contracts and the Excluded Liabilities and of any income tax matter relating to any of them or of any of the transactions contemplated under this Agreement and, based solely thereon and the advice of its financial, legal and other advisors, have determined to proceed with the Transactions. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Company expressly set forth in Section 4.1, the Purchaser understands, acknowledges and agrees that all other representations, warranties, guarantees, conditions and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Company or the Business) are specifically disclaimed by the Company and its financial and legal advisors and the Monitor and its legal counsel. The Purchaser specifically acknowledges and agrees that, except for the representations and warranties of the Company expressly and specifically set forth in section 4.1: (a) the Purchaser is acquiring the Subscribed Shares on an “as is, where is” basis; and (b) none of the Company, the Monitor or any other person (including any representative of the Company or the Monitor, whether in any individual, corporate or any other capacity) is making, and the Purchaser is not relying on, any representations, warranties, guarantees, conditions or other statements of any kind whatsoever, whether oral or written, express or implied, statutory or otherwise, as to any matter concerning the Company, the Business, the Subscribed Shares, the Retained Assets, the Assumed Liabilities, the Retained Liabilities, the Excluded Assets, the Excluded Contracts and the Excluded Liabilities, this Agreement or the Transactions, any income tax matter relating to any of them or of any of the transactions contemplated under this Agreement or the accuracy or completeness of any information provided to (or otherwise acquired by) the Purchaser or any of its representatives, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, or in respect of any other matter or thing whatsoever, including any and all

conditions, guarantees, statements, warranties or representations, express or implied, pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement, and are hereby waived in their entirety by the Purchaser.

## **ARTICLE 5 COVENANTS**

### **5.1 Target Closing Date**

The Parties will cooperate with each other and will use their commercially reasonable efforts to satisfy the conditions to Closing in its control and to effect the Closing by the Target Closing Date.

### **5.2 Motion for Approval and Reverse Vesting Order**

- (a) As soon as practicable after the date hereof, the Company will serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order.
- (b) The Company will diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and the Purchaser will reasonably cooperate with the Company in its efforts to obtain the issuance and entry of the Approval and Reverse Vesting Order. The Company's motion materials for the Approval and Reverse Vesting Order will be in form and substance satisfactory to counsel to the Purchaser, acting reasonably. The Company will provide counsel to the Purchaser a reasonable opportunity to review a draft of the motion materials to be served and filed with the Court, it being acknowledged that the motion materials should be served as promptly as reasonably possible following the execution of this Agreement, and will serve the materials on the service list prepared by the Company and reviewed by the Monitor, all parties to the Excluded Contracts and the Retained Contracts, all Persons holding Encumbrances and any material Claims, and on other interested parties, and in the manner as counsel to the Purchaser may reasonably require.
- (c) The Company will promptly (and in any event, no longer than 2 Business Days) inform counsel for the Purchaser of any and all threatened or actual objections to the motion for the issuance of the Approval and Reverse Vesting Order of which it becomes aware, and will promptly (and in any event, no longer than 2 Business Days) provide to the Purchaser a copy of all written objections received.

### **5.3 Interim Period**

- (a) During the Interim Period, except: (i) as expressly contemplated or permitted by this Agreement; (ii) as necessary in connection with the CCAA Proceeding; (iii) as otherwise provided in the Initial Order and any other Court Orders prior to the Closing Time; or (iv) as consented to by the Purchaser and the Company, the Company:
  - (i) will continue to operate the Business in the ordinary course, consistent with past practice and in substantially the same manner as conducted for the 12-

month period prior to the date of this Agreement, including preserving, renewing and keeping in full force its corporate existence as well as Material Permits and Licenses;

- (ii) will maintain and preserve in all material respects the business, organization, operations, assets, properties, goodwill and relationships of the Business with customers, suppliers, partners and other Persons having material business relations with the Business in the ordinary course including complying with all obligations under all of the Retained Contracts;
- (iii) will use commercially reasonable efforts to keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any insurance policies consistent with past practices of the Company in the ordinary course of business;
- (iv) will continue to pay ordinary course Liabilities after the commencement of the CCAA Proceeding in the ordinary course of business; and
- (v) will not:
  - (i) take any action to amend its constating documents;
  - (ii) sell, lease, exchange, transfer or otherwise dispose of, or agree to sell, lease, exchange, transfer or otherwise dispose of, any Retained Asset;
  - (iii) undertake any material acquisition, purchase, lease or license of any asset material to the Company;
  - (iv) settle or compromise any litigation or claims relating to the Business or Retained Assets or that would impose any restrictions or Liabilities on the Business or the Purchaser's use of the Retained Assets after the Closing;
  - (v) permit, allow or suffer any assets that would be Retained Assets to be subjected to any newly created Encumbrance;
  - (vi) cancel or compromise any debt or claim that would be included in the Retained Assets or waive or release any material right that would be included in the Retained Assets;
  - (vii) terminate (other than for cause) or hire any employees, or materially change the term of any contract with any employee;
  - (viii) enter into or adopt any collective agreement or enter into negotiations in connection therewith (other than as required pursuant to Applicable Law);

- (ix) enter into, adopt, materially amend or modify or terminate any employee compensation plan other than as required pursuant to Applicable Laws or the terms of such employee compensation plan in effect as of the date hereof;
  - (x) take any action that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Transactions contemplated hereunder, or the financial terms and value bargained for by the Purchaser hereunder;
  - (xi) make, revoke, or change any election relating to Taxes, file any amended Tax Return, request, enter into or obtain any Tax ruling with or from a Governmental Entity, or execute or file, or agree to execute or file, with any Governmental Entity any agreement or other document extending, or having the effect of extending, the period of assessment or collection of any Taxes; or
  - (xii) agree to do any of the foregoing.
- (b) During the Interim Period, except as contemplated or permitted by this Agreement or any Court Order, the Company will not enter into any transactions involving the Company or its assets or the Business without the prior approval of the Purchaser.

#### **5.4 Support Obligations**

- (a) During the Interim Period:
- (i) the Company will cooperate with the Purchaser with respect to all material steps required in connection with the Transactions;
  - (ii) the Company will promptly notify the Purchaser, in writing, of receipt of any notice, demand, request or inquiry by any Governmental Entity concerning the Transactions or the issuance by any Governmental Entity of any Order or ruling relating to any securities of the Company;
  - (iii) the Company will take all action as may be necessary so that the Transactions will be effected in accordance with Applicable Law;
  - (iv) the Company and the Purchaser will execute any and all documents and perform (or cause its agents and advisors to perform) any and all acts required in connection with this Agreement;
  - (v) the Company and the Purchaser will use commercially reasonable efforts to timely prepare and file all documentation and pursue all steps reasonably necessary to obtain all required material third-party consents and approvals as may be required in connection with the Transactions; and

- (vi) the Company will promptly notify the Purchaser of any Material Adverse Effect occurring from and after the date hereof.

## **5.5 Access During Interim Period**

During the Interim Period, the Company will give, or cause to be given, to the Purchaser and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, personnel, properties and Contracts, to conduct investigations of the financial and legal condition of the Business and the Retained Assets as the Purchaser may deem reasonably necessary or desirable to further familiarize itself with the Business and the Retained Assets, provided that the Purchaser will not be entitled to any confidential or privileged information, as determined by the Company and the Monitor, each acting reasonably (it being understood that the Company and the Monitor shall comply with reasonable requests by the Purchaser for such confidential or privileged information on a redacted or anonymized basis). Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives will be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; (b) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives will be permitted to contact and discuss the Transactions with Governmental Entities and the Company's customers and contractual counterparties; and (c) the Company will instruct its executive officers and senior business managers, employees, counsel, auditors and finance advisors of the Company to reasonably cooperate with the Purchaser and its Representatives regarding the foregoing. These investigations will be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and the Company will co-operate reasonably in facilitating the investigations and will furnish copies of all the documents and materials relating to matters as may be reasonably requested by or on behalf of the Purchaser, *provided* that: (i) the investigations will not unreasonably interfere with the Company's operations; (ii) the Purchaser will not conduct invasive or intrusive investigations, inspections, tests or audits in respect of the Retained Assets or the Excluded Assets, without the prior written consent of the Company, which consent will not be unreasonably withheld, conditioned or delayed and the Purchaser having given the Company at least two (2) Business Days' prior written notice; (iii) the Company will be entitled to have a Representative present during all the tests, inspections and investigations; and (iv) any damage to the Retained Assets or the Excluded Assets caused by the tests, land surveys, inspections and investigations will be promptly repaired by the Purchaser and the Purchaser will indemnify and save the Company harmless from all third party Claims imposed upon or asserted against it as a result of, in respect of or arising out of the tests, inspections and investigations, with the indemnity to survive Closing or termination of this Agreement, in the event this Agreement is terminated in accordance with its terms. No investigation made pursuant to this Section 5.5 by the Purchaser or its Representatives at any time prior to or following the date of this Agreement will affect or be deemed to modify any representation or warranty made by the Company herein.

## **5.6 Personal Information**

- (a) The Purchaser shall at all times comply with all Applicable Law governing the protection of Personal Information with respect to the Disclosed Personal Information.

- (b) The Purchaser shall not use or disclose any of the Disclosed Personal Information except as required to: (i) investigate the Company and the Business or to otherwise determine whether to proceed with the Transactions, (ii) perform its obligations under this Agreement, (iii) complete the Transactions or (iv) comply with Applicable Law. The Purchaser shall use commercially reasonable efforts to protect and safeguard all of the Disclosed Personal Information in a manner consistent with the degree of sensitivity of the Personal Information and as required by Applicable Law and maintain at all times the security and integrity of the Disclosed Personal Information.
- (c) If the Transactions are not completed for any reason, the Purchaser shall return all of the Disclosed Personal Information to the Company or destroy all of the Disclosed Personal Information at the Company's written request and, in the event of destruction, deliver to the Company a certificate confirming such destruction.
- (d) The Purchaser shall not, following the closing of the Transactions, without the consent of the Persons to whom the Disclosed Personal Information relates or as permitted or required by Applicable Law, use or disclose any of the Disclosed Personal Information for purposes other than those for which such Disclosed Personal Information was collected by the Company or any of its Subsidiaries.

## **5.7 Employees**

- (a) The Purchaser shall, or shall cause a subsidiary to, make offers of employment in writing to the Subsidiary Employees on or prior to the Target Closing Date and leave the offers open for acceptance up to and including one (1) day prior to the Closing Date, such that the number of Company Employees (excluding the Terminated Employees) plus the number of the Subsidiary Employees that receive offers of employment pursuant to this Section 5.7(a) equals, in the aggregate, at least 90% of the aggregate number of Employees as of the date hereof. Notwithstanding any other provision of this Agreement, the Purchaser has no obligation to offer employment to any particular Subsidiary Employee.
- (b) In the event that: (i) a Subsidiary Employee who receives an offer of employment rejects the offer in writing or fails to accept the offer of employment up to and including one (1) day prior to the Closing Date; or (ii) a Subsidiary Employee does not receive an offer of employment, the employee will be deemed to be a Terminated Employee.
- (c) All liabilities owing to any Terminated Employees as result of, or in respect of, their termination, including all amounts owing on account of, or damages in lieu of, statutory notice, termination payments, severance, benefits, bonuses or other compensation or entitlements, shall be deemed to be Excluded Liabilities.

## **5.8 Release by the Purchaser**

Except in connection with any obligations of the Company contained in this Agreement, any Closing Deliverables or the Approval and Reverse Vesting Order, effective as of the Closing Time,

the Purchaser hereby releases and forever discharges the Company, the Monitor, the DIP Lender, each of the foregoing parties' respective Affiliates and Representatives, each of the foregoing parties' respective successors and assigns, and all current officers, directors, partners, employees, agents, financial and legal advisors of each of them (the "**Company Released Parties**"), whether in this jurisdiction or any other, whether or not presently known to them or to the law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Purchaser ever had, now has or ever may have or claim to have against any of the Company Released Parties in their capacity as the foregoing, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time, save and except for Released Claims arising out of fraud or willful misconduct.

## **5.9 Release by the Company**

Except in connection with any obligations of the Purchaser contained in this Agreement, any Closing Deliverables or the Approval and Reverse Vesting Order, effective as of the Closing Time, the Company and ResidualCo hereby release and forever discharge the Purchaser, the Monitor, the DIP Lender, each of the foregoing parties' respective Affiliates and Representatives, each of the foregoing parties' respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them (the "**Purchaser Released Parties**"), whether in this jurisdiction or any other, whether or not presently known to them or to the law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Company ever had, now has or ever may have or claim to have against any of the Purchaser Released Parties in their capacity as the foregoing, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time, save and except for Released Claims arising out of fraud or willful misconduct.

## **5.10 Issuance of EDC Warrants**

The Purchaser agrees to issue the EDC Warrants with effect as of immediately following the Closing Time.

# **ARTICLE 6 CLOSING ARRANGEMENTS**

## **6.1 Closing**

The Closing will take place virtually by exchange of documents in PDF on the Closing Date, in accordance with the Closing Sequence (as defined herein), and will be subject to the escrow document release arrangements as the Parties may agree.

## 6.2 Closing Sequence

On the Closing Date, in accordance with and subject to the terms of the Approval and Reverse Vesting Order, Closing will take place in the following sequence (the “**Closing Sequence**”):

- (a) first, the following will occur concurrently:
  - (i) the Purchaser shall pay the Purchase Price to the Monitor, on behalf of the Company, and shall assume the Assumed Liabilities; and
  - (ii) the Company shall issue the Subscribed Shares to the Purchaser, and all right, title and interest of the Company in and to the Subscribed Shares shall vest absolutely and exclusively with the Purchaser;
- (b) second, the Monitor, on behalf of the Company, shall deposit the Administrative Expense Reserve to a separate interest-bearing account in accordance with this Agreement, which amount shall be used to pay all advisors’ expenses of the Company and the Monitor (including legal counsel fees) related to the CCAA Proceeding and the Transactions solely to the extent that the expenses are subject to CCAA Charges (including repayment of the DIP Facility);
- (c) third, the Company shall be deemed to transfer to ResidualCo the Excluded Assets, the Excluded Contracts and the Excluded Liabilities;
- (d) fourth, the Retained Assets shall be retained by the Company, in each case free and clear of and from any and all Claims, and for greater certainty, all of the Encumbrances, other than the Permitted Encumbrances, affecting or relating to the Retained Assets are hereby expunged and discharged as against the Retained Assets;
- (e) fifth, the Company shall issue the Rollover Notes and grant the related security to the Rollover Noteholders;
- (f) sixth, all Existing Equity (other than the Subscribed Shares and other than the Existing Common Shares, which will be cancelled in accordance with the Articles of Reorganization) as well as any agreement, Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans) or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration; and
- (g) seventh, the Articles of Reorganization shall be filed and be effective.

The Purchaser, in consultation with the Company and the Monitor, acting reasonably, may change the order of the Closing Sequence or amend the Closing Sequence, *provided* that the amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.



### **6.3 The Purchaser's Closing Deliverables**

At or before the Closing, the Purchaser will deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below) the following:

- (a) payment to the Monitor, on behalf of the Company, by wire transfer of immediately available funds, of an amount equal to the amount of the Cash Consideration *plus* the Working Capital Amount *less* the amount of the Deposit actually paid by the Purchaser to the Monitor, on behalf of the Company, prior to the Closing and any accrued interest on the Deposit;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 7.3(b), 7.3(c) and 7.3(d) have been satisfied;
- (c) fully executed copies of the EDC Warrants to EDC; and
- (d) any other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which will be in form and substance satisfactory to the Parties, acting reasonably.

### **6.4 The Company's Closing Deliverables**

At or before the Closing, the Company will deliver or cause to be delivered to the Purchaser (or to EDC and the applicable Rollover Noteholders, if so indicated below) the following:

- (a) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each of the conditions in Sections 7.2(b), 7.2(d), 7.2(e) and 7.2(f) have been satisfied;
- (b) an issued Approval and Reverse Vesting Order in form and substance satisfactory to the Purchaser;
- (c) fully executed copies of the Rollover Notes and related security to EDC and the applicable Rollover Noteholders; and
- (d) any other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions provided for in this Agreement, all of which will be in form and substance satisfactory to the Parties, acting reasonably.

### **6.5 The Company's Closing Sequence Deliverables**

Promptly following completion of the steps in the Closing Sequence, the Company will deliver or cause to be delivered to the Purchaser the following:

- (a) evidence satisfactory to the Purchaser, acting reasonably, of the filing of the Articles of Reorganization; and

- (b) share certificates representing the Subscribed Shares (or other acceptable evidence of ownership of the Subscribed Shares).

## **ARTICLE 7**

### **CONDITIONS OF CLOSING**

#### **7.1 Mutual Conditions**

The respective obligations of the Purchaser and the Company to consummate the Transactions are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the conditions listed below:

- (a) No Violation of Orders or Law. During the Interim Period, no Governmental Entity will have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions;
- (b) Court Approval. The following conditions will have been met: (i) the Approval and Reverse Vesting Order will have been granted by the Court; and (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order will not have been vacated, set aside or stayed; and
- (c) Purchaser Financing. The Purchaser has raised equity financing in an aggregate amount equal to at least US\$22,500,000.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Company and the Purchaser. Any condition in this Section 7.1 may be jointly waived by the Company and by the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any waiver will be binding on the Company or the Purchaser, as applicable, only if made in writing. Notwithstanding anything to the contrary contained herein, the Company and the Purchaser will take all commercially reasonable actions, steps and proceedings as are reasonably within its control to ensure that the conditions listed in this Section 7.1 are fulfilled at or before the commencement of the first step in the Closing Sequence.

#### **7.2 The Purchaser's Conditions**

The Purchaser will not be obligated to complete the Transactions unless each of the conditions listed in Section 7.1 and in this Section 7.2 have been satisfied or waived:

- (a) The Company's Deliverables. The Company will have executed and delivered or caused to have been executed and delivered to the Purchaser (with a copy to the Monitor) at or prior to the Closing all the documents contemplated in Section 6.4;
- (b) Material Adverse Effect. There will not have been any Material Adverse Effect since the date hereof which is continuing;

- (c) No New Equity Issuances. The Company will not have issued any securities of the Company, or incurred any new debt obligations, except in each case as provided for in the Approval and Reverse Vesting Order and this Agreement;
- (d) No Breach of Representations and Warranties. Except as the representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 will be true and correct in all material respects: (i) as of the Closing Date as if made on and as of the Closing Date; or (ii) if made as of a date specified therein, as of the specified date;
- (e) Terminated Employees. The Company will have terminated the employment of the Terminated Employees, and all liabilities owing to any Terminated Employees in respect of the terminations, including all amounts owing on account of or damages in lieu of, statutory notice, termination payments, severance, benefits, bonuses or other compensation or entitlements, will be Excluded Liabilities which, pursuant to the Approval and Reverse Vesting Order, will be assigned and transferred as against the Company to and assumed by ResidualCo; and
- (f) No Breach of Covenants. The Company will have performed in all material respects (unless qualified by materiality, in which case the foregoing qualification will not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.

The Parties acknowledge that the foregoing conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any waiver will be binding on the Purchaser only if made in writing, *provided* that if the Purchaser does not waive a condition(s) and completes the Closing, the condition(s) will be deemed to have been waived by the Purchaser. The Company will take all commercially reasonable actions, steps and proceedings as are reasonably within its control, subject to the CCAA and any Order of the Court, to ensure that the conditions listed in this Section 7.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

### **7.3 The Company's Conditions**

The Company will not be obligated to complete the Transactions unless each of the conditions listed in Section 7.1 and in this Section 7.3 have been satisfied or waived:

- (a) Purchaser's Deliverables. The Purchaser will have executed and delivered or caused to have been executed and delivered to the Company (with a copy to the Monitor) at or prior to the Closing all the documents and payments for the Purchaser contemplated in Section 6.3;
- (b) No Breach of Representations and Warranties. Except as the representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting

Order), each of the representations and warranties contained in Section 4.2 will be true and correct in all material respects: (i) as of the Closing Date as if made on and as of the Closing Date; or (ii) if made as of a date specified therein, as of the specified date;

- (c) No Breach of Covenants. The Purchaser will have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing; and
- (d) Employees. The Purchaser will have made or caused to be made offers of employment in writing to the requisite number of the Employees in accordance with Section 5.7(a).

The Parties acknowledge that the foregoing conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any waiver will be binding on the Company only if made in writing, *provided* that if the Company does not waive a condition(s) and completes the Closing, the condition(s) will be deemed to have been waived by the Company. The Purchaser will take all actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed in this Section 7.3 are fulfilled at or before the commencement of the first step in the Closing Sequence.

#### **7.4 Monitor's Certificate**

When the conditions to Closing set out in Section 7.1, 7.2 and 7.3 have been satisfied and/or waived by the Company or the Purchaser, as applicable, each of the Company and the Purchaser or their respective counsel will deliver to the Monitor confirmation in writing that the conditions of Closing, as applicable, have been satisfied and/or waived and that the Parties are prepared for the Closing Sequence to commence (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates and the receipt of the Purchase Price, the Monitor will: (a) issue forthwith its Monitor's Certificate concurrently to the Company and counsel to the Purchaser, at which time the Closing Sequence will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and will provide a true copy of the filed certificate to the Company and counsel to the Purchaser). In the case of (a) and (b) above, the Monitor will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Monitor will have no liability to the Company or the Purchaser as a result of filing the Monitor's Certificate in accordance herewith.

## ARTICLE 8 TERMINATION

### 8.1 Grounds for Termination

- (a) Subject to Section 8.1(b), this Agreement may be terminated on or prior to the Closing Date:
  - (i) by mutual agreement of the Company and the Purchaser;
  - (ii) by either the Company or the Purchaser, upon the termination, dismissal or conversion of the CCAA Proceeding, *provided* that neither Party may terminate this Agreement pursuant to this Section 8.1(a)(ii) if the termination, dismissal or conversion of the CCAA Proceeding was caused by a breach of this Agreement by the Party proposing to terminate this Agreement;
  - (iii) by either the Company or the Purchaser, if the Court grants relief terminating the Stay Period (as defined in the Initial Order) with regard to any material assets or business of the Company and any appeal periods relating thereto will have expired;
  - (iv) by either the Company or the Purchaser, upon notice to the other Party, if the Court declines at any time to grant the Approval and Reverse Vesting Order, *provided* that the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
  - (v) by either the Company or the Purchaser, if a Governmental Entity issues a final, non-appealable Order permanently restraining, enjoining or otherwise prohibiting consummation of the Transactions where the Order was not requested, encouraged or supported by the Party proposing to terminate this Agreement;
  - (vi) by either the Company or the Purchaser, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern time) on the Outside Date, *provided* that the reason for the Closing not having occurred is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
  - (vii) by the Company, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.3, as applicable, by the Outside Date and the violation or breach has not been waived by the Company or cured by the Purchaser prior to the earlier of (A) 10 days following the date that the Company provided notice to the Purchaser of such breach and (B) the Outside Date, in each case unless the Company is

itself in material breach of its own obligations under this Agreement at the time;

- (viii) by the Purchaser, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty of the Company in this Agreement which would prevent the satisfaction of, or compliance with, any conditions set forth in Section 7.2, as applicable, by the Outside Date and the violation or breach has not been waived by the Purchaser or cured by the Company prior to the earlier of (A) 10 days following the date that the Purchaser provided notice to the Company of such breach and (B) the Outside Date, in each case unless the Purchaser is itself in material breach of its own obligations under this Agreement at the time;
  - (ix) by the Company, if the Purchaser fails to satisfy the closing condition set forth in Section 7.1(c) by 11:59 p.m. (Eastern time) on the Outside Date; or
  - (x) by the Purchaser if there has been a Material Adverse Effect since the date hereof which is continuing as of the earlier of (A) 10 days following the date that the Purchaser provided notice to the Company of such Material Adverse Effect and (B) the Outside Date.
- (b) Prior to the Company agreeing or electing to any termination pursuant to Section 8.1(a), the Company will first obtain the prior written consent of the Monitor and the DIP Lender.
  - (c) Notwithstanding anything to the contrary contained herein, a Party shall not be permitted to terminate this Agreement pursuant to this Article 8 if the applicable termination event was caused by the breach of such Party or such Party's gross negligence, willful misconduct or bad faith.
  - (d) The Party desiring to terminate this Agreement pursuant to this Section 8.1 (other than pursuant to Section 8.1(a)(i)) will give written notice of the termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for the Party's exercise of its termination rights.

