Court File No. CV-22-00690563-00CL

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 THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

MOTION RECORD
(Returnable January 20, 2023)

January 12, 2023

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Court File No. CV-22-00690563-00CL

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INDEX

TAB 1

Court File No. CV-22-00690563-00CL

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 THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

NOTICE OF MOTION
(Returnable January 20, 2023)

GRANT THORNTON LIMITED ("**Grant Thornton**"), in its capacity as monitor (the "**Monitor**") of 14544072 Canada Inc. ("**14544072**" or "**ResidualCo**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), will make a motion to the Ontario Superior Court of Justice (Commercial List) on January 20, 2023, at 11:30 a.m., or as soon after that time as the motion can be heard, by judicial video conference via Zoom in Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference.

THE MOTION IS FOR:

(a) an Order substantially in the form attached hereto as **Schedule "A"** (the "**Draft Order**"):

(i) authorizing and directing the Monitor, on behalf of ResidualCo, to distribute the balance of the net sale proceeds;

(ii) approving the Monitor's statement of receipts and disbursements dated January 9, 2023;

(iii) approving the Monitor's fees and disbursements, and that of its legal counsel, including certain fees and disbursements incurred by the Monitor in its former capacity as proposal trustee, and an estimate of final fees to conclude the CCAA Proceedings;

(iv) approving a transfer of funds by the Monitor from the sale proceeds held by ResidualCo to both Grant Thornton Limited and Cozen O'Connor LLP ("**Cozen**") for retainers for the fees and disbursements required to administer the ResidualCo bankruptcy proceedings;

(v) approving the Monitor's Second Report dated January 20, 2023 and the actions, conduct and activities of the Monitor as further described in the Monitor's Second Report.

(vi) terminating these CCAA proceedings;

(vii) discharging Grant Thornton Limited as Monitor subject to the completion of certain Remaining Activities, and upon the filing of the Monitor's Discharge Certificate; and,

(viii) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

BACKGROUND

Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Monitor's First Report and/or Monitor's Second Report.

(a) ResidualCo is a company that holds: (i) proceeds from a Court approved sale transaction; and (ii) certain liabilities of the former CCAA applicant in these proceedings—iS5 Communications Inc.—which were transferred to ResidualCo pursuant to a Reverse Vesting Order granted in these proceedings on December 1, 2022 as further described below.

(b) iS5 Communications Inc. (the "**Company**") provides integrated services and information technology solutions to clients, and manufactures intelligent industrial ethernet products designed to meet the stringent demand requirements of utility sub-stations, roadside transportation rail and industrial applications.

(c) The Company filed a notice of intention to make a proposal under the BIA on August 5, 2022 (the "**NOI Proceeding**") and named Grant Thornton as Proposal Trustee.

(d) On August 8, 2022, the Court issued an Order approving, among other things three charges against the Company's property, as follows:

   (i) First – Administration Charge (to a maximum amount of C$150,000);

   (ii) Second – Directors' Charge (to a maximum amount of C$200,000); and

(iii) Third – DIP Lender's Charge (to a maximum amount of US$622,000 plus interest and reasonable costs and expenses payable to the DIP Term Sheet).

(collectively the "**Charges**")

(e) On September 2, 2022, the Court issued an Order, among other things:

(i) extending the time within which the Company must file a proposal with the Official Receiver under the BIA in the NOI Proceeding and the associated stay of proceedings in favour of the Company to and including October 17, 2022;

(ii) approving an interim distribution to SVB, in the amount of USD $209,666.66; and

(iii) approving the Company's appointment of John Gillberry as an independent member of the Company's board of directors;

(f) The first tranche of the DIP loan in the amount of USD $600,000 was advanced to the Company under the DIP Term Sheet on August 9, 2022.

(g) The second tranche of the DIP loan in the amount of USD $500,000 could only be advanced subject to a further Order of the Court. As a result of closing of the Transaction, the Company did not require this tranche and it was not advanced.

(h) On October 17, 2022, the Court issued an Order approving, among other things:

(i) the sale and investor solicitation process ("**SISP**") to identify one or more financiers, purchasers of and/or investors in the Company, its business and/ or assets to make an offer that is superior to the offer contemplated by the Stalking Horse Agreement;

(ii) the share purchase agreement (the "**Stalking Horse Agreement**") between the Company and Elektropheonix GmbH (the "**Stalking Horse Bidder**") to act as the minimum bid in the SISP; and

(iii) extending the time period for the Company to file a proposal in the NOI Proceeding, and the associated stay of proceedings to and including December 1, 2022;

(i) On December 1, 2022, the Court issued three Orders, particularized below:

(i) an initial order (the "**Initial Order**") under the CCAA, among other things:

(a) declaring that iS5 is a company to which the CCAA applies;

(b) continuing the NOI Proceeding (as defined below) under the CCAA;

(c) appointing the Monitor;

(d) granting a stay of proceedings until December 23, 2022;

(e) continuing the Charges that were granted in the NOI Proceeding to remain in force and effect in the CCAA proceeding;

(f) extending the benefit of the Administration Charge to the Monitor, counsel to the Monitor and counsel to the Company in the CCAA proceeding, and,

(g) increasing the quantum of the Administration Charge to CAD $350,000 to ensure that the fees and disbursements of the Proposal Trustee/ Monitor and its legal counsel, as well as the Company's legal counsel, are adequately secured.

(ii) An approval and reverse vesting order (the "**Reverse Vesting Order**"), among other things:

(a) authorizing and approving the Transaction with the Stalking Horse Bidder.

(b) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the Stalking Horse Agreement), which were transferred to ResidualCo;

(c) authorizing the Company to file articles of reorganization, issue New Common Shares, undertake the Consolidation and Cancellation, and authorizing the Company to issue the Post-Consolidation Shares (each as defined in the Stalking Horse Agreement), and vesting in the Stalking Horse Purchaser all right, title, benefit and interest in and to the Post-Consolidation Shares free and clear of any claims and encumbrances, such that the Stalking Horse Purchaser will be the sole shareholder of the Company after closing of the Transaction;

(d) authorizing the Monitor to cause ResidualCo to file an assignment in bankruptcy, naming Grant Thornton as trustee in bankruptcy; and

(iii) An ancillary order (the "**Ancillary Order**"), among other things:

(a) approving the fourth report of Grant Thornton, in its capacity as Proposal Trustee, and the actions, conduct and activities of the Proposal Trustee described therein; and

(b) approving the fees and disbursements of the Proposal Trustee and its legal counsel incurred in connection with the NOI Proceeding.

(j) On December 22, 2022, the Court issued an Order approving, among other things:

(i) the payment in full of the Company's indebtedness to SVB, the primary secured creditor of the Company;

(ii) an extension of the stay of proceedings in the ResidualCo CCAA Proceedings to January 31, 2023; and

(iii) declared that WEPPA applied to ResidualCo in these CCAA Proceedings.

THE SISP

(k) The SISP was administered by the Company and the Proposal Trustee in an effort to identify offers that were superior to the offer contained in the Stalking Horse Agreement.

(l) Ultimately, the Stalking Horse Agreement was the successful bid, receiving Court approval through the Reverse Vesting Order.

THE STALKING HORSE AGREEMENT

(m) The Stalking Horse Agreement stipulated a purchase price of USD $5 million, a portion of which is comprised of a “credit bid” of amounts owing under the DIP Term Sheet.

(n) The cash portion of the purchase price is sufficient to repay SVB in full, and is expected to result in a distribution to the Company’s second lien secured noteholders (the “**Secured Noteholders**”).