## **8.2 Effect of Termination**

- (a) If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations to any other Party hereunder, except, subject to Section 8.2(b), as contemplated in this article 8 (*Termination*), Sections 5.5 (*Access During Interim Period*), 5.6 (*Personal Information*), 9.3 (*Expenses*), 9.4 (*Public Announcements*), 9.5 (*Notices*), 9.9 (*Waiver and Amendment*), 9.12 (*Governing Law*), 9.13 (*Dispute Resolution*), 9.14 (*Attornment*), 9.15 (*Successors and Assigns*), 9.16 (*Assignment*), and 9.17 (*Third Party Beneficiaries*), which will survive the termination.

- (b) If the Agreement is terminated pursuant to Section 8.1(a)(vi) (to the extent that the Purchaser is the terminating party), Section 8.1(a)(vii) or Section 8.1(a)(ix), the Deposit plus any accrued interest will become the property of, and will be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions. The Company agrees that, notwithstanding any other provision herein, the Deposit, plus any accrued interest, will be the exclusive remedy as against the Purchaser if the Agreement is terminated pursuant to Section 8.1(a)(vi) (to the extent that the Purchaser is the terminating party), Section 8.1(a)(vii) or Section 8.1(a)(ix).
- (c) If the Agreement is terminated pursuant to Section 8.1(a)(i), Section 8.1(a)(ii), Section 8.1(a)(iii), Section 8.1(a)(iv), Section 8.1(a)(v), Section 8.1(a)(vi) (to the extent that the Company is the terminating party), Section 8.1(a)(viii) or Section 8.1(a)(x), the Deposit will be forthwith (and within five (5) Business Days) refunded in full to the Purchaser (with any accrued interest, and without offset or deduction).

## **ARTICLE 9 GENERAL**

### **9.1 Transaction Structure**

The Purchaser, with the prior consent of the Company and the Monitor, acting reasonably, may amend the structure of the Transactions, including with respect to optimizing tax structures, *provided* that the amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

### **9.2 Survival**

All representations, warranties, covenants and agreements of the Company or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement will not survive the Closing except where, and only to the extent that, the terms of any covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

### **9.3 Expenses**

Except as otherwise set forth herein, or if otherwise agreed in writing upon amongst the Parties, each Party will be responsible for its own costs and expenses (including any Taxes imposed on these expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

## 9.4 Public Announcements

- (a) All public announcements made in respect of the Transactions will be made solely by the Company, *provided* that the public announcements will be in form and substance acceptable to the Purchaser, acting reasonably, and that nothing herein shall obligate the Company to make any public announcement in respect of the Transactions. Notwithstanding the foregoing, nothing herein will prevent a party from making public disclosure in respect of the Transactions to the extent required by Applicable Law, *provided* that if any disclosure is to reference a Party hereto, the Party will be provided notice of the requirement so that the Party may seek a protective order or other appropriate remedy.
- (b) Subject to the above, the Purchaser will agree to the existence and factual details of this Agreement and the Transactions generally being set out in any public disclosure made by the Company or the Purchaser including, without limitation, press releases and court materials, and to the filing of this Agreement with the Court in connection with the CCAA Proceeding, *provided* that such disclosure will be subject to redactions as may be necessary to protect the commercial interests of the applicable Parties.
- (c) Except as required by Applicable Law, the Company will not, without the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed), specifically name the Purchaser in any press release or other public announcement or statement or commentary or make any representation in relation thereto.

## 9.5 Notices

- (a) Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement will be in writing and will be effectively given and made if: (i) delivered personally; (ii) sent by prepaid overnight courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

If to the Company to:

**Synaptive Medical Inc.**  
5055 Satellite Drive  
Mississauga, ON L4W 5K7

Attention: Cameron Piron / Dylan White

E-mail: cameron.piron@synaptivemedical.com /  
dylan.white@synaptivemedical.com

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79 Wellington Street West  
Suite 3000



Box 270, TD Centre  
Toronto, ON M5K 1N2

Attention: Adam Slavens / Mike Noel

E-mail: aslavens@torys.com / mnoel@torys.com

If to the Monitor to:

**Richter Inc.**

181 Bay St. #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Karen Kimel / Brett Miller

E-mail: kkimel@richter.ca / bmiller@richter.ca

with a copy to:

**McMillan LLP**

Brookfield Place, Suite 4400  
181 Bay Street  
Toronto, ON M5J 2T3

Attention: Tushara Weerasooriya / Stephen Brown-Okruhlik

E-mail: Tushara.Weerasooriya@mcmillan.ca /  
Stephen.Brown-Okruhlik@mcmillan.ca

If to the Purchaser to:

**1001253954 Ontario Inc.**

200 Bay Street  
Suite 2800  
Toronto, ON M5J 2J3

Attention: Tim Macready

E-mail: tim.macready@skillcapital.com

with a copy (which shall not constitute notice) to:

**Mintz LLP**

200 Bay Street  
Suite 2800  
Toronto, ON M5J 2J3

Attention: Cheryl Reicin

E-mail: creicin@mintz.com

- (b) Deemed Delivery of Notice. Any communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, *provided* that the day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. (Eastern time) on that day. Otherwise, the communication will be deemed to have been given and made and to have been received on the next following Business Day.
- (c) Change of Address. Any Party may from time to time change its address under this Section 9.5 by notice to the other Parties given in the manner provided by this Section 9.5.

## **9.6 Time of Essence**

Time is of the essence in this Agreement in all respects.

## **9.7 Further Assurances**

The Company, on the one hand, and the Purchaser, on the other hand, will, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all further documents and instruments and will do or cause to be done all further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

## **9.8 Entire Agreement**

This Agreement and the deliverables delivered by the Parties in connection with the Transactions constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect to the subject matter herein. There are no conditions, representations, warranties, obligations or other agreements between the Parties with respect to the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

## **9.9 Waiver and Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless: (a) executed in writing by the Company and the Purchaser (including by way of e-mail); and (b) the Monitor will have provided its prior consent. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **9.10 Severability**

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of any prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of any provision in any other jurisdiction.

### **9.11 Remedies Cumulative**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

### **9.12 Governing Law**

This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

### **9.13 Dispute Resolution**

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of article 8 hereof, the dispute will be determined by the Court within the CCAA Proceeding, or by any other Person or in any other manner as the Court may direct.

### **9.14 Attornment**

Each Party agrees: (a) that any Causes of Action relating to this Agreement will be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and will not, oppose any Causes of Action in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.14. Each Party agrees that service of process on the Party as provided in this Section 9.14 will be deemed effective service of process on that Party.

### **9.15 Successors and Assigns**

This Agreement will enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

### **9.16 Assignment**

The Company may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Purchaser. Prior to Closing, the Purchaser may assign, upon written notice to the Company, all or any portion of its rights and obligations under this Agreement to an Affiliate, *provided* that the Affiliate is capable of making the same representations and warranties herein and completing the Transactions by the Outside Date. Any

purported assignment or delegation in violation of this Section 9.16 is null and void. No assignment or delegation will relieve the assigning or delegating party of any of its obligations hereunder.

### **9.17 Third Party Beneficiaries**

Except with respect to: (a) the Monitor as expressly set forth in this Agreement (including, without limitation, pursuant to Section 4.4 and Section 7.4); (b) ResidualCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo as an Excluded Liability at the Closing; (c) ResidualCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo as an Excluded Asset at the Closing; and (d) EDC as it relates to all rights, covenants, obligations and benefits in favour of EDC under this Agreement, including, without limitation, the releases granted pursuant to Section 5.8 and Section 5.9, the issuance of the EDC Warrants pursuant to Section 5.10 and the issuance of the Rollover Notes and related security pursuant to Section 6.2(e), this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

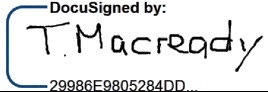
### **9.18 Counterparts**

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in PDF or by other electronic transmission and the transmission will constitute delivery of an executed copy of this Agreement to the receiving Party.

*[Remainder of page intentionally left blank. Signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**1001253954 ONTARIO INC.**

By:   
Name: Tim Macready

Title: Authorized Signatory

I have authority to bind the corporation

**SYNAPTIVE MEDICAL INC.**

By: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the corporation

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**1001253954 ONTARIO INC.**

By:


\_\_\_\_\_  
Name:

Title:

I have authority to bind the corporation

**SYNAPTIVE MEDICAL INC.**

By:

DocuSigned by:  
  
5EE721EF2C2D461

\_\_\_\_\_  
Name: Cameron Piron

Title: President

I have authority to bind the corporation

### **Exhibit “A” - Approval and Reverse Vesting Order**

Form of Approval & Reverse Vesting Order to be settled between the Company and the Purchaser, subject to the usual terms for transactions of this nature, and as typically granted by the Ontario Superior Court of Justice (Commercial List).

## **Schedule “A” - Assumed Liabilities**

Nil.



## Schedule “B” - Encumbrances to be Discharged

File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 796772439 <b>PPSA</b>  20230831 1422 1590 8466 Reg. 4 year(s)	33	SYNAPTIVE MEDICAL INC.	CONSTANTINE ZACHOS 22 FRONT STREET WEST, 4TH FLOOR TORONTO ON M5J 2W5		X	X	X	X	X	
No Fixed Maturity Date										
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 787953573 <b>PPSA</b>  20221027 1626 1590 5739 Reg. 4 year(s)	34	SYNAPTIVE MEDICAL INC.	EXPORT DEVELOPMENT CANADA 150 SLATER STREET OTTAWA ON K1A 1K3		X	X	X	X	X	
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 780960645 <b>PPSA</b>  20220309 1049 1590 1758 Reg. 3 year(s)	35	SYNAPTIVE MEDICAL INC.	NATIONAL BANK FINANCIAL INC. ITF 2RK732A JAY REID 240 - 40TH AVENUE SW CALGARY AB T2S 0X3  MARK SHILLING #213, 5555 ELBOW DR. SW CALGARY AB T2V 1H7  YOOMI ASTLEY 73 ST. MARY STREET TORONTO ON M5S 0A4  TIMOTHY HAYES 197 QUEENSDALE AVE. TORONTO ON M4C 2B1		X	X	X	X	X	

File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments		
				CG	I	E	A	O	MV			
File No. 780961005 <b>PPSA</b>  20220309 1054 1590 1764 Reg. 4 year(s)	39	SYNAPTIVE MEDICAL INC.	ZACORP VENTURES INC. PO BOX 14, STATION B RICHMOND HILL ON L4E 0Y3		X	X	X	X	X			
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments		
				CG	I	E	A	O	MV			
File No. 768786471 <b>PPSA</b>  20201223 1021 1590 0104 Reg. 5 year(s)	49	SYNAPTIVE MEDICAL INC.	BDC CAPITAL INC. 100-5 PLACE VILLE-MARIE MONTREAL QC H3B 5E7		X	X	X	X	X			
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments		
				CG	I	E	A	O	MV			
File No. 768786822 <b>PPSA</b>  20201223 1032 1862 8048 Reg. 5 year(s)	50	SYNAPTIVE MEDICAL INC.	ESPRESSO CAPITAL LTD. 300-8 KING STREET EAST TORONTO ON M5C 1B5		X	X	X	X	X			
20230922 0906 1590 1392  D ASSIGNMENT	51	SYNAPTIVE MEDICAL INC.	ESPRESSO CAPITAL LTD. (Assignor)  EXPORT DEVELOPMENT CANADA (Assignee) 150 SLATER STREET									

			OTTAWA ON K1A 1K3							

### **Schedule “C” - Excluded Assets**

1. The Subsidiary Equity.
2. The Administrative Expense Reserve.
3. All books, records, files, papers, books of account and other tax and financial data related to the Excluded Liabilities, including any applicable Tax Returns.

## **Schedule “D” - Excluded Contracts**

1. All Contracts for borrowed money.
2. All Contracts involving repayable contributions and no further funding to the Company.
3. All guaranties or sureties of the Company.
4. All agreements of the Company with Subsidiaries.
5. Supply Agreement between Synaptive Medical Inc. and Superconducting Systems Inc. dated January 17, 2019, as amended on July 26, 2021.
6. Distribution Agreement between Synaptive Medical Inc. and Medi Urge (Private) Limited.
7. Distribution Agreement between Synaptic Medical Inc. and Cicel (Beijing) Science & Technology Co., Ltd. Dated September 30, 2020 and amended July 25, 2024.
8. Warehousing Proposal between Synaptive Medical Inc. and Pacer Air Freight Ltd. dated November 1, 2021 and any related purchase orders.
9. Commercialization Agreement between Synaptive Medical Inc. and Panaxium SAS dated October 6, 2021.
10. Joint Development Agreement between Synaptive Medical Inc. and Panaxium SAS dated October 6, 2021, as amended on January 28, 2022.
11. All agreements involving the Company with Stryker Corporation or its affiliates, except for the Marketing and Support Services Agreement dated July 28, 2023.
12. Fifth Amended and Restated Unanimous Shareholders Agreement of Synaptive Medical Inc. dated February 6, 2023.
13. Registration Rights Agreement of Synaptive Medical Inc. dated December 6, 2019.
14. Fourth Amended and Restated Stock Option Plan of Synaptive Medical Inc.
15. Board Retainer Letter with Richard Hausmann dated July 8, 2021.
16. Board Retainer Letter with Timothy Scannell dated August 9, 2022.
17. Board Retainer Letter with Daniel Bordessa dated August 10, 2022.
18. License Agreement between Synaptive Medical Inc. and Sunnybrook Research Institute dated December 16, 2021.
19. Net Office Lease between Synaptive Medical Inc. and Richmond Street West (555) Inc. dated April 14, 2016 and amended August 15, 2016; June 10, 2019; July 15, 2021; and February 20, 2025.
20. Camera Supply Agreement between Synaptive Medical Inc. and Northern Digital Inc. dated March 9, 2015 and amended March 9, 2017; April 1, 2018; February 13, 2020; December 20, 2022.
21. Spheres Supply Agreement between Synaptive Medical Inc. and Northern Digital Inc. dated March 9, 2015 and amended March 9, 2017; August 8, 2018; October 13, 2019; March 9, 2020; March 9, 2023.
22. Regional Relief and Recovery Fund Contribution Agreement between Synaptive Medical Inc. and the Minister responsible for Federal Economic Development Agency for Southern Ontario dated June 29, 2020.

23. Collaborative Research Agreement between Synaptive Medical Inc. and University Health Network dated November 20, 2023.
24. Commitment Confirmation between Synaptive Medical Inc. and Jersey Shore University Medical Center dated March 15, 2023.

### **Schedule “E” - Excluded Liabilities**

1. Convertible notes and other indebtedness for borrowed money (other than the Liabilities pursuant to the Rollover Notes).
2. Liabilities under repayable contributions and other debt-like agreements that will not provide further funding to the Company (other than, for greater certainty, the Liabilities pursuant to the Rollover Notes).
3. All outstanding Causes of Action against the Company.

### **Schedule “F” - Intellectual Property**

All Intellectual Property of the Company in any jurisdiction and in whatever form or format, other than Excluded Contracts.



### **Schedule “G” - Material Permits and Licenses**

The permits, licenses, Authorizations, approvals or other evidence of authority issued to, granted to, conferred upon, or otherwise created for the Company, except for Excluded Contracts.

## Schedule “H” - Permitted Encumbrances

1. The security to be granted by the Company in connection with the issuance of the Rollover Notes pursuant to the terms of this Agreement.
- 2.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
1.	File No. 512806311 <b>PPSA</b>  20250121 0937 1532 2928 Reg. 03 year(s)	2	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X		
General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF 20 DELL MOBILE PRECISION WORKSTATION 5560 CTO, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
2.	File No. 512809857 <b>PPSA</b>  20250121 0952 1532 3270 Reg. 03 year(s)	5	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X		
General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.											
	20250128 0941 4085 0469  A AMENDMENT	7	SYNAPTIVE MEDICAL INC.				X	X	X		

Reason for Amendment:  
UPDATE EQUIPMENT DESCRIPTION IN THE GENERAL COLLATERAL SECTION

General Collateral Description:  
DELETED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. ADDED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF FIFTEEN (15) HP ELITEBOOK 840 G8 - 14" LAPTOPS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
3.	File No. 512812809 <b>PPSA</b>  20250121 0958 1532 3519 Reg. 05 year(s)	13	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X		
General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.THE FULL DEBTOR ADDRESS IS - 555 RICHMOND STREET WEST, SUITE 800ITE 800 TORONTO M5V 3B1											
	20250128 0948 4085 0485  A AMENDMENT	16	SYNAPTIVE MEDICAL INC.				X	X	X		

Reason for Amendment:  
UPDATE EQUIPMENT DESCRIPTION IN THE GENERAL COLLATERAL SECTION

General Collateral Description:  
DELETED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. ADDED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF THIRTY-FIVE (35) DELL MOBILE PRECISION WORKSTATION 5680 LAPTOPS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
4.	File No. 512812818 <b>PPSA</b>  20250121 0958 4085 7990 Reg. 05 year(s)	22	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X	X	
2015 YALE ERP040VT (VIN: G807N07790N)  General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, AND SUCH OTHER GOODS FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF 2015 YALE ERP040VT FORKLIFT S/N G807N07790N, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
5.	File No. 508596111 <b>PPSA</b>  20240827 1500 1532 6127 Reg. 04 year(s)	25	SYNAPTIVE MEDICAL INC	HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY 1875 BUCKHORN GATE, SUITE 202 MISSISSAUGA ON L4W 5P1  COMPAGNIE DE SERVICES FINANCIERS HEWLETT-PACKARD CANADA 1875 BUCKHORN GATE, SUITE 202 MISSISSAUGA ON L4W 5P1		X	X	X	X		
Amount Secured: \$82599.36  General Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR											

TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING, STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND HELD DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS, AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES, AND ALL PROCEEDS OF THE FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENSES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
10.	File No. 779905026 <b>PPSA</b>  20220125 1425 8077 6672 Reg. 4 year(s)	40	SYNAPTIVE MEDICAL INC	HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY 5150 SPECTRUM WAY MISSISSAUGA ON L4W 5G1  COMPAGNIE DE SERVICES FINANCIERS HEWLETT-PACKARD CANADA 5150 SPECTRUM WAY MISSISSAUGA ON L4W 5G1					X		
No Fixed Maturity Date											
General Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING, STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND HELD DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS? AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES? AND ALL PROCEEDS OF THE											

FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENCES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
13.	File No. 711090585 <b>PPSA</b>  20151022 1435 1530 1311 Reg. 5 year(s)	52	SYNAPTIVE MEDICAL INC.	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ON M2P 0A4				X	X		
	20200918 1454 1530 6612  B RENEWAL Renew 5 year(s)	53	SYNAPTIVE MEDICAL INC.								

## **Schedule “T” - Retained Contracts**

1. License Agreement between Synaptive Medical (Barbados) Inc. (subsequently assigned to Synaptive Medical Inc.) and The University of Western Ontario dated November 14, 2013, as amended.
2. Master Research Agreement between Synaptive Medical Inc. and The University of Western Ontario dated January 1, 2014.
3. Master Engineering Services and Intellectual Property Licensing Agreement between Synaptive Medical Inc. and Macdonald, Dettwiler and Associates Inc. dated December 15, 2017, and the attachments and addendums thereto.
4. Software Restricted Use and End User License Agreement between Synaptive Medical Inc. and MacDonald, Dettwiler and Associates Inc. dated January 11, 2018.
5. Embedded Software license Agreement between Synaptive Medical Inc. and Creoir Oy dated January 2, 2023.
6. Sponsored Research Agreement between Synaptive Medical Inc. and The Trustees of the University of Pennsylvania, dated June 28, 2016.
7. Master Collaborative Research Agreement between Synaptive Medical Inc., Nova Scotia Health Authority, and Dr. Steven Beyea dated August 24, 2020.
8. Trade Mark Co-Existence Agreement between Medartis Holding AG and Synaptive Medical (Barbados) Inc. (subsequently assigned to Synaptive Medical Inc.).
9. Accusoft Corporation Software License.
10. Kakadu Software License.
11. AVC Patent Portfolio License between MPEG LA, L.L.C. and Synaptive Medical Inc. dated December 6, 2016.
12. Core License Agreement between PLDA, Inc. and Synaptive Medical Inc. dated December 7, 2016.
13. Codec License Agreement between x264, LLC and Synaptive Medical Inc. dated April 1, 2017.
14. All insurance policies of the Company.
15. All third party agreements with respect to employee benefit plans (excluding, for greater certainty, the Synaptive Medical Inc. stock option plan), including but not limited to:
  - Alliant [USA benefits];
  - Total Benefit Solutions [USA benefits];
  - Cowan [Canada benefits];
  - Allstate [critical illness];
  - RBC Life Insurance Company [Canada benefits];
  - Royal Bank of Canada [RRSP];
  - Sun Life [USA Life Insurance];
  - Navia [Flexible Spending Account Manager];
  - Ascensus Trust [401k custodian];

- HUB International [USA worker's compensation]; and
  - Allianz/Benefex [Germany pension].
16. All Real Property Leases, except in respect of the 555 Richmond Street West location.
  17. Industrial Building Lease between Synaptive Medical Inc. and Piret (Skymark Satellite) Holdings Inc. dated July 25, 2024.
  18. Commercial Lease between Synaptive Medical Inc. and Dancor of London Inc. dated July 7, 2021 and amended June 2, 2022.
  19. Marketing and Support Services Agreement between Synaptive Medical Inc. and Stryker Corporation dated July 28, 2023.
  20. Master Strategic Affiliation Agreement with Medical University of South Carolina, Medical University Hospital Authority, University Medical Associates of the Medical University of South Carolina and Synaptive Medical Inc. dated April 2, 2020.
  21. Purchasing Agreement between HCA Management Services, L.P. and Synaptive Medical Inc., as amended.
  22. Asset Purchase Agreement by and among Synaptive Medical (Barbados) Inc. (subsequently assigned to Synaptive Medical Inc.), Synaptive Medical Inc., ClearCanvas Incorporated, ClearCanvas Holdings Inc., Clinton Chau, Norman Young, Chinook Holdings Corp., Gal Holdings Corp., David Gallop and Wes Hodges dated November 27, 2014.
  23. Settlement Agreement between Karl Storz Endoscopy-America, Inc. and Synaptive Medical Inc. dated February 14, 2019.
  24. Software License Agreement between ClearCanvas Incorporated (as assigned to Synaptive Medical Inc.), as licensor, and Conavi Medical Inc. (formerly Colibri Technologies Inc.), as licensee, dated July 2013.
  25. All other outlicense agreements involving the Company in respect of ClearCanvas technology.
  26. All master sales agreements and similar agreements and related purchase orders with customers of the Company.
  27. All product support, onsite clinical services, and similar agreements with customers of the Company.
  28. Agreement between the Province of Nova Scotia Department of Public Works and Synaptive Medical Inc. dated October 29, 2024 and amended November 22, 2024.
  29. Design-Build Stipulated Price Contract between Synaptive Medical Inc. and Health Care Solutions Inc.
  30. Value Added Resellers Agreement between Synaptive Medical Inc. and Barco, Inc. dated January 10, 2017.
  31. Reseller Agreement between Synaptive Medical Inc. and Toshiba America Information Systems, Inc. (and assigned to Canon Medical Components USA, Inc.) dated October 23, 2017.



32. Reseller Agreement between Synaptive Medical Inc. and Sony Electronics Inc. dated April 1, 2020 and amended March 25, 2021; April 1, 2022; April 1, 2023; and April 1, 2024.
33. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2020-1007 (as amended).
34. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2020-1009 (as amended).
35. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2020-1023.
36. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2021-1098 (as amended).
37. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2022-3207.
38. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2022-3212.
39. Sunnybrook Research Institute INOVAIT Ultimate Recipient Agreement for Project 2022-4056.
40. Contribution Agreement between Synaptive Medical Inc. and the Minister of State (Federal Economic Development Agency for Southern Ontario) dated May 16, 2024.
41. OTF Grant Agreement between Synaptive Medical Inc. and the Ontario Minister of Economic Development, Job Creation and Trade dated March 14, 2023.
42. All Non-Disclosure Agreements and Permission to Use Data agreements to which the Company is a party, including but not limited to:
  - Permission to Use Date Form between Synaptive Medical Inc. and Advent Health;
  - Permission to Use Date Form between Synaptive Medical Inc. and Brisbane Private;
  - Permission to Use Date Form between Synaptive Medical Inc. and Inova;
  - Permission to Use Date Form between Synaptive Medical Inc. and IU Methodist (1);
  - Permission to Use Date Form between Synaptive Medical Inc. and IU Methodist (2);
  - Permission to Use Date Form between Synaptive Medical Inc. and MUSC (1);
  - Permission to Use Date Form between Synaptive Medical Inc. and MUSC (2);
  - Permission to Use Date Form between Synaptive Medical Inc. and Omaha (1);
  - Permission to Use Date Form between Synaptive Medical Inc. and Omaha (2);
  - Permission to Use Date Form between Synaptive Medical Inc. and Omaha (3);
  - Permission to Use Date Form between Synaptive Medical Inc. and Omaha (4);
  - Permission to Use Date Form between Synaptive Medical Inc. and Thomas Jefferson;
  - and
  - Permission to Use Date Form between Synaptive Medical Inc. and UPMC.
43. Letter of Intent and Bill of Sale between Synaptive Medical Inc. and 1001045838 Ontario Inc.

### Schedule “J” - Rollover Notes

<b>Senior Rollover Noteholder</b>	<b>Principal Amount</b>
Export Development Canada	\$6,000,000
<b>Total:</b>	<b>\$6,000,000</b>

#### Terms of the Senior Rollover Note

- Maturity: 5 years from the issue date
- Interest: 8% per annum. Interest will be paid in cash or paid-in-kind at the election of the Company.
- Repayment Terms. The principal amount of the Senior Rollover Note shall be due on maturity and shall not be repayable early unless the Company pays (i) all accrued and unpaid interest and (ii) all remaining foregone interest on the Senior Rollover Note that would have been payable up to maturity (in the case of (ii) assuming payment in cash and no compounding).
- Priority: the Senior Rollover Note shall rank senior to all Junior Rollover Notes.
- Security: Secured by a general security agreement in form and substance satisfactory to EDC granting to EDC a first-ranking security interest in all of the present and after-acquired property of the Company.
- Covenants: Customary Senior Indebtedness covenants, substantially as provided under the existing Senior Indebtedness, including prohibition on additional indebtedness unless consented to be EDC and excluding financial covenants, covenants regarding the issuance of equity securities, covenants regarding management compensation, covenants regarding capital expenditures, covenants restricting changes to the constating documents of the Company that do not affect debtholders and other covenants affecting the operations of the Company that are not customarily requested by lenders.
- Financial Reporting: The Company shall provide the following information to the lender:
  - no later than 30 days after each month end, the balance sheet and income statement;
  - no later than 45 days following the first day of each financial year, the board approved annual budget;
  - commencing with the year ended December 31, 2026, within 180 days of each financial year end, annual audited financial statements including a balance sheet, income statement, cash flow statement, statement of shareholders' equity and accompanying notes; and
  - within 5 days of the lender's written request, such other information as the lender may reasonably request.
- Events of Default: Customary events of default, substantially as provided under the existing Senior Indebtedness.
- Governing Law: Ontario

<b>Junior Rollover Noteholder</b>	<b>Principal Amount<sup>1</sup></b>
Export Development Canada	[\$●]
[Debtholder 1]	[\$●]
[Debtholder 2]	[\$●]
<b>Total:</b>	<b>\$14,000,000</b>

### **Terms of the Junior Rollover Notes**

- Maturity: 5 years from the issue date
- Interest: 8% per annum. Interest will be paid in cash or paid-in-kind at the election of the Company.
- Repayment Terms. The principal amount of the Junior Rollover Notes shall be due on maturity and shall not be repayable early unless the Company pays (i) all accrued and unpaid interest and (ii) all remaining foregone interest on the Junior Rollover Note that would have been payable up to maturity (in the case of (ii) assuming payment in cash and no compounding).
- Priority: the Junior Rollover Notes shall rank: (1) junior to the Senior Rollover Note; and (2) *pari passu* with one another.
- Security: Secured by a general security agreement in form and substance satisfactory to EDC granting to the Junior Rollover Noteholders a second-ranking security interest in all of the present and after-acquired property of the Company.
- Covenants: Customary Junior Indebtedness covenants, substantially as provided under the existing Junior Indebtedness, including prohibition on additional indebtedness unless consented to be EDC and excluding financial covenants, covenants regarding the issuance of equity securities, covenants regarding management compensation, covenants regarding capital expenditures, covenants restricting changes to the constating documents of the Company that do not affect debtholders and other covenants affecting the operations of the Company that are not customarily requested by lenders.
- Financial Reporting: The Company shall provide the following information to the lenders:
  - no later than 30 days after each month end, the balance sheet and income statement;
  - no later than 45 days following the first day of each financial year, the board approved annual budget;
  - commencing with the year ended December 31, 2026, within 180 days of each financial year end, annual audited financial statements including a balance sheet, income statement, cash flow statement, statement of shareholders' equity and accompanying notes; and
  - within 5 days of a lender's written request, such other information as such lender may reasonably request.

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<sup>1</sup> The aggregate \$14M of the Junior Rollover Notes to be allocated pro rata to the holders of senior debentures of the Company (~80% to EDC and ~20% to the other holders).

- Intercreditor provisions under existing Junior Indebtedness to be reflected in the Junior Rollover Notes, including the definition of “Required “Majority”.
- Events of Default: Customary events of default, substantially as provided under the existing Junior Indebtedness.
- Governing Law: Ontario

## **Schedule “K” – Terminated Employees**

Nil.

### Schedule “L” – EDC Warrants

- Warrants to purchase a number of the most senior ranking class of shares outstanding in the capital of the Purchaser at the time of exercise equal to 5% of the fully diluted capitalization of the Purchaser as of the Closing Time (with such fully diluted capitalization calculated on the basis of and including all shares available for issuance, reserved or outstanding under the equity incentive plan of the Purchaser) (the “**Warrant Shares**”). Such 5% will be protected from dilution up to a total of US\$30,000,000 raised in one or more equity financings, following which the EDC Warrants will be subject to dilution, on a pro rata basis along with all other equity holders of the Purchaser, by any subsequent equity financings in excess of such US\$30,000,000 amount.
- Issued as of the Closing Time and fully vested at the time of issuance.
- Expiration on the earlier of (1) the 5-year anniversary of the Closing Date; and (2) the occurrence of a liquidity event involving the sale of the Company or the Purchaser or substantially all of their respective assets
- The Purchaser shall be obligated to provide 30-days prior written notice of any transaction or series of related transactions resulting in the occurrence of a liquidity event involving the sale of the Company or the Purchaser or substantially all of their respective assets and/or (2) which may adversely affect the ability of EDC to exercise the Warrants and/or sell Warrant Shares.
- Nominal exercise price.
- The right to receive proceeds upon the sale of the Warrant Shares shall be capped, in the aggregate, at an amount equal to: (1) the aggregate exercise price of the EDC Warrants; *plus* (2) US\$35,000,000.
- Governing Law: Ontario.
- Other terms and conditions which are customary and reasonably acceptable to the Purchaser and EDC.

This is Exhibit “F” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

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

THE HONOURABLE	)	WEDNESDAY, THE 18 <sup>th</sup>
	)	
JUSTICE J. DIETRICH	)	DAY OF JUNE, 2025

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 SYNAPTIVE MEDICAL INC.

(the “**Applicant**”)

**ORDER  
(Approval and Reverse Vesting Order)**

**THIS MOTION**, made by the Applicant pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the “**CCAA**”) for an order, among other things: (i) approving the subscription agreement dated as of June 12, 2025 between the Applicant, as the company, and 1001253954 Ontario Inc. (the “**Purchaser**”), as the purchaser (the “**Subscription Agreement**”) and the Transactions (as defined in the Subscription Agreement); (ii) adding 1001270243 Ontario Inc. (“**ResidualCo**”) as an applicant to this proceeding (the “**CCAA Proceeding**”); (iii) transferring and vesting all of the Applicant’s right, title and interest in and to the Excluded Assets, Excluded Contracts, and Excluded Liabilities (each as defined in the Subscription Agreement) to and in ResidualCo; (iv) authorizing and directing the Applicant to file the Articles of Reorganization (as defined in the Subscription Agreement); (v) authorizing and directing the Applicant to issue the Rollover Notes to the Rollover Noteholders (each as defined



in the Subscription Agreement); (vi) releasing and discharging all Claims and Encumbrances against the Applicant and the Retained Assets (each as defined below); (vii) canceling and terminating, without consideration, all Existing Equity (as defined in the Subscription Agreement) other than the rights of the Purchaser under the Subscription Agreement; (viii) authorizing and directing the Applicant to issue the Subscribed Shares, and vesting in the Purchaser, all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances (as defined herein); and (ix) granting certain ancillary relief, was heard this day by judicial videoconference in Toronto, Ontario.

**ON READING** the Motion Record of the Applicant dated June 12, 2025 (the “**Motion Record**”), filed, the Third Report of Richter Inc. (“**Richter**”), in its capacity as the Court-appointed monitor of the Applicant (in such capacity, the “**Monitor**”) dated June 14, 2025 (the “**Third Report**”), filed, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for the Purchaser and those other parties listed on the Participant Information Form, and no one else appearing although duly served as appears from the lawyer’s certificates of service of Mike Noel dated June 13 and 16, 2025, filed, the affidavit of service of Kunalan Shelvarajah sworn June 16, 2025, filed, and the affidavit of service of Elizabeth Nigro sworn June 16, 2025, filed,

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion of the Applicant dated June 12, 2025 (the “**Notice of Motion**”) and Motion Record is hereby abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Subscription Agreement.

#### **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions be and are hereby approved, and that the execution of the Subscription Agreement by the Applicant is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary, with the consent of the Monitor. The Applicant is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including but not limited to, the filing of the Articles of Reorganization, the conveyance of the Subscribed Shares to the Purchaser, the cancellation of the Existing Equity (other than the rights of the Purchaser under the Subscription Agreement) and the issuance of the Rollover Notes and the related security to the Rollover Noteholders.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicant to proceed with the Transactions, and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that, upon the Monitor's delivery of a certificate substantially in the form attached hereto as **Schedule "A"** (the "**Monitor's Certificate**") to the Applicant and the Purchaser (the "**Effective Time**"), the following shall occur and shall be deemed to have occurred immediately prior to the Effective Time in the following sequence:

- (a) first, in consideration for the Purchase Price, the Applicant shall issue the Subscribed Shares to the Purchaser, and all of the right, title and interest in and to the Subscribed Shares shall vest absolutely in the Purchaser free and clear of and

from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court in this CCAA Proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or any other real property or real property related registry or recording system; and (iv) those Claims listed on **Schedule “B”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on **Schedule “C”** hereto);

- (b) second, all of the Applicant’s right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, with all applicable Claims and Encumbrances continuing to attach to the Excluded Assets in accordance with paragraph 10 of this Order;

- (c) third, all Excluded Contracts and Excluded Liabilities shall be channeled to, assumed by and vested absolutely and exclusively in ResidualCo, such that the Excluded Contracts and Excluded Liabilities shall become the obligations of ResidualCo, and shall no longer be obligations of the Applicant and all of the Retained Assets shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Retained Assets are to be expunged and discharged as against the Retained Assets;
- (d) fourth, the Retained Assets shall be retained by the Applicant, free and clear of and from any and all Claims and Encumbrances, save and except for any accrued or future Claims arising from or in connection with any Retained Contract (each, a **“Retained Contract Claim”**);
- (e) fifth, the Applicant shall issue, or shall be deemed to issue, the Rollover Notes and related security to the Rollover Noteholders in accordance with, and on the terms set out in, the Subscription Agreement;
- (f) sixth, all Existing Equity (other than the Subscribed Shares and the Existing Common Shares), including, for greater certainty, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (defined below) which are convertible or exchangeable for any securities of the Applicant or which require the issuance, sale or transfer by the Applicant, of any shares or other securities of the Applicant and/or the share capital of the Applicant, or otherwise relating thereto (which, for clarity, shall not include the EDC Warrants), shall be deemed terminated and cancelled without

consideration and the only Equity Interests of the Applicant that shall remain shall be the Subscribed Shares;

- (g) seventh, the Articles of Reorganization shall be filed or deemed to have been filed and the Existing Common Shares (except for the Subscribed Shares) shall be cancelled or deemed to have been cancelled in accordance therewith; and
- (h) eighth, the Applicant shall cease being the Applicant in this CCAA Proceeding, and the Applicant shall be released from the purview of the Initial Order and all other Orders of this Court granted in respect of this CCAA Proceeding, save and except for this Order, the provisions of which (as they relate to the Applicant) shall continue to apply in all respects.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transactions.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicant, the Purchaser and Export Development Canada ("**EDC**") regarding the fulfilment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Applicant, the Retained Assets or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms

of this Order and the Subscription Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Property and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

9. **THIS COURT ORDERS** that the Monitor and the Applicant, as applicable, are authorized to distribute the Cash Consideration to the Persons entitled to be paid the Administrative Expense Costs (in accordance with their relative priority) and to distribute the Rollover Notes to the Rollover Noteholders and the EDC Warrants to EDC.

10. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, from and after the Effective Time, all Claims and Encumbrances transferred, assumed, released, expunged and discharged pursuant to paragraph 5 hereof shall attach to the Excluded Assets with the same priority as they had immediately prior to the Transactions, as if the Transactions had not occurred.

11. **THIS COURT ORDERS** that any right of set off of Canada Revenue Agency is preserved to the extent that: (i) any amounts that are, or become, due to the Applicant or ResidualCo with respect to obligations arising prior to March 19, 2025 (the "**Filing Date**") are applied against any amounts that are, or become due, from the Applicant or ResidualCo with respect to obligations arising prior to the Filing Date; or (ii) any amounts that are, or become, due to the Applicant or ResidualCo with respect to obligations arising after the Filing Date are applied against any amounts that are, or become due, from the Applicant or ResidualCo with respect to obligations arising after the Filing Date.

12. **THIS COURT ORDERS THAT:** (a) with respect to any Retained Contract that is a lease in respect of real property (each, a “**Retained Lease**”), and subject only to paragraphs 16, 17 and 18 this Order, all claims, obligations, rights, and interests under such Retained Lease of the respective parties to such Retained Lease are unaffected by this Order and, for greater certainty, subject only to paragraphs 16, 17 and 18 this Order: (i) no Claims of any landlord in respect of such Retained Lease shall be vested in or transferred to ResidualCo or expunged, barred, or released by operation of this Order; and (ii) nothing in this Order shall amend, vary, or be deemed to amend or vary, the terms of any of such Retained Lease; and (b) any Excluded Contract that is a lease in respect of real property may be disclaimed (each, a “**Disclaimed Lease**”) subject to and in accordance with the requirements of the CCAA prior to the Closing Date, and any Claims arising from such disclaimer shall vest in ResidualCo in accordance with this Order. Notwithstanding anything to the contrary herein: (I) no Disclaimed Lease shall vest in or be transferred or assigned to ResidualCo, and (II) no Retained Lease shall be assigned or assumed by operation of this Order unless completed in accordance with the applicable Retained Lease, including obtaining any required consent of the landlord that is party to such Retained Lease or an Order under section 11.3 of the CCAA is obtained assigning such Retained Lease to the Purchaser or an entity designated by the Purchaser.

13. **THIS COURT ORDERS** that nothing in this Order or the Subscription Agreement affects whatever lien rights Pacer Air Freight Ltd. (“**Pacer**”) may have pursuant to: (i) the Warehousing Proposal dated November 15, 2021, between Pacer and the Applicant; (ii) the *Repair and Storage Liens Act*, RSO 1990, c R.25, or both, and any such rights are preserved, with the rights to dispute the existence and extent of such lien rights fully reserved and preserved.

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Applicant or the

Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser, all human resources and payroll information in the Applicant's records pertaining to past and current employees of the Applicant. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Applicant.

15. **THIS COURT ORDERS** that, at the Effective Time and subject to paragraph 11, the Purchaser and the Applicant shall be deemed released from any and all Claims, Liabilities, or other obligations with respect to any Taxes (including penalties and interest thereon) of, or that are collectible by, or that relate to, the Applicant, but such release shall not apply to: (a) Taxes in respect of the business and operations conducted by the Applicant after the Filing Date; or (b) Taxes that are an Assumed Liability in the Subscription Agreement. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

16. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Contracts (excluding, for greater certainty, the Excluded Contracts, but including all other pending and executory contracts, agreements, leases and arrangements (whether oral or written)) to which the Applicant is a party at the time of delivery of the Monitor's Certificate, will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution



or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicant);
- (b) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in this CCAA Proceeding; or
- (d) any transfer, assignment, or any change of control of the Applicant arising from the implementation of the Subscription Agreement, the Transactions or the provisions of this Order.

17. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 16 hereof shall waive, compromise or discharge any obligations of the Applicant or the Purchaser in respect of any Assumed Liabilities and/or Retained Contract Claims; and (b) the designation of any Claim as an Assumed Liability and the designation of any contract as a Retained Contract is without prejudice to the Applicant's or the Purchaser's right to dispute the existence, validity or quantum of any such Assumed Liability and/or Retained Contract Claim; (c) nothing in this Order or the Subscription Agreement shall affect or waive the Applicant's or the Purchaser's rights and defences, both legal and equitable, with respect to any Assumed Liability and/or any Retained

Contract Claim, including, but not limited to, all rights with respect to entitlements to set offs or recoupments against such Assumed Liability and/or Retained Contract Claim.

18. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Retained Contract existing between such Person and the Applicant arising directly or indirectly from the commencement of this CCAA Proceeding and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 16 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Retained Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant or the Purchaser from performing its obligations under the Subscription Agreement or be a waiver of defaults by the Applicant or the Purchaser under the Subscription Agreement and the related documents.

19. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, audits, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicant or the Purchaser relating in any way to or in respect of any Excluded Assets, Excluded Liabilities, or Excluded Contracts and any other Claims or other matters that are waived, released, expunged or discharged pursuant to this Order.

20. **THIS COURT ORDERS** that from and after the Effective Time:

- (a) the nature of the Assumed Liabilities retained by the Applicant, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order, including paragraph 29 hereof;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Effective Time had a valid Claim against the Applicant under or in respect of any Excluded Asset, Excluded Contract, or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such Excluded Liability Claim against the Applicant or the Purchaser but shall have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Asset, Excluded Contract or Excluded Liability from and after the completion of all steps in the Closing Sequence in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the completion of all steps in the Closing Sequence shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Applicant prior to such time.

21. **THIS COURT ORDERS** that, as of the Effective Time:

- (a) ResidualCo shall be a company to which the CCAA applies; and

- (b) ResidualCo shall be added as an Applicant in this CCAA Proceeding and all references in any Order of the Court in respect of this CCAA Proceeding to: (i) an “Applicant” shall refer to and include ResidualCo; and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and, for greater certainty, each of the Charges (as defined in the Amended and Restated Initial Order), shall constitute a charge on the ResidualCo Property.

22. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of ResidualCo,

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts, and Excluded Liabilities in and to ResidualCo and the transfer and vesting of the Subscribed Shares in and to the Purchaser, the issuance of the Rollover Notes and the related security to the Rollover Noteholders, the issuance of the EDC Warrants to EDC, and any payments by or to the Purchaser, ResidualCo or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA,

the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **MONITOR**

23. **THIS COURT ORDERS** that nothing in this Order, including the release of the Applicant from the purview of this CCAA Proceeding pursuant to paragraph 5(h) hereof and the addition of ResidualCo as an Applicant in this CCAA Proceeding, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in this CCAA Proceeding, and Richter shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, any other Orders in this CCAA Proceeding or otherwise, including all approvals, protections and stays of proceedings in favour of Richter in its capacity as Monitor, all of which are expressly continued and confirmed.

24. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under this paragraph 24.

25. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Applicant or ResidualCo or to have taken or maintained possession or control of the business or property of any of the Applicant or ResidualCo, or any part thereof; or (b) be

deemed to be in Possession (as defined in the Amended and Restated Initial Order) of any property of the Applicant or ResidualCo within the meaning of any applicable Environmental Legislation (as defined in the Amended and Restated Initial Order) or otherwise.

26. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Monitor.

27. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors of or legal representative of ResidualCo.

#### **RESIDUALCO**

28. **THIS COURT ORDERS** that Dylan White (the “**First Director**”) is hereby authorized, *nunc pro tunc*, to act as a director and officer of ResidualCo and, in such capacity, is authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the terms of this Order and the Transactions.

#### **RELEASES**

29. **THIS COURT ORDERS** that effective upon the filing of the Monitor’s Certificate: (a) the Applicant and its current and former directors, officers, employees, consultants, legal counsel and advisors; (b) the consultants, legal counsel and advisors of ResidualCo; (c) the Monitor and its legal counsel and their respective current directors, officers, partners, employees, consultants and advisors; (d) the Purchaser and its current and former directors, officers, employees,

consultants, legal counsel and advisors; (e) the DIP Lender and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors; and (f) the First Director (the Persons listed in (a), (b), (c), (d), (e) and (f) being collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future Claims based in whole or in part of any act or omission, transaction, offer, investment proposal, dealing or other fact, matter, occurrence or thing, in each case involving the Applicant or the Purchaser, existing or taking place during this CCAA Proceeding and prior to the filing of the Monitor’s Certificate, or undertaken or completed in connection with or pursuant to the terms of this Order or this CCAA Proceeding, or arising in connection with or relating to the Subscription Agreement, the completion of the Transactions, the closing documents, the Applicant’s or the Purchaser’s assets, business or affairs, any agreement, document, instrument, matter or transaction involving the Applicant or the Purchaser arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transactions (collectively, the “**Released Claims**”), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other entity and are extinguished, provided that nothing herein shall release, cancel or bar: (i) any Claim that that is not permitted to be released pursuant to section 5.1(2) of the CCAA; (ii) any obligations of any Released Party under, or in connection with, the Subscription Agreement or the closing documents; and (iii) any Claim for fraud, gross negligence or wilful misconduct.