CLOSING OF THE TRANSACTION & ENHANCED MONITOR’S POWERS

(o) The Reverse Vesting Order granted the Monitor enhanced powers to allow it to administer ResidualCo, assist the Company in closing the Transaction, and subject to Court approval, make the proposed distributions to the ResidualCo’s secured creditors following the closing of the Transaction.

(p) Following the granting of the Reverse Vesting Order, the Transaction closed on December 14, 2022.

(q) The Monitor confirms receipt of the net sale proceeds of the Transaction in the trust account opened by the Monitor for ResidualCo in accordance with the enhanced powers provided to the Monitor pursuant to the Reverse Vesting Order.

(r) With the closing of the Transaction, the Company has exited the CCAA proceeding and ResidualCo has been added as the sole debtor.

(s) The enhanced Monitor powers include, among other things, the power to exercise any powers which may be properly exercised by a board of directors of ResidualCo, and to cause ResidualCo to make an assignment in bankruptcy.

DISTRIBUTION TO SVB

(t) Pursuant to the December 22 Order, the Monitor has distributed sufficient funds to pay, in full, SVB as the primary secured creditor holding a first ranking general security interest in the sale proceeds held by ResidualCo ("**SVB Payment**").

DISTRIBUTION TO SECURED NOTEHOLDERS

(u) Following the SVB Payment, the Monitor and its counsel have reviewed the claims of the group of noteholders who continue to claim a secured interest in the sale proceeds held by ResidualCo (the "**Secured Noteholders**").

(v) The Monitor's Counsel, Cozen, has reviewed the security documents granted to the Secured Noteholders by the Company and considered whether such security would extend to the sale proceeds with ResidualCo. Cozen has provided an independent opinion to the Monitor, subject to customary qualifications and assumptions, that each of BDC Capital Inc. ("**BDC**") and Clearsky Power & Technology Fund II LLC ("**Clearsky**") have valid security over the assets of ResidualCo. (being the net sale proceeds) that would be enforceable against a licensed insolvency trustee.

(w) The claims of the Secured Noteholders are derived from two separate Note issuances, the 2020 note issuance, and the 2021 note issuance. Each note issuance is perfected by a single PPSA registration: (i) BDC with respect to the 2020 note issuance; and (ii) Clearsky with respect to the 2021 note issuance. Pursuant to an Inter-Creditor Agreement amongst and between the Secured Noteholders and the Company, each of BDC and ClearSky registered such security interest on behalf of themselves and the other applicable Secured Noteholders. As the other Secured Noteholders did not make their own corresponding PPSA registration against the Company, the Monitor has requested and has received letters of direction from each of BDC and ClearSky which directs the Monitor to, notwithstanding the absence of PPSA registrations in favour of the remaining Secured Noteholders, distribute the remaining sale proceeds to each of the Secured Noteholders on a pro rata, pari passu (as between the 2020 note issuance and the 2021 note issuance) basis, in accordance with their relative claims as Secured Noteholders and the terms of the Secured Notes and ancillary documentation (including an Inter-Creditor Agreement) between the parties and the Company.

(x) The total amount of secured indebtedness due to the Secured Noteholders, including accrued interest, exceeds $11 million, which also exceeds the amount available for distribution. As a result, there are insufficient sale proceeds to repay the Secured Noteholders in full, and therefore insufficient sale proceeds to provide a financial recovery to unsecured creditors.

(y) The Monitor's Second Report (at para. 21) provides a distribution table which sets out the proposed distributions to each of the Secured Noteholders. The proposed distribution is based on a pro rata/pari passu basis, utilizing each Secured Noteholders relative percentage of the total aggregate claim of all Secured Noteholders (the "**Secured Noteholder Allocation**"), and the estimated amount available for distribution.

(z) The Monitor understands that all other creditors who have made registrations under the PPSA against the Company have limited their claims to specific assets and claim Purchase Money Security Interests (PMSIs) in such assets. As a result, such secured claims would be limited to such underlying assets and not the sale proceeds held with ResidualCo. The Monitor is not aware of any outstanding claims which would rank in priority to the Secured Noteholder's security.

(aa) The Monitor respectfully requests the Court grant an Order authorizing and directing the Monitor to distribute the net sale proceeds to the Secured Noteholders in accordance with the Monitor's Secured Noteholder Allocation.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

(bb) On December 14, 2022, the Transaction between the Company and the Purchaser closed, including the receipt of the sale proceeds in a trust account for ResidualCo. Since receiving the sale proceeds, the Monitor on behalf of ResidualCo has paid SVB's claim in full, and disbursed funds pursuant to the previously approved Administration Charge to pay the outstanding legal fees to Fasken Martineau DuMoulin LLP, the Company's counsel prior to the closing of the sale transaction.

(cc) As part of its reporting function to the Court and the ResidualCo stakeholders, the Monitor has prepared a statement of receipts and disbursements dated January 9, 2023 (the "**R&D**") which sets out the receipts and disbursements to date, as well as the proposed disbursements related to final costs and the distribution to Secured Noteholders (if approved by this Court).

(dd) The Monitor respectfully requests the Court grant an Order authorizing and approving the R&D.

MONITOR'S SECOND REPORT

(ee) Following the issuance of the Monitor's First Report, the Monitor has performed certain activities and taken certain actions as further described in the Monitor's Second Report.

(ff) The Monitor respectfully request that the Court approve of the Monitor's Second Report and the Monitor's activities, conduct, and actions of the Monitor as set out therein.

PROFESSIONAL FEES

(gg) The Initial Order granted by the Court on December 1, 2022 authorized the Monitor and its legal counsel, to be paid their reasonable fees and disbursements incurred, either prior to, on or subsequent to the granting of the Initial Order.

(hh) The Ancillary Order granted on December 1, 2022 approved of the Monitor's fees (then in its capacity as proposal trustee), as well as its legal counsel's fees, from the commencement of the NOI proceedings to October 31, 2022, and November 15, 2022, respectively.

(ii) The Monitor now seeks approval of the fees, disbursements, and taxes of the proposal trustee/Monitor, and that of its counsel, from November 1, 2022 and November 16, 2022, respectively, to December 31, 2022, as further specified in the Monitor's Second Report (the "**Remaining 2022 Fees**").

(jj) The Monitor's remaining fees, disbursements, and taxes, as well as that of its counsel, from January 1, 2023 and as estimated to conclude these CCAA Proceedings may be settled through a combination of the current retainers held by both the Monitor and Cozen, as well as a holdback for such final fees (the "**Final Fees**"). The Monitor currently holds a retainer of $15,000, and Cozen holds a retainer of $25,000. Based on a review of time incurred to date, the aggregate estimate of Final Fees, less the retainers, is $40,000. Should any portion of the holdback for Final Fees not be utilized in completing all steps required to conclude the CCAA Proceedings, then such surplus proceeds will be distributed to the Secured

Noteholders, in partial satisfaction of their remaining secured claims, and based on the Monitor's Secured Noteholder Allocation.

(kk) The Monitor has estimated $30,000 in fees, taxes and disbursements as the costs relating to the administration of the bankruptcy by the licensed insolvency trustee of ResidualCo, with an additional amount of up to $15,000 for the fees, taxes and disbursements of its legal counsel. The Monitor respectfully requests the Court approve the transfer of $30,000 to Grant Thornton Limited and $15,000 to Cozen O'Connor LLP, from the sale proceeds, as retainers for the anticipated bankruptcy related costs of ResidualCo ("**Bankruptcy Retainer**"). Similar to the Final Fees, should any portion of the retainers not be utilized in the administration of the anticipated ResidualCo bankruptcy proceedings, then such surplus proceeds will be refunded to the Monitor and distributed to the Secured Noteholders based on the Monitor's Secured Noteholder Allocation

(ll) The Monitor respectfully requests that the Court approve the Remaining 2022 Fees, the holdback for Final Fees, and the Bankruptcy Retainer to be paid by ResidualCo.