#### **SEALING OF CONFIDENTIAL BID SUMMARY**

30. **THIS COURT ORDERS** that the Confidential Bid Summary described in, and attached as Appendix A to, the Third Report shall remain sealed and shall not form part of the public record in this proceeding until: (i) the closing of the Transaction; or (ii) further Order of the Court.

## GENERAL

31. **THIS COURT ORDERS** that in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court, the provisions of this Order shall govern.

32. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser and the Applicant shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Subscribed Shares, those Equity Interests of the Applicant held by the Purchaser, and the Retained Assets.

33. **THIS COURT ORDERS** that, following the Effective Time, the title of this CCAA Proceeding is hereby changed to:

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

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 1001270243 ONTARIO INC.

34. **THIS COURT ORDERS** the terms of this Order and the closing of the Subscription Agreement shall be implemented forthwith notwithstanding any motion to vary, notice of appeal or notice of motion for leave to appeal that may be sought. For greater certainty, if any of the provisions of this Order shall be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”), such Variation shall not in any way impair, limit or lessen the obligations and rights of the parties with respect to the Subscription Agreement and any Transactions made or obligations incurred prior to such Variation, and all parties shall be entitled to rely on this Order as issued, for all actions taken in connection with the Subscription Agreement.

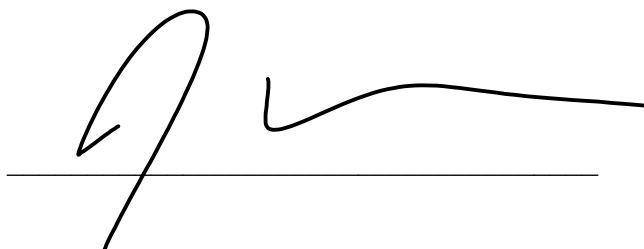
35. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.



36. **THIS COURT DECLARES** that each of the Monitor, ResidualCo and the Applicant be at liberty and is hereby authorized and empowered to apply as it may consider necessary or desirable, with or without notice, to any other court, tribunal, regulatory or administrative body, wherever located, whether in Canada, the United States, the European Union or elsewhere, for orders that recognize, aid and/or complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, ResidualCo and the Monitor as may be deemed necessary or appropriate for that purpose.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the European Union or elsewhere, to give effect to this Order and to assist the Applicant, ResidualCo, 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, ResidualCo 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, ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date hereof without any need for entry and/or filing; provided that the transaction steps set out in paragraph 5 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 5 hereof.

A handwritten signature in black ink, consisting of a large, stylized 'J' or 'G' followed by a horizontal line that extends to the right.

**Schedule A – Form of Monitor’s Certificate**

Court File No. CV-25-00739279-00CL

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

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 SYNAPTIVE MEDICAL INC.

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to the Initial Order of Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 19, 2025, as amended and restated on March 26, 2025, the Applicant was granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Richter Inc. was appointed as the monitor of the Applicant (in such capacity, the “**Monitor**”).

B. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order of this Court dated June 18, 2025 (the “**ARVO**”)

C. Pursuant to the ARVO, the Court approved the Transactions contemplated by the Subscription Agreement dated June 12, 2025 between the Applicant and the Purchaser, and ordered, among other things, that: (i) all of the Applicant’s right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo; and (iii) all of the right, title and interest in and to the Subscribed Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any Claims and Encumbrances, which vesting is to be effective upon the delivery by the Monitor to the Purchaser and the Applicant of a certificate confirming that the Monitor has received written confirmation in the form and substance

satisfactory to the Monitor from the Applicant and the Purchaser that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received written confirmation from the Purchaser, the Applicant and EDC, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.
2. This Monitor's certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_, 2025.

**Richter Inc., in its capacity as Monitor of the Applicant, and not in its personal capacity.**

Per: \_\_\_\_\_

Name:

Title:

**Schedule “B” – Encumbrances to be Discharged from the Applicant’ Property**

File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 796772439 <b>PPSA</b>  20230831 1422 1590 8466 Reg. 4 year(s)	33	SYNAPTIVE MEDICAL INC.	CONSTANTINE ZACHOS 22 FRONT STREET WEST, 4TH FLOOR TORONTO ON M5J 2W5		X	X	X	X	X	
No Fixed Maturity Date										
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 787953573 <b>PPSA</b>  20221027 1626 1590 5739 Reg. 4 year(s)	34	SYNAPTIVE MEDICAL INC.	EXPORT DEVELOPMENT CANADA 150 SLATER STREET OTTAWA ON K1A 1K3		X	X	X	X	X	
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 780960645 <b>PPSA</b>  20220309 1049 1590 1758 Reg. 3 year(s)	35	SYNAPTIVE MEDICAL INC.	NATIONAL BANK FINANCIAL INC. ITF 2RK732A JAY REID 240 - 40TH AVENUE SW CALGARY AB T2S 0X3  MARK SHILLING #213, 5555 ELBOW DR. SW CALGARY AB T2V 1H7  YOOMI ASTLEY 73 ST. MARY STREET TORONTO ON M5S 0A4  TIMOTHY HAYES 197 QUEENSDALE AVE. TORONTO ON M4C 2B1		X	X	X	X	X	

File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 780961005 <b>PPSA</b>  20220309 1054 1590 1764 Reg. 4 year(s)	39	SYNAPTIVE MEDICAL INC.	ZACORP VENTURES INC. PO BOX 14, STATION B RICHMOND HILL ON L4E 0Y3		X	X	X	X	X	
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 768786471 <b>PPSA</b>  20201223 1021 1590 0104 Reg. 5 year(s)	49	SYNAPTIVE MEDICAL INC.	BDC CAPITAL INC. 100-5 PLACE VILLE-MARIE MONTREAL QC H3B 5E7		X	X	X	X	X	
File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
				CG	I	E	A	O	MV	
File No. 768786822 <b>PPSA</b>  20201223 1032 1862 8048 Reg. 5 year(s)	50	SYNAPTIVE MEDICAL INC.	ESPRESSO CAPITAL LTD. 300-8 KING STREET EAST TORONTO ON M5C 1B5		X	X	X	X	X	
20230922 0906 1590 1392  D ASSIGNMENT	51	SYNAPTIVE MEDICAL INC.	ESPRESSO CAPITAL LTD. (Assignor)  EXPORT DEVELOPMENT CANADA (Assignee) 150 SLATER STREET OTTAWA ON K1A 1K3							

### Schedule “C” – Permitted Encumbrances

1. The security to be granted by the Applicant in connection with the issuance of the Rollover Notes pursuant to the terms of the Subscription Agreement.
2. The following:

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
1.	File No. 512806311 <b>PPSA</b>  20250121 0937 1532 2928 Reg. 03 year(s)	2	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X		
General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF 20 DELL MOBILE PRECISION WORKSTATION 5560 CTO, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
2.	File No. 512809857 <b>PPSA</b>  20250121 0952 1532 3270 Reg. 03 year(s)	5	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X		
General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.											
	20250128 0941 4085 0469  A AMENDMENT	7	SYNAPTIVE MEDICAL INC.				X	X	X		
Reason for Amendment: UPDATE EQUIPMENT DESCRIPTION IN THE GENERAL COLLATERAL SECTION											

<p>General Collateral Description:</p> <p>DELETED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. ADDED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF FIFTEEN (15) HP ELITEBOOK 840 G8 - 14" LAPTOPS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.</p>											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
3.	File No. 512812809 <b>PPSA</b>  20250121 0958 1532 3519 Reg. 05 year(s)	13	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X		
<p>General Collateral Description:</p> <p>ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.THE FULL DEBTOR ADDRESS IS - 555 RICHMOND STREET WEST, SUITE 800ITE 800 TORONTO M5V 3B1</p>											
	20250128 0948 4085 0485  A AMENDMENT	16	SYNAPTIVE MEDICAL INC.				X	X	X		
<p>Reason for Amendment:</p> <p>UPDATE EQUIPMENT DESCRIPTION IN THE GENERAL COLLATERAL SECTION</p>											
<p>General Collateral Description:</p> <p>DELETED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF DELL WORKSTATIONS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. ADDED ALL PERSONAL PROPERTY OF THE DEBTOR FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF THIRTY-FIVE (35) DELL MOBILE PRECISION WORKSTATION 5680 LAPTOPS, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.</p>											
	File No. / Reg. No.		Debtor(s)	Secured Party	Collateral Class.						Comments

		Enquiry Page No.			CG	I	E	A	O	MV	
4.	File No. 512812818 <b>PPSA</b>  20250121 0958 4085 7990 Reg. 05 year(s)	22	SYNAPTIVE MEDICAL INC.	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 MAINWAY, UNIT 1 BURLINGTON ON L7L 5Z1			X	X	X	X	
2015 YALE ERP040VT (VIN: G807N07790N)  General Collateral Description: ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, AND SUCH OTHER GOODS FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, CONSISTING OF 2015 YALE ERP040VT FORKLIFT S/N G807N07790N, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.											
	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
5.	File No. 508596111 <b>PPSA</b>  20240827 1500 1532 6127 Reg. 04 year(s)	25	SYNAPTIVE MEDICAL INC	HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY 1875 BUCKHORN GATE, SUITE 202 MISSISSAUGA ON L4W 5P1  COMPAGNIE DE SERVICES FINANCIERS HEWLETT-PACKARD CANADA 1875 BUCKHORN GATE, SUITE 202 MISSISSAUGA ON L4W 5P1		X	X	X	X		
Amount Secured: \$82599.36  General Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING, STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND HELD DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS, AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE											



INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES, AND ALL PROCEEDS OF THE FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENSES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	
10.	File No. 779905026 <b>PPSA</b>  20220125 1425 8077 6672 Reg. 4 year(s)	40	SYNAPTIVE MEDICAL INC	HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY 5150 SPECTRUM WAY MISSISSAUGA ON L4W 5G1  COMPAGNIE DE SERVICES FINANCIERS HEWLETT-PACKARD CANADA 5150 SPECTRUM WAY MISSISSAUGA ON L4W 5G1					X		
<p>No Fixed Maturity Date</p> <p>General Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING, STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND HELD DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS? AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES? AND ALL PROCEEDS OF THE FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENCES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.</p>											

	File No. / Reg. No.	Enquiry Page No.	Debtor(s)	Secured Party	Collateral Class.						Comments
					CG	I	E	A	O	MV	

13.	File No. 711090585 <b>PPSA</b>  20151022 1435 1530 1311 Reg. 5 year(s)	52	SYNAPTIVE MEDICAL INC.	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4 <sup>TH</sup> FLOOR TORONTO ON M2P 0A4				X	X		
	20200918 1454 1530 6612  B RENEWAL Renew 5 year(s)	53	SYNAPTIVE MEDICAL INC.								

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
SYNAPTIVE MEDICAL INC.

Court File No. CV-25-00739279-00CL

Applicant

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at TORONTO

**Order**  
**(Approval and Reverse Vesting Order)**

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Lawyers for Synaptive Medical Inc.

This is Exhibit “G” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**



SUPERIOR COURT OF JUSTICE

**COUNSEL SLIP/ENDORSEMENT**

COURT FILE NO.: CV-25-00739279-00CL

DATE: 18 June 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: **SYNAPTIVE MEDICAL INC.  
v. BDC CAPITAL INC. ET AL.**

BEFORE JUSTICE: **J. DIETRICH**

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Name of Person Appearing	Name of Party	Contact Info
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Roberto Engels		

**ENDORSEMENT OF JUSTICE J. DIETRICH**

**Introduction**

[1] Synaptive Medical Inc. seeks two orders.

[2] First, an Approval and Reverse Vesting Order is sought, which would approve the subscription agreement between Synaptive and 1001253954 Ontario Inc. (the “**Purchaser**”) dated June 12, 2025 (the “**Subscription Agreement**”) and the transaction contemplated thereby (the “**Transaction**”) through a reverse vesting structure is sought. The Approval and Reverse Vesting Order sought also provides for releases in favour of, among others Synaptive, the Purchaser, Export Development Canada in its capacity as a DIP Lender and the Monitor along with their current and former directors, officers and employees.

[3] As well, a Stay Extension and Termination Order is sought, which:

- a. extends the Stay Period from June 20, 2025 to September 30, 2025;
- b. approves the Pre-Filing Report of the Proposed Monitor dated March 18, 2025, the First Report of the Monitor dated March 24, 2025, the Second Report of the Monitor dated April 22, 2025, and the Third Report of the Monitor dated June 14, 2025 (the “**Third Report**”, and collectively, the “**Reports**”);
- c. approves the fees and disbursements of the Monitor and its Counsel as set out in the Third Report including the estimated fees to completion of the proceeding;
- d. orders that Synaptive meets the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222;
- e. upon the filing of a certificate of the Monitor in the form appended to the proposed Stay Extension and Termination Order (the “**Termination Certificate**”), terminates this CCAA proceeding and discharges the Monitor (the “**CCAA Termination Time**”);
- f. releases the Monitor, its counsel and their representatives for any actions up to and including the CCAA Termination Time;
- g. terminates the Court-ordered charges approved in this CCAA proceeding effective as at the CCAA Termination Time; and
- h. authorizes ResidualCo to assign itself into bankruptcy.

[4] There is no opposition to the relief sought by Synaptive with the exception of the declaration sought in respect of the Wage Earner Protection Program. The Attorney General of Canada representing Employment and Social Development Canada filed an *aide memoire* indicating it had not been served with the material with sufficient time to properly respond and intended to take a position on that relief. In the circumstances, Synaptive has advised they are not proceeding at this time with the requested relief regarding the Wage Earner Protection Program. Rather, following closing of the Transaction, counsel will schedule a 9:30 appointment with the Commercial List Office to set a schedule for that relief.

[5] Terms used but not otherwise defined herein have the meaning provided to them in the factum of Synaptive filed on this motion.

## **Background**

[6] Synaptive is a Toronto-based medical technology company.

[7] On March 19, 2025, Justice Osborne granted an initial order under the CCAA that, among other things, provided Synaptive a stay of proceedings until March 26, 2025 (the “**Stay Period**”), authorized Synaptive to make an initial draw under a debtor in possession facility term agreement dated March 18, 2025 (the “**DIP Term Sheet**”) with Export Development Canada (in such capacity, the “**DIP Lender**”) and granted a charge in favour of the DIP Lender to secure Synaptive’s obligations under the DIP Term Sheet.

[8] On March 26, 2025, Justice Osborne granted an amended and restated initial order that, among other things, extended the Stay Period up to and including June 20, 2025, and authorized Synaptive to borrow up to the maximum principal amount under the DIP Term Sheet. That same day, Justice Osborne also granted an order (the “**SISP Order**”) that, among other things, approved a sale and investment solicitation process (the “**SISP**”) in respect of Synaptive and/or its assets.

[9] On April 25, 2025, Justice Osborne granted an order that, among other things, approved a key employee retention plan in favour of certain of Synaptive’s key employees and granted a corresponding charge in favour of those employees.

[10] In accordance with the SISP Order, the Monitor commenced the SISP on March 26, 2025. Its initial efforts included, among other things, distributing a teaser letter to 228 potential bidders, including more than 79 strategic companies, and published an advertisement in The Globe and Mail (National Edition) and the Canada Newswire. Twenty-four of those potential bidders executed non-disclosure agreements and were provided access to a data room.

[11] As contemplated by the SISP Order, the Monitor, based on feedback from potential bidders requesting more time for diligence activities and bid formulation, extended certain of the SISP milestones.

[12] Six parties submitted LOIs by the first phase deadline, three of which were determined to meet the qualification criteria under the SISP. By the second phase deadline on May 27, 2025, the Monitor received one bid from the Purchaser that was determined to meet the qualification criteria under the SISP.

[13] Following discussions and negotiations between the Monitor, the Purchaser, Synaptive and the DIP Lender, on June 2, 2025, the Monitor designated the Purchaser to be the “Successful Bidder” under the SISP. On June 12, 2025, Synaptive and the Purchaser entered into the Subscription Agreement which provides for, among other things, the acquisition of Synaptive’s shares and, through that equity interest, substantially all of Synaptive’s assets through a reverse vesting structure.

[14] The key terms of the Subscription Agreement are set out in the material. They include that the Excluded Assets, Excluded Liabilities, Excluded Contracts and Subsidiary Equity shall be transferred to ResidualCo. Synaptive will issue the Subscribed Shares to the Purchaser free and clear of all Encumbrances. All Equity Interests of Synaptive (other than the Subscribed Shares) will be cancelled for no consideration and, as a result, the Purchaser will be the sole owner of 100% of the issued and outstanding shares in the equity of Synaptive. The consideration provided by the Purchaser includes cash consideration in an amount equal to the United States dollar equivalent of C\$9,610,000, being an amount contemplated to satisfy amounts owing under the CCAA Charges, cash consideration in a minimum amount equal to US\$22,500,000 and a maximum amount of up to US\$50,000,000, in each case less the Cash Consideration, to be injected into Synaptive for working capital purposes. The consideration also includes the Senior Rollover Note to be issued to Export Development Canada and the Junior Rollover Notes to be issued to holders of the second ranking EDC Convertible Notes.

[15] Under the Subscription Agreement, the Purchaser has agreed to offer employment to at least 90% of the existing employees of Synaptive.

[16] The Subscription Agreement is conditional on the Purchaser raising equity in the amount of at least US\$22,500,000 as well as on the granting of the proposed Approval and Reverse Vesting Order. As noted below, the financing condition has not yet been satisfied and the Purchaser remains engaged in the process to do so.

[17] The Outside Closing Date under the Subscription Agreement is June 25, 2025. The Monitor advises that Synaptive's next payroll is due at that time and absent closing of the Transaction, Synaptive currently does not have sufficient funds to satisfy that payroll obligation.

## **The Issues**

[18] The issues to be decided on this motion are whether the Court should grant the requested Approval and Reverse Vesting Order and the Stay Extension and Termination Order.

## **Analysis**

### Approval and Reverse Vesting Order

#### *The Sale Approval Factors*

[19] The prevailing test for the approval of a sale transaction is the test set out in *Royal Bank of Canada v Soundair Corp.*, [1991] 4 OR (3d) 1, 83 DLR (4th) 76 (Ont. C.A.), which has been codified through the six factors set out in section 36(3) of the CCAA which references the following factors:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

[20] I am satisfied that those factors are satisfied. The process leading to the Subscription Agreement and Transaction was reasonable in the circumstances. The Monitor extensively canvassed the market during the SISP. The Monitor supported the process leading to the proposed Transaction.

[21] The Monitor notes in its Third Report that the Subscription Agreement arose from a process that was conducted in a commercially reasonable manner in accordance with the terms of the SISP Order. The Third Report also concludes that a liquidation of Synaptive's assets or a bankruptcy scenario would produce worse overall recoveries than the Subscription Agreement provides for stakeholders and the Monitor further notes that it supports the approval of the Subscription Agreement and the Transaction, and recommends that this Court grant the Approval and Reverse Vesting Order.

[22] The Monitor provided regular updates to the DIP Lender—Synaptive's first-ranking senior secured creditor and DIP lender—regarding the SISP and its market outreach activities. The DIP Lender was also consulted during the Subscription Agreement negotiations with the Purchaser. Those negotiations resulted in the Subscription Agreement providing for the issuance of new promissory notes in an aggregate principal amount of US\$20 million to Synaptive's first- and second-ranking secured creditors.



[23] The Subscription Agreement was the only qualified bid that resulted from the SISP and prior to the commencement of this CCAA proceeding, Synaptive pursued a Pre-Filing Process that unsuccessfully resolved Synaptive's liquidity issue.

### *Is the Reverse Vesting Structure Appropriate?*

[24] Reverse Vesting Orders are an unusual or extraordinary measure. Approval of the use of a reverse vesting structure must be preceded an analysis to insure the structure is fair and reasonable to all parties having regard to the objectives and statutory constraints of the CCAA see *Acerus Pharmaceuticals Corporation (Re)*, 2023 ONSC 3314 at para 12.

[25] This includes an analysis of the following factors from *Harte Gold Corp. (Re)*, 2022 ONSC 653, para 71 (a) Why is the reverse vesting structure necessary in this case? (b) Does the reverse vesting structure produce an economic result at least as favourable as any other viable alternative? (c) Is any stakeholder worse off under the reverse vesting structure than they would have been under any other viable alternative? and (d) does the consideration being paid for the debtor's business reflect the importance and value of the licences and permits (or other intangible assets) being preserved under the reverse vesting structure?

### *Why is the Reverse Vesting Structure Necessary in this Case?*

[26] Synaptive's business is highly regulated. Among other things, Synaptive holds various licenses and regulatory clearances to sell its devices and systems in numerous jurisdictions, including Canada, the United States and the European Union. Under an asset purchase structure, Synaptive would need to incur considerable time, effort, cost and risk to transfer these licenses, clearances and intellectual property registrations to a different entity, to the extent that such transfers are even possible.

Does the Reverse Vesting structure produce an economic result at least as favourable as any other viable alternative?

[27] A reverse vesting structure allows for a more advantageous transfer of Synaptive's business to the Purchaser than an asset purchase structure would. Without a reverse vesting structure, there would be substantial delay, cost and risk associated with transferring Synaptive's licenses, clearances and intellectual property, along with the loss of any tax attributes in Synaptive. The Purchaser has insisted on a reverse vesting structure, and no other bids materialized under the SISP. The Subscription Agreement represents the best and only viable outcome for Synaptive, its creditors and its other stakeholders, including the medical patients who benefit from Synaptive's neurosurgery tools and systems.

Is any stakeholder worse off under the reverse vesting structure than they would have been under any other viable alternative?

[28] As there is no viable going-concern alternative to the Subscription Agreement and the Transaction, the only realistic alternative is a liquidation, which would produce a worse, or no better, result for all stakeholders. Amendments have also been made to the proposed form of order to address concerns raised by Canada Revenue Agency and contractual counterparties to ensure their treatment is consistent with that in a non-reverse vesting structure.

Does the consideration to be paid for the debtor's business reflect the importance and value of the licenses, permits and other intangible assets being preserved under the reverse vesting structure?

[29] The aggregate value under the Transaction is expected to consist of at least US\$22,500,000 of cash consideration, along with new promissory notes in an aggregate principal amount of \$20 million, representing recoveries to Synaptive's first- and second-ranking secured creditors. This was the highest and only qualified offer that materialized in the SISP.

### *Are the Proposed Releases Appropriate?*

[30] The proposed Approval and Reverse Vesting Order includes releases in favour of, among others: (i) Synaptive and its directors, officers, employees and representatives; (ii) the director of ResidualCo and its representatives; (iii) the Purchaser and its directors, officers, employees and representatives; (iv) the Monitor and its representatives; and (v) the DIP Lender and its directors, officers, employees and representatives (collectively, the “**Released Parties**”).

[31] The released claims cover, among other things, any and all present and future claims against the Released Parties based upon any fact or matter of occurrence in respect of, among other things, this CCAA proceeding, the Subscription Agreement, the completion of the Transaction and/or the Applicant’s or Purchaser’s assets, business or affairs (collectively, the “**Released Claims**”). The Released Claims do not release claims that are not permitted to be released pursuant to section 5.1(2) of the CCAA, claims for gross negligence or wilful misconduct or any obligation of any Released Party in connection with the Subscription Agreement or Transaction.