CCAA TERMINATION

(mm) Pursuant to the Reverse Vesting Order, the Monitor has been granted certain enhanced powers, including the authority to take, on behalf of ResidualCo, the necessary steps to terminate and bring these CCAA Proceedings to an end.

(nn) The Monitor is of the view that there are no further realizations available to ResidualCo. The net sale proceeds remain in trust with the Monitor, and subject to the approval of the Court, the Monitor, on behalf of ResidualCo, will distribute the remaining sale proceeds as described in this Report and then assign ResidualCo into bankruptcy. As a result, there is no further benefit for the CCAA Proceedings to continue, or for the current stay of proceedings to be extended.

(oo) Upon the termination of the CCAA Proceedings, all previously approved charges, including the DIP Lender's Charge, Director's Charge, and remaining Administration Charge will no longer be required and would therefore be terminated, released and discharged.

(pp) As further specified in the Monitor's Second Report, the Monitor has sent a letter to unsecured creditors of iS5, advising them of the January 20, 2023 Court hearing and the Monitor's intention to distribute all of the sale proceeds and conclude the CCAA Proceedings. The letter to unsecured creditors was sent by regular mail on January 6, 2023.

(qq) The Monitor respectfully requests that the Court grant an order terminating the CCAA Proceedings upon the filing of the Monitor's Discharge Certificate.

MONITOR'S DISCHARGE

(rr) The Monitor has fulfilled its statutory duties, as well as those duties set out in the Initial Order and the other orders of this Court made in these CCAA Proceedings.

(ss) In connection with the termination of the CCAA Proceedings (if approved by the Court), the Monitor intends to cause ResidualCo to file an assignment into bankruptcy naming Grant Thornton Limited as licensed insolvency trustee of ResidualCo, pursuant to the enhanced powers provided to the Monitor in the Reverse Vesting Order dated December 1, 2022.

(tt) The Monitor respectfully requests the Court grant on order discharging Grant Thornton Limited as the Monitor in these CCAA Proceedings, subject to the completion of the Remaining Activities and the filing of a Monitor's Discharge Certificate.

OTHER GROUNDS

(uu) The provisions of the CCAA, in particular, Section 11 and 11.02, and the inherent and equitable jurisdiction of this Court;

(vv) the provisions of the *Wage Earner Protection Program Act (Canada), SC 2005, c 47, s 1*;

(ww) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(xx) Such further and other grounds as counsel may advised and this Court may permit.

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

(a) the Monitor's Second Report; and,

(b) such further and other material as counsel may advise and this Honourable Court may permit.

January 12, 2023

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Lawyers for Grant Thornton Limited,
In its capacity as Monitor of 14544072
Canada Inc.

TO: THE SERVICE LIST

SCHEDULE "A"

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 20th
	)	
JUSTICE	)	DAY OF JANUARY, 2023
	)	

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 14544072 CANADA INC.

O R D E R

THIS MOTION, made by Grant Thornton Limited (the **"Monitor**"), in its capacity as Monitor of 14544072 Canada Inc. ("**ResidualCo**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, was heard this day by judicial video conference in Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's Second report dated January 10, 2023 ("**Monitor's Second Report**") filed by Grant Thornton Limited in its capacity as Monitor of ResidualCo in connection with ResidualCo's (and formerly iS5 Communications Inc.'s ("**iS5**")) proceedings under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended ("**CCAA**" and with reference to these proceedings, the **"CCAA Proceedings**"), and on hearing submissions of counsel for the Monitor and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served, as appears from the Affidavit of Service of Susan Gonsalves sworn January ●, 2023, filed:

1. **THIS COURT ORDERS** the time for and manner of service and filing of the Notice of Motion and the Motion Record of the Monitor in support of this motion is

hereby abridged and validated so that this Motion is properly returnable today and the Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that terms not otherwise defined herein shall have the meanings accorded to them in the Initial Order made in these proceedings on December 1, 2022 (the "**Initial Order**") and the Monitor's Second Report.

DISTRIBUTION OF SALE PROCEEDS

3. **THIS COURT ORDERS** that the Monitor, on behalf of ResidualCo, is hereby authorized and directed to distribute the balance of the net sale proceeds to the Secured Noteholders in accordance with the Secured Noteholder Allocation.

APPROVAL OF R&D AND FEES

4. **THIS COURT ORDERS** that the Monitor's statements receipts and disbursements (the "**R&D**") is hereby approved.

5. **THIS COURT ORDERS** that the Remaining 2022 Fees, the Final Fees, and the Bankruptcy Retainer are hereby approved.

6. **THIS COURT ORDERS** that the Monitor, on behalf of ResidualCo, is hereby authorized and directed to transfer $30,000 to Grant Thornton Limited in trust, and $15,000 Cozen O'Connor LLP in trust, in order to provide Grant Thornton Limited, and Cozen O'Connor LLP, with the Bankruptcy Retainer.

MONITOR'S REPORT AND DISCHARGE

7. **THIS COURT ORDERS** that the Monitor's Second Report, and the actions, conduct and activities of the Monitor described therein, be and are hereby approved, provided, however, that only the Monitor, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

8. **THIS COURT ORDERS AND DIRECTS** that, notwithstanding any prior order of the Court to the contrary, the Monitor shall serve on the service list in these

proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Discharge Certificate, substantially in the form attached as Schedule "A: hereto (the "Monitor's Discharge Certificate"), forthwith upon completion of the Remaining Activities.

9. **THIS COURT ORDERS AND DECLARES** that, notwithstanding any prior order of the Court, upon the service of the Monitor's Discharge Certificate, (i) the Monitor shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of iS5 and ResidualCo and shall be forever released, remised and discharged from any claims against it relating to its activities as the Monitor of iS5 and ResidualCo; and (ii) the CCAA Proceedings will be terminated

GENERAL

10. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist ResidualCo and 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

12.

FORM OF MONITOR'S DISCHARGE CERTIFICATE

Court File No. CV-22-00690563-00CL

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 THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

MONITOR'S DISCHARGE CERTIFICATE

WHEREAS pursuant to the Order of this Court dated December 1, 2022, Grant Thornton Limited was appointed as the monitor (the "**Monitor**") of 14544072 Canada Inc. ("**ResidualCo**") within these CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS iS5 Communications Inc. ("**iS5"**) made an application to continue the proceedings commenced by iS5 by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act,* RSC 1985, c B-3, as amended (the "**NOI Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, that was sanctioned by order dated December 1, 2022;

AND WHEREAS iS5 made an application to, among other things, add ResidualCo as an applicant to the CCAA Proceedings and to transfer and vest certain assets and liabilities of iS5 to, and in, ResidualCo that was sanctioned by order dated December 1, 2022, following which the Monitor was appointed as the monitor of ResidualCo;

And WHEREAS following the closing of the sale transaction, iS5 exited from the CCAA Proceedings and ResidualCo became a company to which the CCAA applied and was added as an applicant in the CCAA Proceedings, as was sanctioned by order dated December 1, 2022.

AND WHEREAS pursuant to the Order of this Court dated January 20, 2023 (the "**Noteholder Distribution & Fee Approval Order**"), the Court approved the distribution of the net sale proceeds to the Secured Noteholders in accordance with the Secured Noteholder Allocation and ordered, at paragraph 8, that the Monitor shall serve on the service list in the CCAA Proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Discharge Certificate, signed by the Monitor, forthwith upon fulfilment of the Monitor's Remaining Activities.

AND WHEREAS the Monitor has completed the Remaining Activities;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the Noteholder Distribution & Fee Approval Order, the Monitor's second report;

THE MONITOR HEREBY CERTIFIES that:

1. The Monitor has completed the Remaining Activities;

2. Upon the filing of this Monitor's Discharge Certificate:

   (a) the Monitor shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of ResidualCo and shall be forever released, remised and discharged from any claims against it relating to its activities as the Monitor of ResidualCo;

   (b) the CCAA Proceedings shall be terminated;

4. This Monitor's Discharge Certificate is delivered by the Monitor on _____ , 2022.

GRANT THORNTON LIMITED, solely in its capacity as court-appointed monitor of the 14544072 CANADA INC., and not in its personal capacity or in any other capacity

Per: ______________________________

Name:

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

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
TORONTO

O R D E R

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Proceeding commenced at
TORONTO

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Lawyers for Grant Thornton Limited, in its capacity as Monitor of 14544072 Canada Inc.

TAB 2

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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 14544072 CANADA INC.

SECOND REPORT OF MONITOR

January 11, 2023

Grant Thornton Limited
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Toronto, Ontario
M5H 3T4

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Court File No. CV-22-00690563-00CL

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

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SECOND REPORT OF MONITOR

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INTRODUCTION AND BACKGROUND

1. This report (the "**Monitor's Second Report**") is filed by Grant Thornton Limited in its capacity as monitor (in such capacity, the "**Monitor**") of 14544072 Canada Inc. ("**ResidualCo**"), in connection with iS5 Communication Inc.'s ("**iS5**") proceedings under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended ("**CCAA**" and with reference to these proceedings, the **"CCAA Proceedings**"), and prior to the conversion to CCAA, iS5's proposal proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**").

2. ResidualCo is a company that holds: (i) proceeds from a court approved sale transaction; and (ii) certain liabilities of the former CCAA applicant in these proceedings, iS5, which were transferred to ResidualCo pursuant to a Reverse

Vesting Order granted in these proceedings on December 1, 2022, as further described below.

3. iS5 is a company that provides customers with information technology services and proprietary hardware products. Specifically, iS5 services critical infrastructure, including the energy, transportation, heavy industrial, and defense industries.

4. On August 5, 2022, iS5 filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the BIA and Grant Thornton Limited was appointed as the proposal trustee.

5. The primary purpose of the NOI proceeding was to provide iS5 with the financing required to maintain operations while a stalking horse sale process was conducted in order to identify a buyer, or investor, for iS5. In this regard, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted the August 8 Order which approved of a DIP Facility (a debtor-in-possession loan to iS5) to support iS5's operations as well as certain charges to support the NOI restructuring proceeding.

6. Once a sale and investment solicitation process ("**SISP**") was prepared and a stalking horse sale agreement finalized, and pursuant to a motion by iS5, the Court granted the October 17 Order which approved the SISP, the Stalking Horse Agreement, and an extension of time to allow the NOI process to continue while the SISP took place.

7. On December 1, 2022, after the completion of the SISP and based on such results, the Court approved a sale transaction between iS5 and the Stalking Horse Bidder (Elektrophoenix GmbH) (the "**Purchaser**") and granted an Approval and Vesting Order (the Revere Vesting Order). In addition, the Court granted an Order

approving the continuation of the NOI proceedings under the CCAA, the appointment of Grant Thornton Limited as Monitor in the CCAA Proceedings and grant the Monitor certain enhanced powers (including providing the Monitor with the authority to deal with and control ResidualCo and its assets, and the ability to cause ResidualCo to be assigned into bankruptcy). The Court also ordered that all prior orders granted by the Court under the NOI proceedings would remain in full force and effect (amongst other relief). Copies of the December 1 Orders (namely the Approval and Vesting Order (the Reverse Vesting Order), the Initial Order (Continuation Under CCAA), and the Ancillary Order) and the related Endorsement are attached hereto as **Appendix 1**.

8. The sale transaction between iS5 and the Purchaser closed on December 14, 2022. Pursuant to the Reverse Vesting Order, the shares of iS5 were transferred to the Purchaser and the sale proceeds were received by the Monitor and deposited into a trust account for 14544072 Canada Inc./ResidualCo, the entity incorporated for that purpose. All liabilities of iS5 that were not assumed by the Purchaser were transferred to ResidualCo. Following the closing of the sale transaction and in accordance with the December 1, Orders, iS5 emerged from the CCAA Proceedings and is now owned and operated by the Purchaser, free and clear of prior liabilities or claims against iS5.

9. On December 22, 2022, the Court granted an Order (the "**December 22 Order**"), approving (amongst other relief) the payment in full of iS5's indebtedness to Silicon Valley Bank ("**SVB**"), the primary secured creditor of iS5. The Court also granted an extension of the stay of proceedings in the ResidualCo CCAA Proceedings to

January 31, 2023 and declared that the WEPPA program applied to ResidualCo in these CCAA Proceedings. A copy of the December 22 Order and related Endorsement is attached hereto as **Appendix 2**.

10. The primary purpose of the extension of the stay of proceedings to January 31, 2023 was to allow the Monitor additional time to review and seek Court approval of further distributions of the net sale proceeds, initiate the WEPPA program, provide notice to the unsecured creditors of ResidualCo of the relief to be requested by the Monitor from this Court prior to the conclusion and termination of the CCAA Proceedings, and prepare for the eventual bankruptcy of ResidualCo.

PURPOSE OF THIS REPORT

11. The purpose of this Monitor's Second Report is to provide the Court with an update and the Monitor's request for an Order to:

    a. distribute the balance of the net sale proceeds;

    b. approve of the Monitor's statement of receipts and disbursements dated January 9, 2023;

    c. approve of the Monitor's fees and disbursements, and that of its legal counsel, including certain fees and disbursements incurred by the Monitor in its former capacity as proposal trustee, and an estimate of final fees to conclude the CCAA Proceedings;

    d. approve of a transfer of funds from the sale proceeds to both Grant Thornton Limited and Cozen O'Connor LLP ("**Cozen**") for retainers for the fees and disbursements required to administer the ResidualCo bankruptcy proceedings;

e. approve the Monitor’s Second Report, and the activities, conduct and actions of the Monitor as set our herein;

f. terminate these CCAA proceedings; and,

g. discharge Grant Thornton Limited as Monitor subject to the completion of certain Remaining Activities (as defined herein), and upon the filing of the Monitor’s Discharge Certificate.

12. Further background information concerning iS5 and ResidualCo is provided in the four Dias Affidavits sworn in support of the applications and motions of iS5, which have been filed with the Court, as well as the Proposal Trustee/Monitor’s prior reports which are all available on the Monitor’s case webpage, www.grantthornton.ca/iS5.

RESTRICTIONS

13. This Monitor’s Second Report has been prepared for the use of this Court and ResidualCo’s stakeholders. Accordingly, the reader is cautioned that this Monitor’s Second Report may not be appropriate for any other purpose.

14. All references to dollars are in Canadian currency unless referenced otherwise.

15. Capitalized terms not defined in this Monitor’s Second Report have the meanings ascribed to them in the Dias Affidavits, the First Report, Second Report, Third Report, Fourth Report, the Monitor’s First Report, and the Stalking Horse Agreement.

16. Any reference to the activities of the Monitor relating to ResidualCo relate to the time period from the Monitor’s First Report issued on December 15, 2022 up to and including the date this report is issued.