[32] When determining if a release is appropriate in the circumstances of a sale transaction the Court is to consider those factors that are applicable to the approval of releases in connection with a plan see *Re Green Relief Inc.*, 2020 ONSC 6837. As set out in *Lydian International Limited (Re)*, 2020 ONSC 4006, para 54 these factors are (a) whether the parties to be released from claims were necessary and essential to the restructuring of the debtor; b) whether the claims to be released were rationally connected to the purpose of the plan and necessary for it; c) whether the plan could succeed without the releases; d) whether the parties being released were contributing to the plan; and e) whether the release benefitted the debtors as well as the creditors generally.

[33] Here, the Released Parties each made significant contributions to Synaptive’s restructuring, both prior to and throughout this CCAA proceeding. In particular, Synaptive’s management and employees, the Purchaser, the Monitor, the DIP Lender and the parties’ counsel each provided substantial time, energy, expertise and, in the case of the DIP Lender, funding in this CCAA proceeding.

[34] Synaptive is not aware of any statutory liabilities in respect of the Released Parties and, to date, no person has indicated to Synaptive that they intend to assert a claim against any of the Released Parties, save for Synaptive itself, in respect of any claims covered by the release. The release is designed to allow Synaptive and the Released Parties to move forward with the Subscription Agreement and the Transaction and work to conclude this CCAA proceeding. The release also carves out claims that are not permitted to be released under section 5.1(2) of the CCAA.

[35] In the circumstances, the proposed Releases, with the amendments discussed during the hearing, are approved.

### *Limited Sealing Order*

[36] A limited sealing order with respect to the Confidential Bid Summary attached to the Third Report is also sought. The limited sealing order being sought is necessary to preserve the Applicant's ability to maximize the value of its assets in the event of the Transaction does not close. I am satisfied that the requested sealing order for the Confidential Bid Summary attached to the Third Report meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in insolvency proceedings to maximize the realization of assets. I direct counsel for the Monitor to file a hard copy of the Confidential Bid Summary attached to the Third Report with the Commercial List Office in a sealed envelope with a copy of the relevant order and this endorsement.

### Stay Extension and Termination Order

[37] Synaptive seeks an extension of the Stay period from June 20, 2025 to September 30, 2025. Section 11.02(2) of the CCAA provides this Court the authority to grant an extension of the Stay Period for any period it

considers necessary. The Court must be satisfied that appropriate circumstances exist for the extension and that Synaptive has acted, and is acting, in good faith and with due diligence.

[38] Here, the requested extension of the Stay Period will permit Synaptive and the Purchaser, with the Monitor's assistance, to close the Transaction and for all post-closing matters, including ResidualCo's anticipated assignment in bankruptcy, to be completed. The Monitor is supportive of the proposed extension of the Stay Period. However, the Monitor has confirmed that if the Transaction does not close as anticipated by June 25, 2025, Synaptive will not have sufficient liquidity to pay payroll or other ongoing obligations. I am satisfied that the extension of the Stay Period is appropriate in the circumstances, provided however, that should the Transaction not close as expected or other circumstances arise which impact Synaptive's cash flow, that the Monitor will report to the stakeholders and the Court as appropriate and in accordance with the Monitor's duties under the CCAA. If such circumstances arise, further relief may be sought from the Court.

[39] Synaptive also seeks approval of the Reports and the activities of the Monitor as set out therein. The request to approve the Reports is not unusual and there are good policy and practical reasons for doing so: see *Laurentian University of Sudbury*, 2022 ONSC 2927 at paras. 13-14, citing *Target Canada Co. (Re)*, 2015 ONSC 7574 at paras. 2, 12, 22.

[40] No opposition to the approval of the Reports has been raised and the approval of the Reports is appropriate in the circumstances as the Monitor has acted reasonably and in good faith. The draft order provided contains the typical language that only the Monitor is entitled to rely on the approval.

[41] The Applicants also seek approval of the fees and disbursements of the Monitor and its legal counsel, including the fees to complete. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Applicants' assets and liabilities, as well as the complexity of the Applicants' business and the proceeding. In considering these guiding principles, the fees of the Monitor and its counsel as set out in the Reports are appropriate and are approved.

[42] I am not prepared at this time to provide for the Termination of the CCAA proceedings and the release of the Monitor requested in connection therewith. The transaction has not closed and substantial activities still remain to be completed. The Applicants or the Monitor may return to Court at the appropriate time to request this relief. At that time the fees to complete can be addressed.

[43] Synaptive seeks the authority for ResidualCo to file an assignment into bankruptcy following closing of the Transaction. In the circumstances, that relief is granted.

### **Disposition**

[44] Orders to go in the forms signed by me this day.

June 18, 2025

  
Justice J. Dietrich

This is Exhibit “H” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

Court File No.: CV-25-00739279-00CL

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**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 SYNAPTIVE MEDICAL INC.**

**THIRD REPORT OF THE MONITOR  
RICHTER INC.**

**JUNE 14, 2025**

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## 1.0 INTRODUCTION

1.1 On March 19, 2025 (the “**Filing Date**”), Synaptive Medical Inc. (“**Synaptive**”, the “**Applicant**”, or the “**Company**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The proceedings commenced by the Applicant under the CCAA are referred to herein as the “**CCAA Proceedings**”.

1.2 The Initial Order granted by the Court on March 19, 2025, among other things:

- a. appointed Richter Inc. (“**Richter**”) as monitor in these CCAA Proceedings (in such capacity, the “**Monitor**”);
- b. granted a stay of proceedings in favour of Synaptive and its directors and officers up to and including March 26, 2025 (the “**Stay Period**”);
- c. authorized Synaptive to borrow from its senior secured lender, Export Development Canada (“**EDC**”), under a credit facility provided by EDC (in such capacity, the “**DIP Lender**”), for the purposes of financing the Applicant’s working capital requirements and other general corporate purposes throughout these CCAA Proceedings, with borrowings under such credit facility not to exceed \$1 million unless permitted by further Order of the Court, and granted the DIP Lender a priority charge over the Applicant’s Property (the “**DIP Lender’s Charge**”); and
- d. granted an Administration Charge and a Directors’ Charge (each as defined in the Initial Order) over the Property, in the following order of priority:

- (i) the Administration Charge in the maximum amount of \$250,000;
- (ii) the DIP Lender's Charge; and
- (iii) the Directors' Charge in the maximum amount of \$1.1 million.

1.3 On March 26, 2025, the Court granted the Amended and Restated Initial Order (the "**ARIO**") which, among other things:

- a. extended the Stay Period up to and including June 20, 2025;
- b. approved a debtor in possession facility term agreement dated March 18, 2025 (the "**DIP Term Sheet**") between Synaptive and the DIP Lender, authorizing Synaptive to borrow up to the maximum amount of \$7,000,000 available thereunder; and
- c. increased the quantum of the Administration Charge to \$500,000.

1.4 Also on March 26, 2025, the Court issued an order (the "**SISP Approval Order**") which, among other things, authorized Synaptive to conduct a sale and investment solicitation process ("**SISP**"), to be run by the Monitor, to identify a restructuring, sale or reorganization transaction in respect of the property and/or business of Synaptive in accordance with the procedures, terms and conditions attached thereto (the "**SISP Procedures**").

1.5 On April 25, 2025, the Court granted an order (the "**KERP Approval Order**") approving Synaptive's request for a key employee retention plan ("**KERP**") for certain of its key employees (the "**Key Employees**"). The KERP Approval Order, among other things, authorized Synaptive to make payments in accordance with the terms and conditions of the



KERP and DIP Term Sheet, granted a charge on the property of Synaptive (the “**KERP Charge**”) not to exceed \$500,000 to secure any payments to the Key Employees under the KERP, and sealed the confidential KERP exhibit pending further order of the Court.

1.6 The KERP Approval Order also amended the ARIO such that the priorities in respect of the Administration Charge, the DIP Lender’s Charge, the Directors’ Charge and the KERP Charge would be reflected as follows:

- a. First – Administration Charge (to the maximum amount of \$500,000);
- b. Second – DIP Lender’s Charge;
- c. Third – Directors’ Charge (to the maximum amount of \$1,100,000); and
- d. Fourth – KERP Charge (to the maximum amount of \$500,000).

1.7 As set out more fully in the affidavit of Magnus Momsen sworn March 18, 2025 (the “**First Momsen Affidavit**”) filed in support of the application for the Initial Order, (i) Synaptive is a privately held Canadian medical device company that provides neurosurgery solutions from pre-operative planning and diagnosis to surgical intervention and post-operative care; and (ii) CCAA protection was necessary given an impending liquidity crisis caused by, among other things, an inability of Synaptive to pay operating expenses including significant payroll requirements and other obligations as they became due.

1.8 Richter filed a pre-filing report dated March 18, 2025 (the “**Pre-Filing Report**”) with the Court prior to the commencement of the CCAA Proceedings. The Monitor filed its first report dated March 24, 2025 (the “**First Report**”) in connection with Synaptive’s motion

for approval of the ARIO and SISP Approval Order. The Monitor filed its second report dated April 22, 2025 (the “**Second Report**”, and together with the Pre-Filing Report and the First Report, the “**Previous Reports**”) in connection with Synaptive’s motion for the KERP Approval Order. The Previous Reports are available on the Monitor’s case website at: <https://www.richter.ca/insolvencycase/synaptive-medical-inc/> (the “**Case Website**”).

## **2.0 DEFINED TERMS**

2.1 This report (the “**Third Report**”) should be read in conjunction with the Previous Reports and the Momsen Affidavits (including the affidavit of Magnus Momsen sworn June 12, 2025). Capitalized terms used and not defined in this Third Report have the meanings given to them in the Previous Reports, the Momsen Affidavits or the Subscription Agreement dated June 12, 2025 between Synaptive and 1001253954 Ontario Inc. (the “**Purchaser**”), as applicable.

## **3.0 PURPOSE OF THIS REPORT**

3.1 The purpose of this Third Report is to provide the Court with information pertaining to the following:

- a. the outcome of the SISP and the Monitor’s recommendation regarding the transactions contemplated by the Subscription Agreement (the “**Transaction**”);
- b. Synaptive’s reported receipts and disbursements for the period from March 22, 2025 to June 6, 2025 (the “**Reporting Period**”), including a comparison of the reported to forecasted results;

- c. the proposed payments and distributions from the proceeds of the Transaction and the opinion of the Monitor's independent legal counsel, McMillan LLP ("**McMillan**") with respect to the security granted by Synaptive;
- d. the activities of the Monitor since the date of the Second Report and those of Synaptive since the Filing Date;
- e. the accounts of the Monitor and its legal counsel, McMillan, including the estimated remaining fees and disbursements to the effective date of the termination of the CCAA Proceedings;
- f. the Company's motion for an order (the "**Approval and Reverse Vesting Order**" or "**ARVO**"), *inter alia*:
  - (i) approving the Subscription Agreement and the Transaction and authorizing and directing the Company to take such steps as may be necessary or desirable to complete the Transaction;
  - (ii) authorizing the Company to issue the Subscribed Shares and vesting all right, title and interest in and to the Subscribed Shares absolutely in the Purchaser free and clear of all claims and encumbrances;
  - (iii) vesting all of the Company's right, title, and interest in and to the Excluded Assets absolutely and exclusively in a corporation to be incorporated in advance of the hearing of the Company's motion ("**ResidualCo**");

- (iv) channeling, assuming and vesting the Excluded Liabilities (including the Excluded Contracts) absolutely and exclusively in ResidualCo, such that the Excluded Liabilities and Excluded Contracts shall become the obligations solely of ResidualCo;
- (v) releasing and discharging the Retained Assets from all Claims and Encumbrances (other than the Permitted Encumbrances);
- (vi) authorizing and directing the Company to issue the Rollover Notes and related security to the Rollover Noteholders in accordance with the terms set out in the Subscription Agreement;
- (vii) terminating and cancelling without consideration all of the Company's Existing Equity, including, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character held by any person which are convertible or exchangeable for any securities of the Company, but excluding, for greater certainty, the Subscribed Shares;
- (viii) authorizing the filing, or deemed filing and the cancellation of the Existing Common Shares (excluding, for greater certainty, the Subscribed Shares) in accordance therewith;
- (ix) declaring that the Company shall cease to be the Applicant in the CCAA Proceedings and shall be released from the ARIO and all other Orders

granted by the Court in the CCAA Proceedings, save and except, the ARVO;

- (x) declaring that all Contracts (excluding the Excluded Contracts) shall remain in full force and effect and further declaring that all counterparties to the Retained Contracts shall be deemed to have waived any default arising directly or indirectly from the commencement of the CCAA Proceedings or the implementation of the Transaction;
- (xi) granting releases in favour of the Company, the Monitor, the Purchaser and the DIP Lender, including their respective directors, officers, legal counsel, partners, employees, consultants and advisors, as well as the consultants, legal counsel and advisors of ResidualCo; and
- (xii) authorizing the Monitor and the Company, as applicable, to distribute the Cash Consideration to the persons entitled to be paid the Administrative Expense Costs (in accordance with their relative priority) and to distribute the Rollover Notes to the Rollover Noteholders,

g. the Company's motion for an order (the "**Stay Extension and Termination Order**"), *inter alia*:

- (i) extending the Stay Period until September 30, 2025 (the "**Stay Extension**");
- (ii) confirming that the Applicant meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations, SOR/2008-222.*;

- (iii) approving the Pre-Filing Report, the First Report, the Second Report, the Third Report and the activities of the Monitor described therein and herein;
- (iv) approving the fees and disbursements of the Monitor, its counsel, McMillan, including the Remaining Fees and Disbursements (as defined herein);
- (v) authorizing ResidualCo to make an assignment in bankruptcy; and
- (vi) upon the filing of a certificate to the Court by the Monitor certifying that all matters to be attended to in these CCAA Proceedings have been completed:
  - (a) terminating the Administration Charge, DIP Lender's Charge, the Directors' Charge and the KERP Charge; (b) discharging Richter as Monitor, and releasing Richter from any and all liability that it now has, or may hereafter have, by reason of, or in any way arising out of, its acts or omissions as Monitor, save and except for any gross negligence or willful misconduct on the part of the Monitor; and (c) withdrawing, cancelling and terminating the CCAA Proceedings.

#### **4.0 TERMS OF REFERENCE AND DISCLAIMER**

- 4.1 In preparing this Third Report, Richter, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information, books and records, and financial information prepared by Synaptive and has held discussions with management of Synaptive and its legal counsel (collectively, the “**Information**”). Except as otherwise described in this Third Report:

- a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook (the “CPA Handbook”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
  - b. some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
- 4.2 Future-oriented financial information referred to in this Third Report was prepared based on Synaptive’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
- 4.3 This Third Report should be read in conjunction with the Previous Reports and the Momsen Affidavits. Capitalized terms used and not defined in this Third Report have the meanings given to them in the Previous Reports or the Momsen Affidavits, as applicable.
- 4.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

## 5.0 OUTCOME OF THE SISP

- 5.1 The SISP Approval Order authorized the Applicant to conduct a sale and investment solicitation process to be run by the Monitor, to identify a restructuring, sale or reorganization transaction in respect of the property and/or business of the Applicant in accordance with the procedures, terms and condition attached to the SISP Approval Order. An overview of the SISP including milestones is provided in the First Report and not repeated herein.

### Marketing Process

- 5.2 On March 26, 2025, pursuant to the SISP Approval Order, the Monitor commenced the SISP. A summary of the activities undertaken in the SISP is as follows:
- a. the Monitor prepared an interest solicitation summary (the “**Teaser**”) detailing the acquisition opportunity;
  - b. the Monitor prepared a list of potential interested parties (the “**Potential Bidders**”) which included those identified and up to speed on Synaptive’s business as a result of a prior investment solicitation process conducted by the Company and its investment bankers in 2023 (the “**Known Potential Bidders**”). In compiling the list of Potential Bidders, the Monitor relied on the assistance of the Company, and sought input from other stakeholders. The Potential Bidders comprised both financial and strategic buyers, made up of domestic and foreign parties, and included medical technology companies and ancillary businesses;



- c. in total, the Monitor distributed the Teaser to approximately 228 Potential Bidders, including more than 79 strategic companies;
- d. the Monitor placed a notice of the SISP in Globe & Mail (National Edition) and the Canada Newswire on March 29, 2025;
- e. 24 Potential Bidders executed a non-disclosure agreement (“**NDA**”) and were provided access to a virtual data room (the “**Data Room**”) maintained by the Monitor. The Data Room contained confidential information about the Company, including historical and projected financial information, copies of the Company’s rental and equipment leases, copies of the Company’s licences and other relevant information. Copies of the SISP Approval Order and SISP Procedures setting out, among other things, the various deadlines, the bid procedures and the minimum information requirements for offers to be considered a qualified, along with a template asset purchase agreement and a template share purchase agreement, were also made available in the Data Room;
- f. throughout the course of the SISP, the Monitor facilitated due diligence on the opportunity for Potential Bidders, including updating the Data Room with current information and responding to any queries from Potential Bidders, as required, with the assistance of the Company; and
- g. in accordance with the SISP terms, the Monitor also confirmed that no management insider intended to initiate or participate as a Potential Bidder in the SISP.

### **Phase I LOI Deadline**

5.3 On April 24, 2025, based on feedback from Potential Bidders requiring additional time for due diligence and formulation of bids, the Monitor, in consultation with the Company and the DIP Lender, extended the Phase I LOI Deadline from 5:00 pm (Eastern Time) on April 30, 2025 to 5:00 pm (Eastern Time) on May 7, 2025 (the “**Revised Phase I LOI Deadline**”).

5.4 Six parties submitted Phase I LOIs by the Revised Phase I LOI Deadline. Following consultation with the Company and the DIP Lender, three parties were deemed to be Qualified Bidders.

### **Phase II Bid Deadline**

5.5 On May 12, 2025, as a result of the extension of the Phase I LOI Deadline, the Monitor, in consultation with the Company and the DIP Lender, extended the Phase II Bid Deadline from 5:00 pm (Eastern Time) on May 16, 2025 to 5:00 pm (Eastern Time) on May 27, 2025. Attached as Confidential **Appendix A** to this Third Report is a Summary of the Phase I and Phase II Bids received by the Monitor.

### **Selection of the Winning Bidder**

5.6 One party submitted an acceptable Phase II Bid by the Phase II Bid Deadline, being the Purchaser. The Monitor worked with the Purchaser and the Company to clarify certain provisions of the Purchaser Phase II Bid, following which the Monitor designated the Purchaser as the Successful Bidder on June 2, 2025. Following receipt of the Successful Bid from the Purchaser, the Monitor, Synaptive and the DIP Lender commenced further discussions with, and provided comments to, the Purchaser in respect of the proposed

transaction. Following those discussions and negotiations with the Purchaser, on June 12, 2025, Synaptive and the Purchaser entered into an agreement in respect of the Transaction (the “**Subscription Agreement**”).

### **Key Terms of the Subscription Agreement**

5.7 The Subscription Agreement involves the Purchaser acquiring 100% of the equity of Synaptive through a reverse vesting order structure, the culmination of which will result in the Purchaser acquiring all of the issued and outstanding shares of Synaptive, free and clear of all Claims and Encumbrances (other than Permitted Encumbrances) and excluding all Excluded Assets, Excluded Contracts and Excluded Liabilities. Following closing of the Transaction, Synaptive will retain only the Retained Assets, including the Retained Contracts and the Retained Causes of Action. In addition, the Purchaser is required to make offers of employment to employees of the Company’s subsidiaries such that the number of such employees receiving offers of employment from the Purchaser plus the number of the Company’s employees who remain employed by the Company as of closing of the Transaction equals at least 90% of the aggregate number of employees as of the date of the Subscription Agreement.

5.8 The key terms of the Subscription Agreement are summarized below:

- a. **Subscription for New Common Shares.** In consideration for the Cash Consideration and the Working Capital Amount (as defined below), the Purchaser will subscribe for 100 newly-issued common shares in the capital of the Company.
- b. **Amendment to Articles and Cancellation of Existing Equity and Existing Common Shares.** All Existing Equity, including all options, conversion privileges,

equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character held by any person which are convertible or exchangeable for any securities of the Company, but excluding, for greater certainty, the Subscribed Shares, will be cancelled. Synaptive will also file Articles of Reorganization pursuant to which all Existing Common Shares (excluding, for greater certainty, the Subscribed Shares) will be cancelled for no consideration.

c. **Purchase Price.** The Purchase Price is comprised of the following amounts:

- (i) Cash in an amount equal to the United States Dollar equivalent of C\$9,610,000, being the total amount contemplated to be paid for Administrative Expense Costs (the “**Cash Consideration**”);
- (ii) Senior Rollover Notes and EDC Warrants;
- (iii) Junior Rollover Notes;
- (iv) a minimum working capital injection in a minimum amount of US\$22,500,000 and a maximum amount of up to US\$50,000,000, in each case *less* the Cash Consideration (the “**Working Capital Amount**”); and
- (v) the assumption of the Assumed Liabilities.

d. **Retained Assets.** The assets to be retained by the Company are defined as all of the assets owned by Synaptive as of the date of the Subscription Agreement and any asset acquired by Synaptive up to and including Closing, including the Retained

Contracts (which are set out on Schedule I of the Subscription Agreement, which schedule may be amended up to two business days prior to Closing), the books and records of the Company, the Retained Causes of Action and the Intellectual Property, but excluding the Excluded Contracts, Excluded Assets and Excluded Liabilities;

- e. **Assumed Liabilities.** The Company will retain the following obligations:
- (i) The Monitor has confirmed with the Purchaser that it intends to have Synaptive assume all accrued and future liabilities arising from or in connection with the Retained Contracts, subject to the Purchaser's right to choose which Contracts to include as Retained Contracts up to two Business Days prior to Closing;
  - (ii) liabilities in respect of employees that are continuing with Synaptive; and
  - (iii) liabilities that are added to Schedule A of the Subscription Agreement as Assumed Liabilities up to two Business Days prior to Closing.
- f. **Excluded Assets and Excluded Contracts.** The Excluded Assets and the Excluded Contracts will not be retained by Synaptive and will be transferred to ResidualCo. The Excluded Assets and Excluded Contracts generally comprise:
- (i) the Contracts set out in Schedule D to the Subscription Agreement, or which may be added as Excluded Contracts up to two business days prior to Closing;

- (ii) Synaptive's rights and interests in the Subscription Agreement;
  - (iii) Synaptive's equity interest in all subsidiaries;
  - (iv) all books and records and tax and financial data related to the Excluded Liabilities, including applicable tax returns; and
  - (v) any assets that are added to Schedule C of the Subscription Agreement as Excluded Assets up to two business days prior to Closing.
- g. **Excluded Liabilities.** Synaptive will retain only the Assumed Liabilities, all other Liabilities of Synaptive will be excluded and assumed by ResidualCo.
- h. **Representation and Warranties.** Consistent with the standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representation and warranties.
- i. **Closing Date.** Closing of the Transaction will occur no later than June 25, 2025, or such other date that the Parties, acting reasonably, may mutually agree.
- j. **Material Conditions.** In addition to the standard conditions included in an insolvency transaction, including the granting of the ARVO, the Subscription Agreement is subject to a financing condition that runs in favour of both the Purchaser and the Company. Failure to satisfy this condition will result in the Purchaser forfeiting to the Company the US\$1 million deposit currently being held in trust by the Monitor.
- k. **Termination.** The Subscription Agreement can be terminated, *inter alia*:

- (i) by either the Company or the Purchaser, if the Court declines at any time to grant the ARVO, for reasons other than a breach of the Subscription Agreement by the Party proposing to terminate it; or
- (ii) if Closing has not occurred on or prior to June 25, 2025, provided that the reason for the Closing having not occurred is not due to any act, omission or breach of the Subscription Agreement by the Party proposing to terminate it.