DISTRIBUTION

17. The Monitor previously distributed sufficient funds to pay, in full, SVB as the primary secured creditor holding a first ranking general security interest in the sale proceeds held by ResidualCo, and pursuant to the December 22 Order. The Monitor and its counsel have since reviewed the claims of the group of noteholders who continue to claim a secured interest in the sale proceeds held by ResidualCo (the "**Secured Noteholders**").

18. The Monitor's Counsel, Cozen, has reviewed the security documents granted to the Secured Noteholders by iS5 and considered whether such security would extend to the sale proceeds with ResidualCo. Cozen has provided an independent opinion to the Monitor, subject to customary qualifications and assumptions, that each of BDC Capital Inc. ("**BDC**") and Clearsky Power & Technology Fund II LLC ("**Clearsky**") have valid security over the assets of ResidualCo. (being the net sale proceeds) that would be enforceable against a licensed insolvency trustee.

19. The claims of the Secured Noteholders are derived from two separate Note issuances, the 2020 note issuance, and the 2021 note issuance. Each note issuance is perfected by a single PPSA registration: (i) BDC with respect to the 2020 note issuance; and (ii) Clearsky with respect to the 2021 note issuance. Pursuant to an Inter-Creditor Agreement amongst and between the Secured Noteholders and iS5, each of BDC and ClearSky registered such security interest on behalf of themselves and the other applicable Secured Noteholders. As the other Secured Noteholders did not make their own corresponding PPSA registration against the Company, the Monitor has requested and has received

letters of direction from each of BDC and ClearSky which directs the Monitor to, notwithstanding the absence of PPSA registrations in favour of the remaining Secured Noteholders, distribute the remaining sale proceeds to each of the Secured Noteholders on a pro rata, pari passu (as between the 2020 note issuance and the 2021 note issuance) basis, in accordance with their relative claims as Secured Noteholders and the terms of the Secured Notes and ancillary documentation (including an Inter-Creditor Agreement) between the parties and iS5. Copies of the Secured Notes, Inter-Creditor Agreement and letters of direction to the Monitor from BDC and Clearsky are attached hereto as **Appendix 3**.

20. The total amount of secured indebtedness due to the Secured Noteholders, including accrued interest, exceeds $11 million, which also exceeds the amount available for distribution. As a result, there are insufficient sale proceeds to repay the Secured Noteholders in full, and therefore insufficient sale proceeds to provide a financial recovery to unsecured creditors.

21. The Monitor has prepared the following distribution table which sets out the proposed distributions to each of the Secured Noteholders. The proposed distribution is based on a pro rata/pari passu basis, utilizing each Secured Noteholders relative percentage of the total aggregate claim of all Secured Noteholders (the "**Secured Noteholder Allocation**"), and the estimated amount available for distribution.

Proposed Distribution	Principal	Interest	Total Claim	Allocation	Distribution
2020 Note Issuance					
Coutinho Family Trust	$ 35,000	$ 6,403	$ 41,403	0.362%	$ 9,612
Cao Yang - Note 1	20,000	3,659	23,659	0.207%	5,493
Phoenix Contact Venture I	1,000,000	182,947	1,182,947	10.341%	274,643
ClearSky Security Fund I	500,000	91,473	591,473	5.171%	137,321
ClearSky Power & Technology Fund II	1,500,000	274,420	1,774,420	15.512%	411,964
BDC Capital Inc.	3,000,000	548,840	3,548,840	31.024%	823,928
	$ 6,055,000	$ 1,107,742	$ 7,162,742	62.616%	$ 1,662,960
2021 Note Issuance					
ClearSky Power & Technology Fund II	$ 1,875,000	$ 223,998	$ 2,098,998	18.349%	$ 487,321
ClearSky Security Fund I	625,000	74,666	699,666	6.116%	162,440
Pheonix Contact Venture Funds I	1,250,000	149,332	1,399,332	12.233%	324,880
Cao Yang - Note 2	20,000	2,389	22,389	0.196%	5,198
Clive Dias	25,000	2,987	27,987	0.245%	6,498
Artemis Capital Limited	25,000	2,987	27,987	0.245%	6,498
	$ 3,820,000	$ 456,359	$ 4,276,359	37.384%	$ 992,834

22. The Monitor understands that all other creditors who have made registrations under the PPSA against iS5 have limited their claims to specific assets and claim Purchase Money Security Interests (PMSIs) in such assets. As a result, such secured claims would be limited to such underlying assets and not the sale proceeds held with ResidualCo. The Monitor is not aware of any outstanding claims which would rank in priority to the Secured Noteholder's security.

23. The Monitor respectfully requests the Court grant an order authorizing and directing the Monitor to distribute the net sale proceeds to the Secured Noteholders in accordance with the Monitor's Secured Noteholder Allocation.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

24. On December 14, 2022, the sale transaction between iS5 and the Purchaser closed, including the receipt of the sale proceeds in a trust account for ResidualCo. Since receiving the sale proceeds, the Monitor on behalf of ResidualCo has paid SVB's claim in full, and disbursed funds pursuant to the previously approved

Administration Charge to pay the outstanding legal fees to Fasken, iS5's counsel prior to the closing of the sale transaction.

25. As part of its reporting function to the Court and the ResidualCo stakeholders, the Monitor has prepared a statement of receipts and disbursements dated January 9, 2023 (the "**R&D**") which sets out the receipts and disbursements to date, as well as the proposed disbursements related to final costs and the distribution to Secured Noteholders (if approved). A copy of the R&D is attached hereto as **Appendix 4**.

MONITOR'S ACTIVITIES

26. Since the issuance of the Monitor's First Report, the Monitor has performed the following activities:

    a. on behalf of ResidualCo, distributed sufficient proceeds to repay, in full, the secured indebtedness owed to SVB;

    b. reviewed the claims of Secured Noteholders, an independent security opinion, and calculated and made preparations to administer the proposed distributions to the Secured Noteholders;

    c. prepared the communication to unsecured creditors to notify such parties of this motion, the pending conclusion of the CCAA Proceedings and the anticipated bankruptcy of ResidualCo;

    d. assisted with correspondence and planning on the transition of certain banking services;

    e. responded to creditor and other stakeholder enquiries;

f. corresponded with iS5, the Purchaser, and respective counsel in regard to assumed liabilities and lists of creditors;

g. updated and maintained a case web page for these CCAA Proceedings in accordance with the Commercial List E-Service Protocol; and,

h. prepared the Monitor's Second Report.

27. The Monitor respectfully requests that the Court approve of this Monitor's Second Report and the Monitor's activities, conduct and actions described herein.

PROFESSIONAL FEES

28. The Initial Order that was issued by the Court on December 1, 2022 had the effect of continuing the NOI proceedings under the CCAA, appointing Grant Thornton Limited as the Monitor of iS5, and pursuant to paragraph 28, authorizing the Monitor, and its legal counsel, to be paid its reasonable fees and disbursements incurred, either prior to, on or subsequent to the granting of the Initial Order. In addition, pursuant to paragraph 6 of the Initial Order, the Court Ordered that the proposal trustee shall take all necessary steps to tax its fees and disbursements, and that of its counsel.

29. In addition to the Initial Order, on December 1, 2022, the Court also granted the Ancillary Order which approved of the Monitor's fees (then in its capacity as proposal trustee), as well as its legal counsel's fees, from the commencement of the NOI proceedings to October 31, 2022, and November 15, 2022, respectively. The Monitor now seeks approval of the fees and disbursements of the proposal trustee/Monitor, and that of its counsel, from November 1, 2022 and November 16, 2022, respectively, to December 31, 2022.

30. The total fees and disbursements of the Monitor from November 1, 2022 to December 31, 2022 amount to $64,345.50, plus HST in the amount of $8,389.62, totaling $72,925.12. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Dan Wootton, sworn January 9, 2023 in support hereof, a copy of which is attached hereto as **Appendix "5"**.