### **Monitor's Recommendation Regarding the Transaction**

5.9 The Monitor recommends that the Court issue an order approving the Transaction and the Approval and Reverse Vesting Order for the following reasons:

- a. the Monitor is of the view that the SISP was conducted in accordance with the terms of the SISP Order and in a commercially reasonable manner, including the timelines, breadth of the Monitor's canvassing of the market, the information made available to interested parties (including the information in the Data Room), and the availability of the Monitor, with the assistance of the Company's management, for due diligence requests and meetings;
- b. the Transaction contemplates the continuation of the Company's business and operations, which, among other things, will preserve jobs for approximately 90% of Synaptive's employees;
- c. no alternative offers superior to that of which is contemplated under the Subscription Agreement were received despite the Monitor reaching out to

approximately 228 prospective parties (not including any parties who were made aware of the SISP via the notices in The Globe & Mail (National Edition) or Canada Newswire;

- d. no funding is available to further market the opportunity. Even if there was, the Monitor is of the view that the ongoing professional and other costs would erode recoveries with no certainty that a superior transaction would be completed;
- e. the terms of the Subscription Agreement are commercially reasonable;
- f. in the Monitor's view, the Transaction provides for superior overall recoveries than what would otherwise be recovered through a liquidation or bankruptcy of the Company; and
- g. the Transaction is the best opportunity to maximize recoveries for Synaptive's creditors and provide the greatest benefit to Synaptive's stakeholders, as they provide the best opportunity for the continuation of the Company's business.

### **Reverse Vesting Order**

5.10 The implementation of the Transaction which contemplates the purchase and sale of shares using the concept of a "reverse vesting order" is appropriate, reasonable and necessary in the current CCAA Proceedings for the following reasons:

- a. numerous government licenses, permits, agreements and authorizations are part of the assets being retained under the Subscription Agreement. It would be significantly more complex, unpracticable and time consuming to transfer the



benefits of those licenses, permits, agreements and authorizations which are an integral part of the Transaction under a traditional vesting order;

- b. Synaptive operates in the highly regulated medical device industry and therefore a reverse vesting order structure greatly minimizes the risks, costs and delays of transferring the requisite authorizations necessary to permit Synaptive to continue to operate following implementation of the Transaction;
- c. the creditors and stakeholders whose liabilities or contracts are considered Excluded Liabilities and Excluded Contracts will not be in a worse position than they would have been under a traditional vesting of assets to a third-party purchaser; and
- d. the Transaction will potentially allow the Purchaser to preserve the Synaptive's tax losses that may be carried forward to offset against future taxable income of Synaptive, which would not otherwise be available through a sale of Synaptive's assets.

## **6.0 CASH FLOW VARIANCE ANALYSIS REPORTING**

- 6.1 As noted in the First Report, Synaptive, with the assistance of the Monitor, prepared a cash flow forecast for the period March 22, 2025 to June 20, 2025 (the "**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix B**.
- 6.2 Synaptive cooperated with the Monitor and provided information as requested by the Monitor in order for the Monitor to implement various procedures for monitoring Synaptive's receipts and disbursements on a weekly basis. The Monitor has also prepared

a forecasted to actual variance analyses with the respect to Synaptive's weekly receipts and disbursements as compared to the Cash Flow Forecast.

6.3 A comparison of Synaptive's actual receipts and disbursements as compared to the Cash Flow Forecast for the Reporting Period is summarized as follows:

<b>Synaptive Medical Inc.</b> <b>Cash Flow Variance Analysis</b> <b>For the Period March 21, 2025 to June 6, 2025</b> <b>(in CAD)</b>				
	<b>Forecast</b>	<b>Actual</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>RECEIPTS</b>				
Operating Receipts	2,406,571	1,892,141	(514,430)	-21%
Grant Income	110,000	56,925	(53,075)	-48%
DIP Funding	5,500,000	5,500,000	-	0%
<b>Total Receipts</b>	<b>8,016,571</b>	<b>7,449,066</b>	<b>(567,505)</b>	<b>-7%</b>
<b>DISBURSEMENTS</b>				
Total Payroll	3,840,435	4,142,098	(301,663)	-8%
Total Rent	581,895	604,432	(22,537)	-4%
Vendor Payments - COGS	312,000	769,616	(457,616)	-147%
Bank charges	3,363	2,204	1,178	35%
Freight and Delivery	-	18,139	(18,139)	0%
Insurance	105,000	91,992	13,008	12%
Vendor Payments - G&A	981,435	476,071	505,363	51%
Employee Expenses	799,877	351,399	448,478	56%
Sales Tax/Income Tax	-	20,542	(20,542)	0%
Restructuring Professionals	1,198,909	840,858	358,051	30%
KERPs	515,081	490,072	25,009	5%
DIP Fees	-	471	(471)	0%
<b>Operating Disbursements</b>	<b>8,338,014</b>	<b>7,807,895</b>	<b>530,119</b>	<b>6%</b>
FX Adjustments	-	(9,601)	9,601	0%
<b>Total Disbursements</b>	<b>8,338,014</b>	<b>7,817,496</b>	<b>520,518</b>	<b>6%</b>
<b>Net Cash Flow</b>	<b>(321,443)</b>	<b>(374,461)</b>	<b>(53,018)</b>	<b>16%</b>
<b>Opening Cash</b>	<b>649,966</b>	<b>649,965</b>	<b>(1)</b>	<b>0%</b>
<b>Ending Cash</b>	<b>328,523</b>	<b>275,505</b>	<b>(53,019)</b>	<b>-16%</b>
Opening DIP	1,002,877	1,000,000	2,877	0%
Add: DIP Advances	5,500,000	5,500,000	-	0%
Add: Exit Fee	-	-	-	0%
Add: DIP Interest	132,329	132,329	-	0%
Less: DIP Interest Paid	-	-	-	0%
<b>Ending DIP</b>	<b>6,635,205</b>	<b>6,632,329</b>	<b>2,877</b>	<b>0%</b>
<i>Source: Information provided by Management</i>				

6.4 As reflected in the summary table above, Synaptive reported a net cash outflow of approximately \$374,000 over the Reporting Period and had a cash balance of approximately \$276,000 as of June 6, 2025. Synaptive has an unfavourable cash flow variance of approximately \$53,000 as compared to the Cash Flow Forecast during the Reporting Period.

6.5 The unfavourable cash flow variance of approximately \$53,000 pertains principally to the following:

a. unfavourable variances associated with:

- (i) the collection of operating receipts;
- (ii) higher payroll costs as a result of increased costs associated with US Benefits as described in the Monitor's Second Report; and
- (iii) higher vendor payments associated with cost of sales purchases; partially offset by:

b. favourable variances associated with:

- (iv) lower general and administration expenses;
- (v) lower employee expense costs; and
- (vi) lower payment of fees for restructuring professionals due to timing differences.

6.6 Advances under the DIP Facility during the Reporting Period totalled approximately \$6.5 million during the Reporting Period, which is in line with the forecast amount.

## **7.0 PAYMENTS AND DISTRIBUTIONS FROM THE TRANSACTION PROCEEDS**

7.1 This section sets out the proposed payments and distributions from the proceeds of the Transaction as contemplated in the Subscription Agreement, and subject to Court approval.

### **Payment of CCAA Charges and Employee Priority Amounts**

- 7.2 In accordance with the Subscription Agreement, cash in an amount equal to the United States Dollar equivalent of \$9,610,000, is to be paid to the Monitor for the benefit of persons entitled to be paid the Administrative Expense Costs. The Administrative Expense Costs includes all outstanding costs secured by the CCAA Charges and all amounts required by the Monitor to administer the Excluded Assets, Excluded Contracts and Excluded Liabilities, which include liabilities in respect of the employee priority amounts and the costs associated with the administration of the bankruptcy of ResidualCo.
- 7.3 In respect of the costs associated with the bankruptcy of ResidualCo, the Monitor will provide such funds to the trustee in bankruptcy of ResidualCo.
- 7.4 In accordance with the Subscription Agreement, the Administrative Expense Costs are to be satisfied by the Cash Consideration thereby satisfying all amounts due and owing under the Administrative Expense Costs.

### **Senior Rollover Note and EDC Warrants**

- 7.5 EDC will receive a Senior Rollover Note in the principal amount of approximately US\$6 million subject to the terms outlined in Schedule “J” of the Subscription Agreement and the EDC Warrants subject to the terms outlined in Schedule “L” of the Subscription Agreement in compensation for amounts outstanding and due to EDC under the Espresso Facility of approximately US\$5 million in principal and accrued interest of approximately US\$1.5 million.

- 7.6 The Monitor notes that the principal amount of the Senior Rollover Note is less than the amount currently outstanding under the Espresso Facility and the terms of the Senior Rollover Note are less favourable than the Espresso Facility. Accordingly, the Monitor views the issuance of the EDC Warrants to EDC (as noted above) as a reasonable form of compensation for reduced recovery under the Senior Rollover Note.

### **Junior Rollover Notes**

- 7.7 As described in the Pre-Filing Report, the Applicant's secured debt obligations include approximately US\$59.8 million to holders of the EDC Convertible Notes.
- 7.8 As outlined in the Subscription Agreement, holders of the EDC Convertible Notes are to receive, on a pro-rata basis, promissory notes (the "**Junior Rollover Notes**") in the aggregate principal amount of US\$14 million, in form and substance as outlined in Schedule "J" of the Subscription Agreement.

### **Credit Card Facility**

- 7.9 The Purchaser intends to assume the RBC CC Facility (as defined in the First Report), including amounts due thereunder.

### **Independent Security Review**

- 7.10 The Monitor has received a written opinion from McMillan confirming that, subject to typical qualifications and assumptions, the security granted under the Espresso Facility and the EDC Convertible Notes is valid and enforceable in accordance with their terms in the province of Ontario. In consideration of the foregoing, the Monitor supports Synaptive's request for an order authorizing the Monitor or Synaptive, as applicable, to distribute the

Cash Consideration to the beneficiaries of the Administrative Expense Costs (in accordance with their relative priority) and to distribute the Senior Rollover Note, EDC Warrants and the Junior Rollover Notes to the Rollover Noteholders on or immediately following the closing of the Transaction.

## **8.0 ACTIVITIES OF THE MONITOR SINCE THE FILING DATE**

8.1 Since the Second Report, the primary activities of the Monitor have included the following:

- a. updating the Case Website as necessary, including posting copies of the Second Report, the KERP Order, the revised SISP milestones and other Court-filed documents;
- b. communicating with various stakeholders of the Applicant, including creditors, debenture holders, shareholders, employees and landlords;
- c. communicating with terminated employees regarding the Wage Earner Protection Program and filing WEPP claims and other related matters;
- d. liaising with Canada Revenue Agency (“**CRA**”) in connection with CRA’s GST/HST examination of the Company;
- e. participating in discussions with, and assisting the Applicant in discussions with, stakeholders on matters related to the CCAA Proceedings and responding to requests for information from certain parties;
- f. advancing the SISP, including:
  - (i) communicating with and providing the Teaser Letter to Potential Bidders;

- (ii) populating the Data Room;
  - (iii) negotiating and settling NDAs with Potential Bidders;
  - (iv) facilitating additional information requested by Potential Bidders to further due diligence efforts;
  - (v) facilitating and attending management presentations with Potential Bidders;
  - (vi) providing regular updates to the DIP Lender on the SISP; and
  - (vii) negotiating the terms of the Subscription Agreement;
- g. monitoring the Applicant's cash receipts and disbursements;
- h. engaging in discussions with the DIP Lender and its counsel, Fasken Martineau Dumoulin LLP, with respect to liquidity matters, the SISP and other matters related to these CCAA Proceedings; and
- i. with the assistance of McMillan, counsel to the Monitor, preparing this Third Report.

## **9.0 ACTIVITIES OF THE COMPANY SINCE THE FILING DATE**

9.1 Since the Filing Date, the activities of the Company, with the support of its counsel, have included:

- a. managing relationships with key stakeholders, including creditors, its landlords, secured lenders and shareholders;

- b. addressing operational issues arising in connection with the CCAA Proceedings;
- c. negotiating the DIP Term Sheet, including corresponding with the DIP Lender and its counsel;
- d. working, in consultation with the Monitor, to manage the Company's cash flows and making payments in accordance with the Cash Flow Forecast and DIP Term Sheet;
- e. paying the KERP as approved by the Court in connection with the KERP Order;
- f. negotiating the Subscription Agreement, including corresponding with the Purchaser and its counsel;
- g. preparing material for, and attending at Court in connection with the Initial Order, the ARIO, the SISP Order, and the KERP Order;
- h. liaising with the Monitor and preparing and providing to the Monitor cash flow projections and various other material to assist in the SISP;
- i. working with its counsel and the Monitor to assist the Monitor with any due diligence requests that arose from Potential Bidders during the SISP; and
- j. preparing materials for Court in connection with the within motion.

9.2 In addition to the above activities, the Company has been working to address the below matters:



## **Disclaimers of Contracts**

9.3 During the CCAA Proceedings, the Company disclaimed the below noted contracts:

- a. On March 28, 2025, the Company provided notice to RBC Dominion Securities Inc. (“**RBC DSI**”) of its intention to disclaim its engagement letter with RBC DSI dated October 12, 2023 in connection with its mandate to conduct an investment solicitation process prior to the CCAA Proceedings.
- b. On April 30, 2025, the Company provided a notice to disclaim its lease agreement with Plymouth Outland Center Parcel One Tn, LLC related to its lease dated July 22, 2021 in connection with the leased warehouse facility located in Memphis Tennessee.

## **Winding Down of Australian Subsidiary**

9.4 On May 19, 2025, the Monitor received a letter from Mr. Mark Tobin (the “**Tobin Letter**”), Director of Synaptive Medical (Australia) Pty Ltd. (“**Synaptive Australia**”), a 100% owned indirect subsidiary of Synaptive through its 100% owned subsidiary Synaptive Medical International SA.

9.5 Mr. Tobin’s letter advised of, and provided details with respect to, amounts due by Synaptive Australia to the Australian Taxation Office (the “**ATO**”) related to outstanding employee source deductions.

9.6 The Monitor understands that the Company has been working on a wind-down plan for Synaptive Australia.

### **Flat Iron Lift Stay Motion**

- 9.7 On May 8, 2025, Flat Iron Building Group Inc. (“**Flat Iron**”), through its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), advised the Monitor that on April 4, 2025, Flat Iron registered a lien (the “**Flat Iron Lien**”) against the property at 5055 Satellite Drive in Mississauga, Ontario, the Company’s lease location in Mississauga (the “**Mississauga Location**”) and requested the Monitor consent to the lift stay to allow Flat Iron to perfect the Flat Iron Lien by issuance of a statement of claim. Cassels further advised in its letter that the purpose of the lift stay was to ensure perfection of the Flat Iron Lien given the timing constraints associated with the *Construction Act*.
- 9.8 Both the Monitor and counsel for the Applicant, on behalf of the Applicant, consented to the lift stay motion.
- 9.9 Subsequently, the Monitor was informed by counsel to the landlord of the Mississauga Location, PIRET (Skymark Satellite) Holdings Inc. (the “**Mississauga Landlord**”), that the Flat Iron Lien was impacting the Mississauga Landlords ability to refinance.
- 9.10 We understand that Synaptive and the Mississauga Landlord came to an agreement by which the Mississauga Landlord would pay the Flat Iron Lien and deduct the amount of the Flat Iron Lien payment from Synaptive’s tenant inducement allowance.

### **Pacer**

- 9.11 As described in the Second Report, on April 15, 2025, the Monitor received notice from counsel to Pacer Air Freight Ltd. (“**Pacer**”), advising that Pacer is in possession of, and providing warehouse services for, approximately 35 skids of goods including MRI units

and other medical equipment (the “**April 15 Email**”). Pacer is claiming accrued debt of approximately \$1.1 million in respect of which they claim a general contractual lien against the goods in storage.

9.12 The Company and the Purchaser are currently working to resolve the Pacer Lien.

## **10.0 REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS**

10.1 The Monitor and McMillan have maintained detailed records of their professional fees and disbursements prior to and since the Monitor’s appointment. As noted in the Pre-Filing Report, Richter was previously retained by the Company to provide financial advisory services, including, among other things, reviewing the Company’s current financial circumstances and cash flow projections, and supporting the Company with discussions / negotiations with certain of its key stakeholders. In addition, Richter’s mandate also included a focus on advising on the structure of these proceedings and assisting the Company with preparing the Cash Flow Forecast and other statutory documents required to file the CCAA. The Monitor is seeking approval of its fees and disbursements for the period from March 7, 2025 to June 6, 2025 (the “**Richter Fee Period**”), and those of McMillan from March 11, 2025 to June 9, 2025 (the “**McMillan Fee Period**”), in connection with the performance of their duties prior to and during the CCAA Proceedings.

10.2 The total fees and disbursements of Richter during the Richter Fee Period amount to \$349,468.75 and \$17,561.41, respectively, each excluding sales tax (collectively, the “**Richter Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Court. The affidavit of Karen Kimel sworn on June 13, 2025 and attached hereto as **Appendix C** includes details of the Richter Accounts.

- 10.3 The total fees and disbursements of McMillan during the McMillan Fee Period amount to \$241,293.50 and \$319.31, respectively, each excluding sales tax (collectively, the “**McMillan Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Court. The affidavit of Tushara Weerasooriya sworn on June 13, 2025 and attached hereto as **Appendix D** includes details of the McMillan Accounts.
- 10.4 The Monitor has reviewed the accounts of McMillan during the McMillan Fee Period and confirms that the services reflected therein have been duly authorized and duly rendered, and that, in the Monitor’s opinion, the charges are reasonable.
- 10.5 On the assumption that there are no delays, disputes, or unforeseen developments in connection with these proceedings, including the within motion and the performances of certain other matters in connection with its role as Monitor (the “**Remaining Matter**”), Richter has estimated fees and disbursements in the amount of \$150,000, excluding applicable taxes (the “**Remaining Fees and Disbursements**”), for services that have been provided or will be provided, as follows:
- a. Richter – for the period from June 7, 2025 to the date of the Monitor’s discharge, \$75,000; and
  - b. McMillan – for the period from June 10, 2025 to the date of the Monitor’s discharge, \$75,000.
- 10.6 The above estimates take into consideration the reasonable professional and legal fees and disbursements required to prepare this Third Report, participate in the within motion, and complete the Remaining Matters up to the effective date of discharge. If the actual

Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees and disbursements is required. If the actual Remaining Fees and Disbursements exceed the above estimates, the Subscription Agreement contemplates such amounts being returned to the Company. For clarity, the Remaining Fees and Disbursements are not inclusive of fees and disbursements to be incurred in connection with fees / retainer required to fund a trustee in bankruptcy in ResidualCo, which fees will be funded in accordance with the Administrative Expense Reserve contemplated in the Subscription Agreement.

- 10.7 Fees and disbursements of the Monitor and its counsel, including the Remaining Fees and Disbursements, have been reviewed by the Company, and the Monitor understands that the Company does not oppose these fees and disbursements.

## **11.0 RELIEF SOUGHT**

### **ARVO**

- 11.1 For the reasons set out above, the Monitor recommends and supports the approval of the Transaction contemplated by the Subscription Agreement and the granting of the relief under the ARVO.

### **Stay Extension**

- 11.2 The Company is seeking an order from the Court granting the Stay Extension. In the Monitor's view, the Stay Extension is appropriate in the circumstances. The Monitor supports the Company's request for the Stay Extension for the following reasons:

- c. notwithstanding that the Subscription Agreement contemplates that the Transaction is to close on or before June 25, 2025, the Stay Extension will provide the Company and the Purchaser the benefit of additional time to close the Transaction should there be any unforeseen delays;
- d. in such a situation, granting the extension now, in connection with the Company's motion to approve the ARVO, will eliminate the need to incur additional professional costs associated with an additional Court attendance;
- e. the Company is acting in good faith and with due diligence;
- f. the Stay Extension provides sufficient time for ResidualCo to administer any Residual Assets and commence its bankruptcy proceedings;
- g. it is the Monitor's view that the Stay Extension will not materially prejudice or adversely affect any group of creditors, as ResidualCo is not operating and the Administrative Expense Reserve has been set aside to cover the costs of ResidualCo's bankruptcy and the final administration of the CCAA Proceedings.

## **WEPPA**

- 11.3 The Company is seeking an order from the Court confirming that the Applicant meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations, SOR/2008-322*.
- 11.4 As a result of the downsizing and restructuring of the Company, employees terminated both prior to and during the CCAA Proceedings (the "**Terminated Employees**"), are owed wages, vacation pay, bonuses, severance and termination pay (the "**Terminated Employee**

**Claims**”). With guidance from the Company and the Monitor, Terminated Employees have filed claims under the WEPP.

- 11.5 The Monitor is supportive of the Applicant’s request that Terminated Employees qualify for WEPP as, had the structure of the Transaction been in the form of a purchase of the assets and subsequent bankruptcy of the remaining business, as opposed to the reverse vesting order structure, such Terminated Employees would have qualified for WEPP.


### **Discharge of the Monitor**

- 11.6 The Monitor respectfully requests the relief set out in the Stay Extension and Termination Order including an order approving the Monitor’s fees and disbursements and the fees and disbursements of its counsel, McMillan. It is the Monitor’s view that seeking this relief concurrently with the approval of the Subscription Agreement will obviate the need for a further Court attendance, thus saving costs for the Applicant and the Purchaser.

## **12.0 CONCLUSIONS AND RECOMMENDATIONS**

- 12.1 For the reasons set out in this Third Report, the Monitor respectfully recommends that the Court grant the ARVO and the Stay Extension and Termination Order. All of which is respectfully submitted to the Court this 14<sup>th</sup> day of June 2025.

Richter Inc., solely in its capacity as  
Monitor of Synaptive Medical Inc.  
and not in its personal or corporate  
capacity

Per:   
Karen Kimel  
Senior Vice-President

This is Exhibit “I” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, appearing to read 'MIKE NOEL', with a stylized, overlapping design.

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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**



Court File No.: CV-25-00739279-00CL

**ONTARIO SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**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 SYNAPTIVE MEDICAL INC.**

**FOURTH REPORT OF THE MONITOR  
RICHTER INC.**

**July 28, 2025**

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## **1.0 DEFINED TERMS**

- 1.1 This report (the “**Fourth Report**”) should be read in conjunction with the Previous Reports (as defined below) and the Momsen Affidavits (including the affidavit of Magnus Momsen sworn June 12, 2025). Capitalized terms used and not defined in this Fourth Report have the meanings given to them in the Previous Reports, the Momsen Affidavits or the Subscription Agreement dated June 12, 2025 between Synaptive and 1001253954 Ontario Inc. (the “**Purchaser**”), as applicable. For ease of review, the Monitor’s third report dated June 14, 2025 (the “**Third Report**”) is attached hereto as **Appendix A**.