31. The total fees of the Monitor's counsel, Cozen LLP, from November 16, 2022 to December 31, 2022 amount to $94,110, plus expenses and disbursements in the amount of $320 and HST in the amount of $12,234.30, totaling $106,664.30. The details of the time spent and services provided to the Monitor are more particularly described in the Affidavit of Shahrouz Hafez Ghoran, sworn January 11, 2023 in support hereof, a copy of which is attached hereto as **Appendix "6"**.

32. The Monitor's remaining fees, disbursements, and taxes, as well as that of its counsel, from January 1, 2023 and as estimated to conclude these CCAA Proceedings may be settled through a combination of the current retainers held by both the Monitor and Cozen, as well as a holdback for such final fees (the "**Final Fees**"). The Monitor currently holds a retainer of $15,000, and Cozen holds a retainer of $25,000. Based on a review of time incurred to date, the aggregate estimate of Final Fees, less the retainers, is $40,000. Should any portion of the holdback for Final Fees not be utilized in completing all steps required to conclude the CCAA Proceedings, then such surplus proceeds will be distributed to the Secured Noteholders, in partial satisfaction of their remaining secured claims, and based on the Monitor's Secured Noteholder Allocation.

33. The Monitor has estimated $30,000 in fees, taxes and disbursements as the costs relating to the administration of the bankruptcy by the licensed insolvency trustee of ResidualCo, with an additional amount of up to $15,000 for the fees, taxes and disbursements of its legal counsel. The Monitor respectfully requests the Court approve the transfer of $30,000 to Grant Thornton Limited and $15,000 to Cozen LLP, from the sale proceeds, as retainers for the anticipated bankruptcy related costs of ResidualCo. Similar to the Final Fees, should any portion of the retainers not be utilized in the administration of the anticipated ResidualCo bankruptcy proceedings, then such surplus proceeds will be refunded to the Monitor and distributed to the Secured Noteholders based on the Monitor's Secured Noteholder Allocation.

34. The Monitor is of the view that these accounts are reasonable in the circumstances. The Monitor respectfully requests that the Court approve the abovementioned fees, disbursements, taxes, the holdback for Final Fees, and bankruptcy related retainers to be paid by ResidualCo.

CCAA TERMINATION

35. Pursuant to paragraph 19 of the December 1, 2022 Approval and Vesting Order, the Monitor has been granted certain enhanced powers, including the authority to take, on behalf of ResidualCo, the necessary steps to terminate and bring these CCAA Proceedings to an end.

36. In the Monitor's view, the NOI and CCAA Proceedings have accomplished the overall objectives of the restructuring proceedings commenced by iS5 of identifying a buyer, completing a sale transaction, continuing the operation of iS5, the

preserving jobs, continuing customer/supplier relationships, and providing a greater recovery to secured creditors and value to stakeholders generally than what would have been realized if the restructuring proceedings were not successful and iS5 was liquidated.

37. The Monitor is of the view that there are no further realizations available to ResidualCo. The net sale proceeds remain in trust with the Monitor, and subject to the approval of the Court, the Monitor, on behalf of ResidualCo, will distribute the remaining sale proceeds as described in this Report and then assign ResidualCo into bankruptcy. As a result, there is no further benefit for the CCAA Proceedings to continue, or for the current stay of proceedings to be extended.

38. Upon the termination of the CCAA Proceedings, all previously approved charges, including the DIP Lender's Charge, Director's Charge, and remaining Administration Charge will no longer be required and would therefore be terminated, released and discharged.

39. In anticipation of seeking approval for the relief requested on this motion, the Monitor planned to notify the unsecured creditors of ResidualCo of the developments in these proceedings and its pending request for approval to terminate the CCAA proceedings as such parties have not been represented or served with all of the NOI and CCAA court materials. The Monitor has taken steps to work with the Purchaser to obtain a final list of assumed liabilities in order to confirm the list of creditors for ResidualCo however such list has yet to be finalized and provided to the Monitor. The Monitor is of the view that to save costs and avoid unnecessary delay, it should not wait until such list is finalized and therefore,

prepared a letter to all unsecured creditors of iS5 whose claims were transferred to ResidualCo, which would include both the remaining ResidualCo unsecured creditors, as well as certain unsecured creditors who may be assumed by the Purchaser. The Monitor has shared the letter to unsecured creditors and list of creditors with counsel for iS5. The letter to unsecured creditors advises of the January 20, 2023 Court hearing and the Monitor's intention to distribute all of the sale proceeds and conclude the CCAA Proceedings. The letter to unsecured creditors was sent by regular mail on January 6, 2023, a copy of which attached hereto as **Appendix 7**.

40. The Monitor respectfully requests that the Court grant an order terminating the CCAA Proceedings, upon the filing of the Monitor's Discharge Certificate .

REMAINING ACTIVITIES AND MONITOR'S DISCHARGE

41. The Monitor has fulfilled its statutory duties, as well as those duties set out in the Initial Order and the other orders of this Court made in these CCAA Proceedings.

42. In connection with the termination of the CCAA Proceedings, the Monitor intends to cause ResidualCo to file an assignment into bankruptcy naming Grant Thornton Limited as licensed insolvency trustee of ResidualCo, pursuant to the enhanced powers provided to the Monitor in the Approval and Vesting Order dated December 1, 2022.

43. The Monitor respectfully requests the Court grant on order discharging Grant Thornton Limited as the Monitor of the CCAA Proceedings, subject to the completion of the following Remaining Activities and the filing of a Monitor's Discharge Certificate:

a. distribution to the Secured Noteholders, if approved;

b. payment of approved fees, disbursements, Final Fees, and retainers;

c. submission or required materials to Service Canada pursuant to the WEPPA program; and,

d. preparation of materials required to assign ResidualCo into bankruptcy.

CONCLUSION

44. Based on the above, the Monitor respectfully requests that the Court grant the relief requested, including approval of the proposed distribution to the Secured Noteholders; the Monitor's Second Report and the activities, conduct and actions of the Monitor described herein; the Monitor's fees, disbursements, taxes, holdback for Final Fees and retainers, as well as those of its counsel; discharging Grant Thornton Limited as Monitor (subject to the filing of the Monitor's Discharge Certificate); and terminating these CCAA Proceedings.

All of which is respectfully submitted,

GRANT THORNTON LIMITED
In its capacity as Court-Appointed Monitor of 14544072 Canada Inc.
and not in its personal or corporate capacity.

Daniel Wootton

D. Wootton, CIRP, LIT
Senior Vice President

APPENDIX 1

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NO. ON LIST: 5

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Dylan Chochla	iS5 Communications	dchocla@fasken.com
Daniel Richer		dricher@fasken.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Mitch Grossell	Phoenix	mgrossell@tgf.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Steve Weisz	Proposal Trustee and Proposed Monitor, Grant Thornton Limited	sweisz@cozen.com
Sam Babe	Silicon Valley Bank	sbabe@airdberlis.com

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ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of iS5 Communications Inc. dated November 28, 2022.

The Company is currently in proposal proceedings under the BIA. On this motion, it seeks three orders. The first is an order to continue the proposal proceedings under the CCAA. The second is to approve the Reverse Vesting Order and the Transaction contemplated in the share purchase agreement with Elktophoenix GmbH, the Stalking Horse Purchaser, and the implementation of that Transaction. The third is an Ancillary Order approving the Fourth Report and the fees and disbursements of the Proposal Trustee and its counsel.

The motion is unopposed. The relief sought is recommended by the Proposal Trustee/Proposed Monitor, the DIP Lender, the senior secured lender SVB, and most of the largest Secured Noteholders.