## **2.0 INTRODUCTION**

- 2.1 On March 19, 2025 (the “**Filing Date**”), Synaptive Medical Inc. (“**Synaptive**”, the “**Applicant**”, or the “**Company**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The proceedings commenced by the Applicant under the CCAA are referred to herein as the “**CCAA Proceedings**”.
- 2.2 The Initial Order granted by the Court on March 19, 2025, among other things:
- a. appointed Richter Inc. (“**Richter**”) as monitor in these CCAA Proceedings (in such capacity, the “**Monitor**”);
  - b. granted a stay of proceedings in favour of Synaptive and its directors and officers up to and including March 26, 2025 (the “**Stay Period**”);

- c. authorized Synaptive to borrow an initial amount not to exceed \$1 million under a debtor in possession facility term agreement dated March 18, 2025 (the “**DIP Term Sheet**”) between Synaptive and Export Development Canada (in such capacity, the “**DIP Lender**”), for the purposes of financing the Applicant’s working capital requirements and other general corporate purposes throughout these CCAA Proceedings, and granted the DIP Lender a priority charge over the Applicant’s Property (the “**DIP Lender’s Charge**”); and
- d. granted an Administration Charge and a Directors’ Charge (each as defined in the Initial Order) over the Property, in the following order of priority:
  - (i) the Administration Charge in the maximum amount of \$250,000;
  - (ii) the DIP Lender’s Charge; and
  - (iii) the Directors’ Charge in the maximum amount of \$1.1 million.

2.3 On March 26, 2025, the Court granted the Amended and Restated Initial Order (the “**ARIO**”) which, among other things:

- a. extended the Stay Period up to and including June 20, 2025;
- b. approved the DIP Term Sheet and authorized Synaptive to borrow up to the maximum amount of \$7,000,000 available thereunder; and
- c. increased the quantum of the Administration Charge to \$500,000.

2.4 Also on March 26, 2025, the Court issued an order (the “**SISP Approval Order**”) which, among other things, authorized Synaptive to conduct a sale and investment solicitation

process (“**SISP**”), to be run by the Monitor, to identify a restructuring, sale or reorganization transaction in respect of the property and/or business of Synaptive in accordance with the procedures, terms and conditions attached thereto (the “**SISP Procedures**”).

2.5 On April 25, 2025, the Court granted an order (the “**KERP Approval Order**”) approving Synaptive’s request for a key employee retention plan (“**KERP**”) for certain of its key employees (the “**Key Employees**”). The KERP Approval Order, among other things, authorized Synaptive to make payments in accordance with the terms and conditions of the KERP and DIP Term Sheet, granted a charge on the property of Synaptive (the “**KERP Charge**”) not to exceed \$500,000 to secure any payments to the Key Employees under the KERP, and sealed the confidential KERP exhibit pending further order of the Court.

2.6 The KERP Approval Order also amended the ARIO such that the priorities in respect of the Administration Charge, the DIP Lender’s Charge, the Directors’ Charge and the KERP Charge would be reflected as follows:

- a. First – Administration Charge (to the maximum amount of \$500,000);
- b. Second – DIP Lender’s Charge;
- c. Third – Directors’ Charge (to the maximum amount of \$1,100,000); and
- d. Fourth – KERP Charge (to the maximum amount of \$500,000).

2.7 The SISP resulted in the selection of a Successful Bid for the acquisition of substantially all of Synaptive's business. On June 18, 2025, the Court granted an approval and reverse vesting order (the "**ARVO**"), *inter alia*:

- a. approving the Subscription Agreement and the Transaction and authorizing and directing the Company to take such steps as may be necessary or desirable to complete the Transaction;
- b. authorizing the Company to issue the Subscribed Shares and vesting all right, title and interest in and to the Subscribed Shares absolutely in the Purchaser free and clear of all claims and encumbrances;
- c. vesting all of the Company's right, title, and interest in and to the Excluded Assets absolutely and exclusively in 1001270243 Ontario Inc. ("**ResidualCo**")—a corporation incorporated in advance of the hearing of the Company's motion to serve in such capacity;
- d. channeling, assigning and vesting the Excluded Liabilities (including the Excluded Contracts) absolutely and exclusively in ResidualCo, such that the Excluded Liabilities and Excluded Contracts became the obligations solely of ResidualCo;
- e. releasing and discharging the Retained Assets from all Claims and Encumbrances (other than the Permitted Encumbrances);
- f. authorizing and directing the Company to issue the Rollover Notes and related security to the Rollover Noteholders in accordance with the terms set out in the Subscription Agreement;

- g. terminating and cancelling without consideration all of the Company's Existing Equity, including, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character held by any person which are convertible or exchangeable for any securities of the Company, but excluding, for greater certainty, the Subscribed Shares;
- h. authorizing the filing, or deemed filing of the Articles of Reorganization, which effected the cancellation of the Existing Common Shares (excluding, for greater certainty, the Subscribed Shares) in accordance therewith;
- i. declaring that the Company shall cease to be the Applicant in the CCAA Proceedings and shall be released from the ARIO and all other Orders granted by the Court in the CCAA Proceedings, save and except, the ARVO;
- j. declaring that all Contracts (excluding the Excluded Contracts) shall remain in full force and effect and further declaring that all counterparties to the Retained Contracts shall be deemed to have waived any default arising directly or indirectly from the commencement of the CCAA Proceedings or the implementation of the Transaction;
- k. granting releases in favour of the Company, the Monitor, the Purchaser and the DIP Lender, including their respective directors, officers, legal counsel, partners, employees, consultants and advisors, as well as the consultants, legal counsel and advisors of ResidualCo; and

1. authorizing the Monitor and the Company, as applicable, to distribute the Cash Consideration to the persons entitled to be paid the Administrative Expense Costs (in accordance with their relative priority) and to distribute the Rollover Notes to the Rollover Noteholders.

2.8 Also on June 18, 2025, the Court granted an order (the “**Stay Extension Order**”), *inter alia*:

- a. extending the Stay Period until September 30, 2025 (the “**Stay Extension**”);
- b. approving the Previous Reports and the activities of the Monitor described therein;
- c. approving the fees and disbursements of the Monitor and its counsel, McMillan, excluding the Remaining Fees and Disbursements (as defined herein); and
- d. authorizing ResidualCo to make an assignment in bankruptcy.

2.9 On June 18, 2025, the Court informed the parties that it was not prepared to grant the following additional relief that Synaptive requested on its motion, including an order, *inter alia*:

- a. providing for the termination of the CCAA Proceedings and the release the Monitor requested in connection therewith;
- b. approving the Remaining Fees and Disbursements to complete the filing; and
- c. confirming that the Applicant meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Confirmation**”).



2.10 As set out more fully in the affidavit of Magnus Momsen sworn March 18, 2025 (the “**First Momsen Affidavit**”) filed in support of the application for the Initial Order, (i) Synaptive is a privately held Canadian medical device company that provides neurosurgery solutions from pre-operative planning and diagnosis to surgical intervention and post-operative care; and (ii) CCAA protection was necessary given an impending liquidity crisis caused by, among other things, an inability of Synaptive to pay operating expenses including significant payroll requirements and other obligations as they became due.

2.11 Richter, in its capacity as the proposed monitor, filed a pre-filing report dated March 18, 2025 (the “**Pre-Filing Report**”) with the Court prior to the commencement of the CCAA Proceedings. The Monitor filed its first report dated March 24, 2025 (the “**First Report**”) in connection with Synaptive’s motion for approval of the ARIO and SISP Approval Order. The Monitor filed its second report dated April 22, 2025 (the “**Second Report**”) in connection with Synaptive’s motion for the KERP Approval Order. The Monitor filed the Third Report (together with the Pre-Filing Report, the First Report and the Second Report, the “**Previous Reports**”) in connection with Synaptive’s motion for Approval of the Transaction, the Reverse Vesting Order, and the Stay Extension. The Previous Reports are available on the Monitor’s case website at: <https://www.richter.ca/insolvencycase/synaptive-medical-inc/> (the “**Case Website**”).

### **3.0 PURPOSE OF THIS REPORT**

3.1 The purpose of this Fourth Report is to provide the Court with information pertaining to the following:

- a. an update on the closing of the transaction contemplated by the Subscription Agreement (the “**Transaction**”);
- b. an update on the proposed payments and distributions from the proceeds of the Transaction and the opinion of the Monitor’s independent legal counsel, McMillan LLP (“**McMillan**”), with respect to the security granted by Synaptive;
- c. the activities of the Monitor since the date of the Third Report;
- d. ResidualCo’s motion for an order (the “**Termination Order**”), *inter alia*:
  - (i) scheduling a motion to deal with the WEPP Confirmation;
  - (ii) approving this Fourth Report and the activities of the Monitor described therein;
  - (iii) approving the fees and disbursements of the Monitor, and its counsel, McMillan, including the Remaining Fees and Disbursements (as defined herein); and
  - (iv) upon the Monitor’s filing of a certificate with the Court certifying that all matters to be attended to in these CCAA Proceedings have been completed:
    - (a) terminating the Administration Charge, the DIP Lender’s Charge, the Directors’ Charge and the KERP Charge; (b) discharging Richter as Monitor, and releasing Richter from any and all liability that it now has, or may hereafter have, by reason of, or in any way arising out of, its acts or omissions as Monitor, save and except for any gross negligence or willful

misconduct on the part of the Monitor; and (c) withdrawing, cancelling and terminating the CCAA Proceedings.

#### **4.0 TERMS OF REFERENCE AND DISCLAIMER**

4.1 In preparing this Fourth Report, Richter, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information, books and records, and financial information prepared by Synaptive and has held discussions with management of Synaptive and its legal counsel (collectively, the “**Information**”). Except as otherwise described in this Fourth Report:

- a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
- b. some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

4.2 Future-oriented financial information referred to in this Fourth Report was prepared based on Synaptive’s estimates and assumptions. Readers are cautioned that since projections are

based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

- 4.3 This Fourth Report should be read in conjunction with the Previous Reports and the Momsen Affidavits. Capitalized terms used and not defined in this Fourth Report have the meanings given to them in the Previous Reports or the Momsen Affidavits, as applicable.
- 4.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

## **5.0 CLOSING OF THE TRANSACTION**

- 5.1 At the June 18, 2025 hearing in respect of the approval of the Subscription Agreement, the Court expressed concerns regarding the conditional nature of the Subscription Agreement and the potential consequences if the Transaction did not close as anticipated, including Synaptive's limited liquidity to meet payroll and other ongoing obligations. As a result, the Court was disinclined to grant an order terminating the CCAA Proceedings and, instead, the Court directed that the Monitor would report to stakeholders and the Court as appropriate, particularly as to the satisfaction of the conditions to close the Transaction.
- 5.2 The Monitor shared these concerns and closely monitored the status of the Transaction and Synaptive's liquidity position. Ultimately, all conditions to closing were satisfied, and the Transaction was consummated on June 26, 2025 (the "**Closing Date**") in accordance with the ARVO and the Subscription Agreement. The Monitor is satisfied that the risks identified by the Court did not materialize.

5.3 The closing of the Transaction included:

- a. receipt by the Company and the Monitor of the Purchase Price;
- b. the issuance by the Company of the Subscribed Shares to the Purchaser free and clear of all claims and encumbrances; and
- c. the termination and cancellation of the Existing Equity, excluding the Subscribed Shares, by the Company.

5.4 At the Closing Date, the Purchase Price paid included:

- a. a US\$1,000,000 deposit received by the Monitor on June 5, 2025 (the “**Deposit**”);
- b. US\$6,008,459.74 received by the Monitor on June 26, 2025 (collectively with the Deposit, the “**Monitor Receipts**”); and
- c. US\$5,775,950.81 received by Synaptive on June 26, 2025 for go-forward working capital purposes.

While this amount was below the level contemplated in the Subscription Agreement, Synaptive determined that it was appropriate to proceed with closing, particularly as the Purchaser provided evidence of its continued fundraising efforts.

5.5 The Monitor understands that, following the Closing Date, the Purchaser has in fact continued its fundraising efforts and that a further US\$1,903,287.46 has been received by Synaptive from the Purchaser.

5.6 In connection with the Transaction, the ARVO authorized the Monitor to distribute:

- a. the Rollover Notes and related security to the Rollover Noteholders in accordance with the terms set out in the Subscription Agreement;
- b. the EDC warrants;
- c. the Monitor Receipts to the persons entitled to be paid the Administrative Expense Costs (in accordance with their relative priority) (collectively referred to as the “**Distributions**”); and
- d. the remaining funds after payment of the Administrative Expense Costs from the Monitor Receipts to Synaptive.

5.7 An update on the status of the Distributions is provided below.

## **6.0 PAYMENTS AND DISTRIBUTIONS FROM THE TRANSACTION PROCEEDS**

### **Rollover Notes and EDC Warrants:**

- 6.1 Upon closing of the Transaction, EDC received a Senior Rollover Note in the principal amount of approximately US\$6 million subject to the terms outlined in Schedule “J” of the Subscription Agreement and the EDC Warrants subject to the terms outlined in Schedule “L” of the Subscription Agreement in compensation for amounts outstanding and due to EDC under the Espresso Facility of approximately US\$5 million in principal and accrued interest of approximately US\$1.5 million.
- 6.2 As described in the Pre-Filing Report, the Applicant’s secured debt obligations include approximately US\$59.8 million to holders of the EDC Convertible Notes.

- 6.3 As outlined in the Subscription Agreement, holders of the EDC Convertible Notes were to receive from Synaptive, on a pro-rata basis, promissory notes (the “**Junior Rollover Notes**”) in the aggregate principal amount of US\$14 million, in form and substance as outlined in Schedule “J” of the Subscription Agreement.
- 6.4 The Monitor, in consultation with Synaptive, calculated the pro-rata amount of the Junior Rollover Notes to be received by each of the investors of the EDC Convertible Notes.
- 6.5 Following closing of the Transaction, Synaptive has been working to have the documentation relating to the Junior Rollover Notes signed by noteholders, so that the Junior Rollover Notes can be distributed. As of the date of this Fourth Report, the Monitor understands that signatures have been received from all but approximately six noteholders. Synaptive is in the process of delivering countersigned copies of the Junior Rollover Notes to those noteholders who have provided signatures and expects to complete this process shortly.

**Monitor Receipts:**

- 6.6 The Monitor received a total of US\$7,008,459.74, the Monitor Receipts, in accordance with the Subscription Agreement for the benefit of persons entitled to be paid the Administrative Expense Costs. The Administrative Expense Costs includes all outstanding costs secured by the CCAA Charges and all amounts required by the Monitor to administer the Excluded Assets, Excluded Contracts and Excluded Liabilities, which include liabilities in respect of the employee priority amounts and the costs associated with the administration of the bankruptcy of ResidualCo.

6.7 To date, the Monitor has distributed the following amounts from the Monitors Receipts:

	USD\$	CDN\$	
<b><u>Receipts</u></b>			
Deposit	1,000,000.00	1,366,230.00	
Closing Funds	6,008,459.74	8,208,937.95	
<b>Total Receipts</b>	<b>7,008,459.74</b>	<b>9,575,167.95</b>	<b>A</b>
<b><u>Disbursements</u></b>			
<b>Administrative Costs</b>			
Monitor, Richter Inc.		121,115.10	
Monitor's Counsel, McMillan LLP		111,579.88	
Company's Counsel, Tory's LLP		157,288.82	
Bankruptcy Trustee for ResidualCo, Bricks Damiani		25,000.00	
<b>Total Administrative Costs</b>		<b>414,983.80</b>	<b>B</b>
<b>DIP Including Accrued Interest, Exit Fees and Applicable Professional Expenses</b>			
		<b>7,871,659.16</b>	<b>C</b>
<b>Remaining Balance</b>		<b>1,288,524.99</b>	<b>A-B-C</b>

6.8 Remaining amounts to be paid from the Monitor Receipts include any administrative costs required to complete the administration of these CCAA Proceedings and the employee priority amount which the Monitor estimates to be approximately \$101,000 (the “**Employee Priority Amount**”). The Monitor notes that it cannot pay the Employee Priority Amount until a determination of the WEPP claims is made. The determination as to whether WEPP applies and whether terminated employees receive WEPP will determine the ultimate recipients of the Employee Priority Amount.

6.9 Following final distribution of the Monitor Receipts, the Monitor will return any remaining balance from the Monitor Receipts to Synaptive following payment of the remaining administration costs and the Employee Priority Amount.

### **Credit Card Facility**

6.10 The Monitor understands that the Purchaser assumed Synaptive’s credit card facility with Royal Bank of Canada, including amounts due thereunder.



## **7.0 ACTIVITIES OF THE MONITOR SINCE THE FILING DATE**

7.1 Since the Third Report, the primary activities of the Monitor have included the following:

- a. updating the Case Website as necessary, including posting copies of the Third Report, the ARVO, the Stay Extension and Fee Approval Order and other Court-filed documents;
- b. communicating with various stakeholders of the Applicant, including creditors, debenture holders, shareholders, employees;
- c. communicating with terminated employees regarding the Wage Earner Protection Program and filing WEPP claims and other related matters;
- d. participating in discussions with, and assisting the Applicant in discussions with, stakeholders on matters related to the CCAA Proceedings and responding to requests for information from certain parties;
- e. in coordination and consultation with McMillan, counsel to the Monitor, closing the Transaction;
- f. monitoring the Applicant's cash receipts and disbursements;
- g. engaging in discussions with the DIP Lender and its counsel, Fasken Martineau Dumoulin LLP; and
- h. with the assistance of McMillan, preparing this Fourth Report.

## **8.0 REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS**

- 8.1 On June 18, 2025, the Monitor's fees and disbursements were approved for the period from March 7, 2025 to June 6, 2025 and those of McMillan from March 11, 2025 to June 9, 2025.
- 8.2 The Monitor is now seeking approval of its fees and disbursements for the period from June 7, 2025 to July 18, 2025 (the "**Richter Fee Period**"), and those of McMillan from June 10, 2025 to July 18, 2025 (the "**McMillan Fee Period**"), in connection with the performance of their duties during the CCAA Proceedings.<sup>1</sup>
- 8.3 The total fees and disbursements of Richter during the Richter Fee Period amount to \$42,218.25 and \$0, respectively, each excluding sales tax (collectively, the "**Richter Accounts**"). These amounts represent professional fees and disbursements not yet approved by the Court. The affidavit of Karen Kimel sworn on July 28, 2025 and attached hereto as **Appendix B** includes details of the Richter Accounts.
- 8.4 The total fees and disbursements of McMillan during the McMillan Fee Period amount to \$62,624.00 and \$170.26, respectively, each excluding sales tax (collectively, the "**McMillan Accounts**"). These amounts represent professional fees and disbursements not yet approved by the Court. The affidavit of Tushara Weerasooriya sworn on July 28, 2025 and attached hereto as **Appendix C** includes details of the McMillan Accounts.

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<sup>1</sup> The Richter Fee Period includes one time entry from March 18, 2025 that was inadvertently omitted from the Affidavit of Karen Kimel sworn June 13, 2025. That entry has been included in the Richter Fee Period for completeness.

- 8.5 The Monitor has reviewed the accounts of McMillan during the McMillan Fee Period and confirms that the services reflected therein have been duly authorized and duly rendered, and that, in the Monitor's opinion, the charges are reasonable.
- 8.6 The remaining matters to be completed in these CCAA Proceedings include, among other things, preparation for and attendance at the WEPP Motion (as defined below), final distributions from the Monitor Receipts, and administrative matters related to the termination of the CCAA Proceedings and the Monitor's discharge (collectively, the "**Remaining Matters**"). On the assumption that there are no delays, disputes, or unforeseen developments in connection with these proceedings, including the within motion and the performance of the Remaining Matters, Richter has estimated fees and disbursements in the amount of \$65,000, excluding applicable taxes (the "**Remaining Fees and Disbursements**"), for services that have been provided or will be provided, as follows:
- a. Richter – for the period from July 19, 2025 to the date of the Monitor's discharge, \$35,000; and
  - b. McMillan – for the period from July 19, 2025 to the date of the Monitor's discharge, \$30,000.
- 8.7 The above estimates take into consideration the reasonable professional and legal fees and disbursements required to prepare this Fourth Report, participate in the within motion, and complete the Remaining Matters up to the effective date of discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees and disbursements is required. If the actual Remaining Fees and

Disbursements exceed the above estimates, the Subscription Agreement contemplates such amounts being returned to the Company.

- 8.8 Fees and disbursements of the Monitor and its counsel, including the Remaining Fees and Disbursements, have been reviewed by the Company, and the Monitor understands that the Company does not oppose these fees and disbursements.

## **9.0 RELIEF SOUGHT**

### **WEPPA**

- 9.1 ResidualCo is seeking an order from the Court scheduling a hearing for Synaptive's motion (the "**WEPP Motion**") to determine whether Synaptive meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations, SOR/2008-322* (the "**WEPP Relief**").
- 9.2 Due to opposition received from the Attorney General of Canada (the "**AG**"), counsel to Employment and Social Development Canada, prior to the hearing of the ARVO motion, Synaptive agreed to adjourn the hearing of the WEPP Relief to a later date to allow the AG additional time to respond. ResidualCo's counsel has since reached out to the AG to discuss scheduling of the motion, and those discussions remain ongoing.
- 9.3 As a result of the downsizing and restructuring of Synaptive, employees terminated both prior to and during the CCAA Proceedings (the "**Terminated Employees**"), are owed wages, vacation pay, bonuses, severance and termination pay (the "**Terminated Employee Claims**"). With guidance from the Company and the Monitor, Terminated Employees have filed claims under the WEPP.

- 9.4 The Monitor is supportive of ResidualCo's request that Terminated Employees qualify for WEPP. Had the structure of the Transaction been structured as a traditional asset sale followed by a bankruptcy, rather than through a reverse vesting order, such Terminated Employees would have qualified for WEPP.


### **Discharge of the Monitor**

- 9.5 The Monitor respectfully requests that this Court grant the relief set out in the Termination Order, including an order approving the Monitor's fees and disbursements and the fees and disbursements of its counsel, McMillan, and discharging the Monitor and terminating the CCAA Proceedings upon the filing of the Monitor's certification that all matters in the CCAA Proceedings are complete.

## **10.0 CONCLUSIONS AND RECOMMENDATIONS**

- 10.1 For the reasons set out in this Fourth Report, the Monitor respectfully recommends that this Court grant the Termination Order. All of which is respectfully submitted to the Court this 28<sup>th</sup> day of July 2025.

Richter Inc., solely in its capacity as  
Monitor of Synaptive Medical Inc.  
and not in its personal or corporate  
capacity

Per:   
\_\_\_\_\_  
Karen Kimel  
Senior Vice-President

This is Exhibit “J” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 6TH
	)	
JUSTICE J. DIETRICH	)	DAY OF AUGUST, 2025

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 1001270243 ONTARIO INC.  
("ResidualCo")

**ORDER  
(CCAA Termination and Scheduling Order)**

**THIS MOTION**, made by ResidualCo, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "CCAA") for an order, among other things: (i) approving the Fourth Report (as defined herein), and the Monitor's activities, conduct and decisions set out therein; (ii) approving the fees and disbursements of the Monitor and its legal counsel; (iii) terminating this CCAA proceeding and discharging the Monitor at the CCAA Termination Time (as defined below); (iv) terminating the Court-ordered charges approved in this CCAA proceeding effective as at the CCAA Termination Time; and (v) setting down a schedule for the WEPP Motion (as defined in the Fourth Report), was heard this day by judicial videoconference in Toronto, Ontario.