The Company has been seeking to identify a purchaser or investor that would permit it to continue its business as a going concern. It engaged in a pre-filing sale process that did not result in any offers. After filing the NOI on August 5, 2022, it obtained an order from this court on October 17, 2022 to conduct a SISP. The Stalking Horse Agreement was approved at the time.

The Proposal Trustee conducted the SISP. While seven parties executed non-disclosure agreements, no bids were received by the first deadline and the Stalking Horse Agreement was deemed to be the successful bid under the terms of the SISP.

The Transaction is for $5 million, $600,000 of which is a credit bid and the balance in cash. It is to be structured as an RVO. The purchase price will pay out SVB and some distribution to the Secured Noteholders. There will be no recovery for unsecured creditors or shareholders. The Transaction will provide continued employment for most of the 39 employees and continued business for the Company's suppliers, landlord and customers.

Section 11.6 of the CCAA permits a proposal proceeding to be continued under the CCAA if no proposal has been filed, the proposed continuation would be consistent with the purposes of the CCAA and evidence is filed that is a reasonable surrogate for that required to be filed on an initial application under the CCAA. All three of those requirements have been met. In particular, the Company has developed the Fourth Cash Flow Statement with the help of the Proposal Trustee. It shows that the Company will have sufficient resources to operate until December 23, 2022, the end of the proposed stay period. Further, the record amply supports the good faith efforts made by the Company to pursue a going concern sale that will benefit its stakeholders. The Transaction is the best available one available and it requires continuance under the CCAA for its implementation. I am granting the Initial Order continuing the proposal proceeding under the CCAA.

I am granting the requested stay to December 23, 2022. Since this is a continuation of a proposal proceeding and was made on notice to all stakeholders, I am satisfied that I can exercise my discretion to grant the stay under s. 11.02 of the CCAA for that period: see endorsement of Cavanagh J. dated October 7, 2021 in *Medifocus Inc. (Re)* Court File No. CV-20-00669781-00CL and the orders referred to in paragraph 43 of the Factum.

With respect to the structure of the Transaction as an RVO, I am satisfied that it meets the criteria set out by Penny J. in *Harte Gold Corp. (Re)*, 2022 ONSC 653. Structuring the Transaction as an RVO will, among other things, allow the Purchaser to preserve over USD $30 million in operating losses and obtain the benefit of export permits that would be time consuming to transfer. Those benefits have been reflected in the purchase price.

Turning to the factors under s. 36(3) of the CCAA and the *Soundair* principles, I am satisfied that the proposed Transaction is fair and reasonable. Simply put, this is the only offer that the Company generated from its efforts

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Conway J.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	THURSDAY, THE 1ST
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2022
	)	

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 iS5 COMMUNICATIONS INC.

INITIAL ORDER
(Continuation Under CCAA)

THIS APPLICATION, made by the applicant, iS5 Communications Inc. (the "**Applicant**"), to continue the proceedings commenced by the Applicant by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate and court file number 32-2853708 (the "**NOI Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by video conference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Clive Dias sworn November 22, 2022 and the Exhibits thereto, the fourth report of Grant Thornton Limited ("**Grant Thornton**") in its capacity as proposal trustee of the Applicant in the NOI Proceeding (in such capacity, the "**Proposal Trustee**") dated November 23, 2022, and on being advised that the secured creditors who are likely to be affected by the charges continued herein were given notice, and on hearing the submissions of counsel for the Applicant, counsel for the Proposal Trustee, counsel for Phoenix Contact Venture Funds I GmbH (the "**DIP Lender**"), and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Daniel Richer sworn November 22, 2022 filed, and on reading the consent of Grant Thornton to act as the monitor of the Applicant in these proceedings under the CCAA (in such capacity, the "**Monitor**"),

SERVICE

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

DEFINED TERMS

2. THIS COURT ORDERS that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Order of the Honourable Justice Osborne granted in the NOI Proceeding on August 8, 2022 (the "**First Day Order**").

CONTINUANCE UNDER THE CCAA

3. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies and the Applicant shall enjoy the benefits of the protection and authorizations provided to the Applicant by this Order.

4. THIS COURT ORDERS AND DECLARES that effective December 1, 2022, the NOI Proceeding is hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Applicant, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicant and all orders granted during the NOI Proceeding (collectively, the "**Existing Orders**") shall remain valid and binding, notwithstanding the commencement of these CCAA proceedings, including, without limitation, the First Day Order. In the event of a conflict between an order granted in the NOI Proceeding and this Order, this Order shall govern.

5. THIS COURT ORDERS that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA and the Existing Orders including, without limitation, the First Day Order, except to the extent inconsistent with the terms of this Order or the CCAA.

6. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to take all necessary steps in furtherance of its discharge as Proposal Trustee in the NOI Proceeding, including the taxation of its fees and disbursements and those of its counsel.

PLAN OF ARRANGEMENT

7. 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.

POSSESSION OF PROPERTY AND OPERATIONS

8. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant 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.

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

(a) all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing 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.

10. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the

Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

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

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

11. 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, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

12. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real

property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with past practice or on the terms pursuant to the lease. 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.

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

EMPLOYEES

14. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to terminate the employment of such of its employees as it deems appropriate.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

15. THIS COURT ORDERS that until and including December 23, 2022, 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, 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, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

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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.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

21. THIS COURT ORDERS that the indemnity provided by paragraph 3 of the First Day Order shall continue to be in force and effect in these proceedings pursuant to the CCAA.

APPOINTMENT OF MONITOR

22. THIS COURT ORDERS that Grant Thornton 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.

23. 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) take any steps the Monitor deems necessary and appropriate to assist the Applicant to close the sale transaction between the Applicant and Elektrophoenix GmbH (the "**Sale Transaction**");

(c) 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, the Sale Transaction and such other matters as may be relevant to the proceedings herein;

(d) assist the Applicant, to the extent required by the Applicant, in its dissemination to the DIP Lender and its counsel of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings;

(e) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis;

(f) 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;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

24. 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.

25. 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.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender 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.

27. 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.

28. 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, whether incurred prior to, on or subsequent to the date of this Order, 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 weekly basis or on such other basis as agreed between the Applicant and the applicable payee. For greater certainty, the Monitor shall be entitled to be paid its reasonable fees and disbursements in respect of work performed in its former capacity as Proposal Trustee.

29. 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.

DIP FINANCING

30. THIS COURT ORDERS that paragraphs 10 to 16 of the First Day Order are incorporated into this Order and shall be given full force and effect.

VALIDITY AND PRIORITY OF CHARGES CREATED IN THE NOI PROCEEDING

31. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, and the DIP Lender's Charge (each as defined and granted in the First Day Order pursuant to paragraphs 4, 8 and 12 thereof, and collectively referred to herein as the "**Charges**") shall continue to be in force and effect in these proceedings pursuant to the CCAA with the priorities provided for in paragraph 33 hereof.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and the Applicant's counsel shall be entitled to the benefit of the Administration Charge 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.

33. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First, the Administration Charge;

Second, the Directors' Charge; and

Third, the DIP Lender's Charge.

34. THIS COURT ORDERS AND DECLARES that the Administration Charge be and is hereby increased to $350,000.

35. 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 failure to file, register, record or perfect.

36. 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, except any validly perfected security interest in favour of equipment lessors.

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

38. THIS COURT ORDERS that the Charges, the DIP Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to 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 DIP Term Sheet or 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 entering into the DIP Term Sheet, 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 DIP Term Sheet or 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.