**ON READING** the notice of motion of ResidualCo dated July 28, 2025, the fourth report of Richter Inc. ("**Richter**"), in its capacity as Monitor in this CCAA proceeding (in such capacity, the "**Monitor**"), dated June 28, 2025 filed (the "**Fourth Report**"), and on hearing the submissions of counsel for ResidualCo, counsel for the Monitor, the Attorney General of Canada (the "**AG**"),

counsel for Employment and Social Development Canada, and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the lawyer's certificates of service of Mike Noel sworn June 28 and August 1, 2025, filed,

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the amended and restated initial order dated March 26, 2025 (as amended, and may be further amended and restated from time to time, the "ARIO").

## **APPROVAL OF FOURTH REPORT**

2. **THIS COURT ORDERS** that the Fourth Report and the activities, conduct and decisions of the Monitor set out therein are hereby ratified and approved, provided that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

## **APPROVAL OF FEES OF THE MONITOR AND ITS COUNSEL**

3. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor for the period between June 7, 2025 and July 18, 2025, in the amount of \$42,218.25, plus harmonized sales tax ("HST") of \$5,488.37, for a total of \$47,706.62, as further set out in the Fourth Report and the affidavit of Karen Kimel sworn July 28, 2025, attached as Appendix "B" to the Fourth Report, are hereby approved.

4. **THIS COURT ORDERS** that the professional fees and disbursements of McMillan LLP ("McMillan"), counsel to the Monitor, for the period between June 10, 2025 and July 18, 2025, in the amount of \$62,794.26, plus HST of \$8,163.25, for a total of \$70,957.51, as further set out in



the Fourth Report and the affidavit of Tushara Weerasooriya sworn July 28, 2025, attached as Appendix “C” to the Fourth Report, are hereby approved.

5. **THIS COURT ORDERS** that the estimated professional fees and disbursements to the CCAA Termination Time of the Monitor and McMillan in the amount of \$65,000, exclusive of HST, as further set out in the Fourth Report, are hereby approved.

#### **TERMINATION OF CCAA PROCEEDING**

6. **THIS COURT ORDERS** that, upon service by the Monitor of an executed certificate substantially in the form attached hereto as **Schedule “A”** (the “**Termination Certificate**”) on the Service List in this CCAA proceeding certifying that, to the best of the knowledge and belief of the Monitor, all matters to be attended to in connection with this CCAA proceeding have been completed, the within CCAA proceeding shall be terminated without any other act or formality (the “**CCAA Termination Time**”), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in this CCAA proceeding or any action or steps taken by any Person pursuant thereto.

7. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the service list in this CCAA proceeding.

8. **THIS COURT ORDERS** that the Charges shall be and are hereby terminated, released and discharged at the CCAA Termination Time without any further act or formality.

#### **DISCHARGE OF MONITOR**

9. **THIS COURT ORDERS** that effective at the CCAA Termination Time, Richter shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations

or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, Richter shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to this CCAA proceeding following the CCAA Termination Time, as may be required or appropriate (“**Monitor Incidental Matters**”).

10. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor’s discharge or the termination of this CCAA proceeding, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, the Approval and Reverse Vesting Order dated June 18, 2025, or any other Order of this Court in this CCAA proceeding or otherwise, all of which are expressly continued and confirmed following and after the CCAA Termination Time, including in connection with any Monitor Incidental Matters and other actions taken by the Monitor following the CCAA Termination Time with respect to Synaptive Medical Inc. (“**Synaptive**”), ResidualCo or this CCAA proceeding.

11. **THIS COURT ORDERS** that effective upon the filing of the Termination Certificate, the Monitor (in its personal and corporate capacity and in its capacity as the Monitor), its counsel, and each of their respective affiliates, officers, directors, partners, employees and agents, as applicable (collectively, the “**Monitor Released Parties**”) are hereby released and forever discharged from any and all Claims that may be made against the Monitor Released Parties that relate to or arise out of any act, omission, transaction, dealing or other occurrence, on or before the date the Termination Certificate is filed with the Court and in respect of this CCAA proceeding, including in carrying out any Monitor Incidental Matters or carrying out the terms of any Order granted in the CCAA proceedings (collectively, the “**Monitor Released Claims**”), and any such Monitor Released Claims are hereby irrevocably and permanently released, stayed, extinguished, and

forever barred and the Monitor Released Parties shall have no liability in respect therefore, save and except for any gross negligence or wilful misconduct on the part of the Monitor Released Parties.

#### **FIRST DIRECTOR RELEASE**

12. **THIS COURT ORDERS** that effective upon the filing of the Termination Certificate, Dylan White, in his capacity as the sole officer and director of ResidualCo (the “**First Director**”), is hereby released and forever discharged from any and all Released Claims (as defined in the Approval and Reverse Vesting Order dated June 18, 2025) that may be made against the First Director that relate to or arise out of any act, omission, transaction, dealing or other occurrence on or before the date the Termination Certificate is filed with the Court and in respect of this CCAA proceeding and any such Released Claims are hereby irrevocably and permanently released, stayed, extinguished and forever barred and the First Director shall have no liability in respect therefor, save and except for gross negligence or wilful misconduct on the part of the First Director.

#### **CERTAIN CLAIMS UNAFFECTED**

13. **THIS COURT ORDERS** that Ms. Christie Kedzior's claims in relation to the termination of her employment with Synaptive Medical USA, Inc. are not affected by this Order.

#### **WEPP MOTION SCHEDULE**

14. **THIS COURT ORDERS** that the schedule for the WEPP Motion (as defined in the Fourth Report) attached hereto as **Schedule “B”** is hereby approved and ratified, and Synaptive, the Monitor and the AG are hereby directed to comply therewith in respect of the WEPP Motion (as defined in the Fourth Report), subject to such amendments as those parties may collectively agree to in writing.

## **GENERAL**

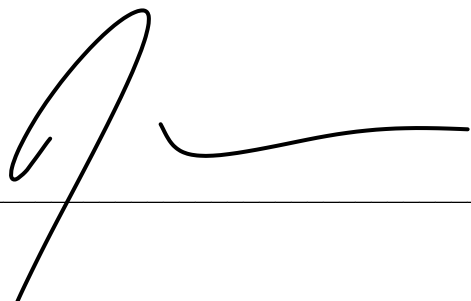
15. **THIS COURT ORDERS** that ResidualCo, the Monitor or the AG may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the European Union or elsewhere, to give effect to this Order and to assist ResidualCo, 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 ResidualCo 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 ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that each of ResidualCo 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 jurisdictions outside Canada.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective and enforceable as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing on the date hereof.



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A handwritten signature in black ink, consisting of a large, stylized capital 'P' followed by a horizontal line that extends to the right. The signature is positioned above a horizontal line.

**SCHEDULE “A”  
FORM OF TERMINATION CERTIFICATE**

Court File No. CV-25-00739279-00CL

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

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 1001270243 ONTARIO INC.  
 (“**ResidualCo**”)

**TERMINATION CERTIFICATE**

**RECITALS**

1. Richter Inc. (“**Richter**”) was appointed as the Monitor of Synaptive Medical Inc. (“**Synaptive**”), the original Applicant in the within proceeding commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 19, 2025, as amended and restated by an order of this Court dated March 26, 2025 (as amended and restated, the “**ARIO**”).
2. Pursuant to the Approval and Reverse Vesting Order granted on June 18, 2025 (the “**RVO**”), at the Completion Time (as defined in the RVO), which occurred on June 26, 2025, Synaptive ceased to be an applicant in this CCAA proceeding and ResidualCo was added as an applicant in this CCAA proceeding.
1. Pursuant to an Order of this Court dated August 6, 2025 (the “**CCAA Termination Order**”), among other things, Richter shall be discharged as the Monitor and this CCAA proceeding shall be terminated upon the service of this Termination Certificate on the service list in this CCAA proceeding, all in accordance with the terms of the CCAA Termination Order.
2. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the CCAA Termination Order.

**THE MONITOR CERTIFIES** the following:

3. To the knowledge of the Monitor, all matters to be attended to in connection with the within CCAA proceeding (Court File No. CV-25-00739279-00CL) have been completed.

**ACCORDINGLY**, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**Richter Inc., in its capacity of the Monitor of  
ResidualCo, and not in its personal or  
corporate capacity**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE “B”  
WEPP MOTION SCHEDULE**

<b>Event</b>	<b>Date</b>
Delivery of the Applicant’s Motion Record	August 27, 2025
Delivery of Attorney General’s Responding Record / Responding Record(s) of Other Parties, if any	September 17, 2025
Delivery of Reply Record of the Applicant	September 24, 2025
Delivery of the Applicant’s Factum / Monitor’s Factum, if any	October 8, 2025
Delivery of Attorney General’s Factum / Factum(s) of Other Parties, if any	October 29, 2025
Delivery of the Applicant’s Reply Factum / Monitor’s Reply Factum, if any	November 5, 2025
<b>Hearing Date</b>	<b>November 12, 2025</b>



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
1001270243 ONTARIO INC.**

Court File No. CV-25-00739279-00CL

**Applicant**

	<p><b>ONTARIO SUPERIOR COURT OF JUSTICE</b></p> <p>Proceeding commenced at TORONTO</p>
	<p><b>ORDER (CCAA Termination and Scheduling Order)</b></p>
	<p><b>Torys LLP</b> 79 Wellington St. W., Suite 3000 Box 270, TD Centre Toronto, ON M5K 1N2</p> <p><b>Adam Slavens</b> (LSO#: 54433J) 416.865.7333   <a href="mailto:aslavens@torys.com">aslavens@torys.com</a></p> <p><b>Mike Noel</b> (LSO#: 80130F) 416.865.7378   <a href="mailto:mnoel@torys.com">mnoel@torys.com</a></p> <p>Lawyers for 1001270243 Ontario Inc. (a.k.a. ResidualCo)</p>

This is Exhibit “K” referred to in the Affidavit of Diane Zimmerman sworn by Diane Zimmerman at the City of Toronto, in the Province of Ontario, before me on August 27, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**MIKE NOEL**

Title	Termination date	period of 6 months		Termination notice	Severance	Ontario Only	81.3 / 81.4 de la BIA			
		Vacation	Salary	Termination Notice	Severance	Vacation on Notice and Severance (unsecured claim)	TotalMax 2,000\$			
							Priority claim Salary and Vacation	Unsecured claim	Total claim	MAX WEPP
Senior Director, Global Field Service	20-Mar-25	-	4,980.77	7,115.38	-	465.35	2,000.00	10,561.50	12,561.50	8,844.22
System Test Specialist, Senior	20-Mar-25	3,003.75	2,520.00	9,000.00	9,300.00	1,407.27	2,000.00	23,231.02	25,231.02	8,844.22
Executive Assistant, II	20-Mar-25	1,928.04	1,583.12	4,523.20	-	330.65	2,000.00	6,365.01	8,365.01	8,365.01
Recruitment Specialist, III	20-Mar-25	2,522.07	2,734.47	5,859.57	-	405.48	2,000.00	9,521.59	11,521.59	8,844.22
Mechanical Developer, Intermediate	20-Mar-25	2,280.92	1,990.96	2,844.23	-	186.01	2,000.00	5,302.12	7,302.12	7,302.12
Software Developer, Junior	20-Mar-25	550.88	1,820.00	2,600.00	-	170.04	2,000.00	3,140.92	5,140.92	5,140.92
Manufacturing Quality Specialist, Intermediate	20-Mar-25	2,551.83	1,993.70	5,696.28	-	416.40	2,000.00	8,658.21	10,658.21	8,844.22
Electrical Developer, Junior	20-Mar-25	(64.59)	1,938.46	2,769.23	-	170.31	1,873.87	2,939.54	4,813.41	4,813.41
Software Developer, Intermediate	20-Mar-25	2,868.52	2,503.84	3,576.92	-	233.93	2,000.00	7,183.21	9,183.21	8,844.22
CO-OP	20-Mar-25	-	2,816.74	-	-	-	2,000.00	816.74	2,816.74	2,816.74
CO-OP	20-Mar-25	-	1,480.77	1,057.69	-	53.17	1,480.77	1,110.86	2,591.63	2,591.63
Legal Counsel, II	20-Mar-25	4,637.23	3,903.84	5,576.92	-	342.98	2,000.00	12,460.98	14,460.98	8,844.22
Software Developer, Intermediate	20-Mar-25	2,448.02	2,019.23	4,326.93	-	299.42	2,000.00	7,093.60	9,093.60	8,844.22
System Test Specialist, Intermediate	20-Mar-25	2,159.09	1,884.62	2,692.31	-	176.08	2,000.00	4,912.10	6,912.10	6,912.10
Software Architect, Staff	20-Mar-25	4,728.47	3,508.96	20,051.20	25,690.60	3,517.54	2,000.00	55,496.77	57,496.77	8,844.22
Service Training Leader	07-Apr-25	3,453.91		4,153.85	-	255.46	2,000.00	5,863.22	7,863.22	7,863.22
CO-OP	20-Mar-25	-	1,346.16	961.54	-	48.34	1,346.16	1,009.88	2,356.04	2,356.04
Software Developer, Junior	20-Mar-25	1,578.90	1,890.00	2,700.00	-	166.05	2,000.00	4,334.95	6,334.95	6,334.95
Cost Accounting Manager	20-Mar-25	3,517.90	2,961.54	4,230.77	-	276.69	2,000.00	8,986.90	10,986.90	8,844.22
Regional Sales Manager, Canada	20-Mar-25	3,490.63	3,500.00	5,000.00	-	307.50	2,000.00	10,298.13	12,298.13	8,844.22
Manager, Technical Writing	20-Mar-25	3,992.91	3,563.36	20,362.08	26,513.13	3,604.70	2,000.00	56,036.18	58,036.18	8,844.22
System Test Specialist, Intermediate	20-Mar-25	2,032.19	1,884.62	2,692.31	-	165.58	2,000.00	4,774.70	6,774.70	6,774.70
Facilities Manager	20-Mar-25	3,813.78	2,156.21	17,249.64	17,968.38	2,708.27	2,000.00	41,896.27	43,896.27	8,844.22
Senior Manager, Marketing & Communications	20-Mar-25	3,303.37	2,883.46	4,119.23	-	269.40	2,000.00	8,575.46	10,575.46	8,844.22
Project Manager, Senior Staff	20-Mar-25	4,637.23	3,903.84	5,576.92	-	342.98	2,000.00	12,460.98	14,460.98	8,844.22
Development Manager	20-Mar-25	1,845.18	3,360.34	19,201.96	20,202.06	3,030.17	2,000.00	45,639.72	47,639.72	8,844.22
Product Manager, III	20-Mar-25	1,792.23	3,263.91	18,650.92	27,587.82	3,555.76	2,000.00	52,850.64	54,850.64	8,844.22
Warehouse Associate, I	20-Mar-25	1,157.42	1,232.00	1,232.00	-	75.77	2,000.00	1,697.19	3,697.19	3,697.19
Buyer, III	20-Mar-25	3,039.77	-	8,593.00	8,879.43	1,343.63	2,000.00	19,855.84	21,855.84	8,844.22
Warehouse Associate, II	20-Mar-25	1,251.68	2,490.91	5,189.40	6,140.79	871.29	2,000.00	13,944.08	15,944.08	8,844.22
Manufacturing Quality Specialist, Intermediate	20-Mar-25	2,516.88	2,196.92	3,138.46	-	205.26	2,000.00	6,057.53	8,057.53	8,057.53
Technical Support Analyst, I	20-Mar-25	1,919.28	1,583.12	3,392.40	-	234.75	2,000.00	5,129.55	7,129.55	7,129.55
Mechanical Developer, Senior	20-Mar-25	3,185.64	2,637.04	7,534.40	-	550.76	2,000.00	11,907.84	13,907.84	8,844.22
Office Coordinator	20-Mar-25	-	2,100.00	-	-	-	2,000.00	100.00	2,100.00	2,100.00
Manager, System Test	20-Mar-25	3,049.60	2,957.19	16,898.20	19,714.57	2,815.52	2,000.00	43,435.08	45,435.08	8,844.22
MRI Scientist, Senior	20-Mar-25	3,528.55	3,080.00	4,400.00	-	287.76	2,000.00	9,296.31	11,296.31	8,844.22
Software Developer, Sr. Staff	20-Mar-25	2,045.77	3,725.60	21,289.12	21,510.88	3,291.32	2,000.00	49,862.68	51,862.68	8,844.22
Senior Manager, System Test	20-Mar-25	1,848.60	3,366.58	19,237.60	21,441.91	3,128.25	2,000.00	47,022.94	49,022.94	8,844.22
Software Developer, Staff	20-Mar-25	2,655.99	2,964.82	16,941.80	21,706.68	2,972.07	2,000.00	45,241.36	47,241.36	8,844.22
Customer Operations Specialist III	20-Mar-25	1,674.29	1,884.62	2,692.31	-	165.58	2,000.00	4,416.79	6,416.79	6,416.79
Systems Developer, Junior	20-Mar-25	2,088.13	1,822.70	2,603.85	-	170.29	2,000.00	4,684.97	6,684.97	6,684.97
System Test Specialist, Intermediate	20-Mar-25	1,199.81	2,100.00	3,000.00	-	184.50	2,000.00	4,484.31	6,484.31	6,484.31
CO-OP	20-Mar-25	-	1,440.38	1,028.85	-	32.20	1,440.38	1,061.05	2,501.43	2,501.43
Manufacturing Process Specialist, Senior	20-Mar-25	2,854.92	2,492.00	3,560.00	-	232.82	2,000.00	7,139.74	9,139.74	8,844.22
Industrial Designer, Staff	20-Mar-25	1,630.37	2,969.11	16,966.36	27,216.87	3,397.69	2,000.00	50,180.40	52,180.40	8,844.22
Electrical Developer, Junior	20-Mar-25	2,202.27	1,922.31	2,746.15	-	179.60	2,000.00	5,050.32	7,050.32	7,050.32
Talent Development Specialist, III	20-Mar-25	2,947.40	2,692.31	3,846.15	-	251.54	2,000.00	7,737.40	9,737.40	8,844.22
Director of Human Resources	16-Jun-25			19,479.11	19,711.00	3,013.72		42,203.83	42,203.83	8,844.22
Electrical Engineer, Sr. Staff	11-Apr-25	2,024.33	-	-	-	-	2,000.00	24.33	2,024.33	2,024.33
Software Developer, Junior	11-Apr-25	2,264.43	-	-	-	-	2,000.00	264.43	2,264.43	2,264.43
Manager, Manufacturing Process Development	02-Jun-25	1,824.64	-	-	-	-	1,824.64	-	1,824.64	1,824.64
Vice President, Research & Development	01-24-2025		12,080.28				2,000.00	10,080.28	12,080.28	8,844.22
Accounts Payable Associate, III	03-Jun-25	1,051.80	-	-	-	-	1,051.80	-	1,051.80	1,051.80
		<b>111,034.05</b>	<b>126,130.78</b>	<b>346,358.23</b>	<b>273,584.12</b>	<b>46,309.85</b>	<b>101,017.62</b>	<b>802,399.41</b>	<b>903,417.03</b>	<b>375,040.50</b>

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE PLAN OF COMPROMISE OR ARRANGEMENT OF  
1001270243 ONTARIO INC.

Court File No. CV-25-00739279-00CL

Applicant

<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE</b>  Proceeding commenced at TORONTO	
<b>AFFIDAVIT OF DIANE ZIMMERMAN</b> (Sworn August 27, 2025)	
<b>Torys LLP</b> 79 Wellington St. W., Suite 3000 Box 270, TD Centre Toronto, ON M5K 1N2  <b>Adam Slavens</b> (LSO#: 54433J) 416.865.7333   <a href="mailto:aslavens@torys.com">aslavens@torys.com</a> <b>Mike Noel</b> (LSO#: 80130F) 416.865.7378   <a href="mailto:mnoel@torys.com">mnoel@torys.com</a>  Lawyers for Synaptive Medical Inc., the former applicant	



TAB3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 12TH
	)	
JUSTICE [REDACTED]	)	DAY OF NOVEMBER, 2025

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 1001270243 ONTARIO INC.

**ORDER  
(Wage Earner Protection Program Relief)**

**THIS MOTION**, made by the Synaptive Medical Inc. ("**Synaptive**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") for an order, among other things, declaring that Synaptive and/or 1001270243 Ontario Inc. ("**ResidualCo**") meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222, was heard this day at 330 University Avenue, Toronto.

**ON READING** the motion record of Synaptive dated August 27, 2025 (the "**Motion Record**"), filed, the third report of Richter Inc., in its capacity as the monitor (in such capacity, the "**Monitor**"), dated June 14, 2025, filed, the fourth report of the Monitor dated July 28, 2025, filed, the responding record of the Attorney General of Canada (the "**AG**"), counsel to Employment and Social Development Canada, dated [REDACTED], 2025, filed, and on hearing the submissions of counsel for Synaptive, counsel for the Monitor, and the AG, and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the affidavits of service of [REDACTED] dated [REDACTED], filed,

## **WAGE EARNER PROTECTION PROGRAM**

1. **THIS COURT ORDERS** that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, effective *nunc pro tunc* as of the Effective Time (as defined in the Approval and Reverse Vesting Order dated June 18, 2025), **[Synaptive and ResidualCo]**<sup>1</sup> meet[s] the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222.

## **GENERAL**

2. **THIS COURT ORDERS** that Synaptive or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

3. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the European Union or elsewhere, to give effect to this Order and to assist Synaptive, 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 Synaptive 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 Synaptive and the Monitor and their respective agents in carrying out the terms of this Order.

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<sup>1</sup> **Note:** The language in square brackets to be replaced with: (i) “Synaptive”; (ii) “ResidualCo”; or (iii) “Synaptive and ResidualCo”, to reflect the Court’s decision.

5. **THIS COURT ORDERS** that each of Synaptive 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 jurisdictions outside Canada.

6. **THIS COURT ORDERS** that this Order and all of its provisions are effective and enforceable as of 12:01 a.m. Eastern Standard Time on the date of this Order without the need for entry or filing on the date hereof.

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Applicant

<p><b>ONTARIO</b></p> <p><b>SUPERIOR COURT OF JUSTICE</b></p> <p>Proceeding commenced at TORONTO</p>	
<p><b>ORDER</b></p> <p><b>(Wage Earner Protection Program Relief)</b></p>	
<p><b>Torys LLP</b> 79 Wellington St. W., Suite 3000 Box 270, TD Centre Toronto, ON M5K 1N2</p> <p><b>Adam Slavens</b> (LSO#: 54433J) 416.865.7333   <a href="mailto:aslavens@torys.com">aslavens@torys.com</a></p> <p><b>Mike Noel</b> (LSO#: 80130F) 416.865.7378   <a href="mailto:mnoel@torys.com">mnoel@torys.com</a></p> <p>Lawyers for Synaptive Medical Inc., the former applicant</p>	

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 1001270243 ONTARIO INC.**

**Applicant**

<p><b><i>ONTARIO</i></b></p> <p><b>SUPERIOR COURT OF JUSTICE</b></p> <p>Proceeding commenced at TORONTO</p>	
<p><b><u>AMENDED MOTION RECORD</u></b> <b>(Motion for WEPP Relief, returnable November 12, 2025)</b></p>	
<p><b>Torys LLP</b> 79 Wellington St. W., Suite 3000 Box 270, TD Centre Toronto, ON M5K 1N2</p> <p><b>Adam Slavens</b> (LSO#: 54433J) 416.865.7333   <a href="mailto:aslavens@torys.com">aslavens@torys.com</a></p> <p><b>Mike Noel</b> (LSO#: 80130F) 416.865.7378   <a href="mailto:mnoel@torys.com">mnoel@torys.com</a></p> <p>Lawyers for Synaptive Medical Inc., the former applicant</p>	