39. 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

40. THIS COURT ORDERS AND DECLARES that, given the noticing procedures established and completed in the NOI Proceeding, the Monitor shall not be required to (i) publish any notices, (ii) send any notices to known creditors or (iii) prepare and publish a list showing names and addresses of those creditors and the estimated amounts of those claims.

41. THIS COURT ORDERS that the Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that the case website established in the NOI Proceeding (the "**Case Website**") shall be used in these proceedings under the CCAA in accordance with the Protocol, which Case Website can be accessed at the following URL 'https://www.grantthornton.ca/service/advisory/creditor-updates/#iS5-Communications-Inc'. The Monitor shall upload all documents filed in connection with these proceedings under the CCAA to the Case Website.

42. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol 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

43. 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.

44. 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.

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

46. 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.

47. 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.

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

Conway J.

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 iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

INITIAL ORDER
(Continuation Under CCAA)

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Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	THURSDAY, THE 1ST
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2022
	)	

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 iS5 COMMUNICATIONS INC.

ORDER
(Approval and Vesting Order)

THIS MOTION, made by iS5 Communications Inc. (the "**Debtor**"), 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 Share Purchase Agreement (the "**SPA**") between the Debtor and Elektrophoenix GmbH (the "**Purchaser**"), dated October 17, 2022, and the transaction contemplated therein (the "**Transaction**"), (ii) adding 14544072 Canada Inc. ("**ResidualCo**") as an applicant to these CCAA proceedings; (iii) transferring and vesting all of the Debtor's right, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the SPA) to and in ResidualCo; and (iv) vesting all of the right, title and interest in and to the New Common Shares (as defined in the SPA) in the Purchaser; was heard on December 1, 2022, by video conference in accordance with the Guidelines To Determine Mode of Proceeding in Civil.

ON READING the Debtor's Notice of Motion, the affidavit of Clive Dias sworn November 22, 2022, and the Fourth Report of Grant Thornton Limited ("**Grant Thornton**"), in its capacity as proposal trustee of the Debtor (in such capacity, the "**Proposal Trustee**") in the proceedings commenced by the Debtor by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), bearing estate and court file number 32-2853708, dated November 23, 2022 (the "**Fourth**

Report”), and on hearing the submissions of counsel for the Debtor, counsel for Grant Thornton in its capacity as monitor in these CCAA proceedings (in such capacity, the “**Monitor**”), counsel for the Purchaser, and counsel for those other parties appearing as indicated by the counsel slip, no one appearing for any other party, although duly served as appears from the affidavit of service of Daniel Richer sworn November 22, 2022, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion was properly returnable on December 1, 2022, and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the SPA.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the Transaction be and are hereby approved and that the execution of the SPA by the Debtor is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Debtor is hereby authorized and directed to perform its obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the New Common Shares and the Post-Consolidation Common Shares to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision hereof, the closing of the Transaction shall be deemed to occur in the manner, order and sequence set out in the SPA, including in accordance with the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Purchaser and the Debtor, with the approval of the Monitor, provided that such alterations, changes or amendments do not

materially alter or impact the Transaction or the consideration which the Debtor and/or its applicable stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Debtor to proceed with the Transaction (including, for certainty, the Pre-Closing Reorganization and the Closing Sequence), and that no shareholder or other approval shall be required in connection therewith.

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

(a) first, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined below) shall continue to attach to the Excluded Assets and to the Proceeds (as defined below) in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(b) second, all Excluded Contracts and Excluded Liabilities of the Debtor (which for certainty includes 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), other than: (i) the Assumed Liabilities, and (ii) any set off claims asserted as defences to any claims made by the Debtor, shall be channelled to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Debtor, and the Debtor and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (together with the Retained Assets, the "**Debtor's Property**") shall be and are hereby forever released and discharged from such Excluded Contracts and

Excluded Liabilities and all related Claims and all Encumbrances (each as defined below) affecting or relating to the Debtor's Property are hereby expunged and discharged as against the Debtor's Property;

(c) third, 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) and are convertible or exchangeable for any securities of the Debtor or which require the issuance, sale or transfer by the Debtor, of any shares or other securities of the Debtor and/or the share capital of the Debtor, or otherwise relating thereto, shall be deemed terminated and cancelled;

(d) fourth, all of the right, title and interest in and to the New Common Shares shall vest absolutely in the Purchaser, free and clear of and from any and all 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; and (iii) 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, easements and restrictive covenants listed on Schedule "C" hereto). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the New Common Shares are hereby expunged and discharged as against the New Common Shares; and

(e) fifth, the Debtor shall be deemed to cease being a Debtor in these CCAA proceedings, and the Debtor shall be deemed to 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 Debtor) shall continue to apply in all respects.

7. **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 Transaction.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Debtor and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the New Common Shares (including, for greater certainty, the Deposit and the Cash Consideration) (the "**Proceeds**") shall stand in the place and stead of the Debtor's Property, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Debtor's Property immediately prior to the sale.

10. **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 Debtor 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 Debtor's records pertaining to past and current employees of the Debtor. 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 Debtor.

11. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Debtor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent), or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Debtor (provided, as it relates to the Debtor, such release shall not apply to Taxes in respect of the business and operations conducted by the Debtor after the Effective Time), including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Debtor (including its affiliates and any predecessor corporations)

pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial equivalent, in connection with the Debtor. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

12. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all Contracts to which the Debtor 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 Debtor);

(b) the insolvency of the Debtor or the fact that the Debtor sought or obtained relief under the BIA and the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any transfer or assignment, or any change of control of the Debtor arising from the implementation of the SPA, the Transaction or the provisions of this Order.

13. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of the Debtor in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Debtor's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the SPA shall affect or waive the Debtor's rights and defences

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both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set offs or recoupments against such Assumed Liability.

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, 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 Contract existing between such Person and the Debtor (including for certainty, those Contracts constituting Retained Assets) arising directly or indirectly from the commencement of the NOI Proceeding or the conversion to the CCAA Proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 12 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 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 Debtor from performing its obligations under the SPA or be a waiver of defaults by the Debtor under the SPA and the related documents.

15. **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, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Debtor relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

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

(a) the nature of the Assumed Liabilities retained by the Debtor, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

(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 right or claim against the Debtor under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Debtor but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time 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 Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Debtor prior to the Effective Time.

17. **THIS COURT ORDERS AND DECLARES** 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 this 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 Initial Order dated December 1, 2022), shall constitute a charge on the ResidualCo Property.

18. **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 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 SPA, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the transfer and vesting of the New Common Shares in and to the Purchaser) 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’S ENHANCED POWERS

19. THIS COURT ORDERS that in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court in this CCAA Proceeding, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required, to:

(a) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of ResidualCo in order to facilitate the performance of any ongoing obligations of ResidualCo, including with respect to any Excluded Liability Claim, and to carry out the Monitor’s duties under this Order or any other Order of this Court in this CCAA Proceeding;

(b) exercise any powers which may be properly exercised by a board of directors of ResidualCo;

(c) cause ResidualCo to retain the services of any person as an employee, consultant, or other similar capacity all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

(d) open one or more new accounts (the "**ResidualCo Accounts**") into which all funds, monies, cheques, instruments and other forms of payment payable to ResidualCo shall be deposited from and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of ResidualCo, the ResidualCo Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(e) cause ResidualCo to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of ResidualCo or the distribution of the proceeds of the ResidualCo Property or any other related activities, including in connection with bringing this CCAA Proceeding to an end;

(f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of ResidualCo in the name of or on behalf of ResidualCo;

(g) claim or cause ResidualCo to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which ResidualCo is entitled;

(h) have access to all books and records that are the property of ResidualCo in ResidualCo's possession or control in addition to the Debtor's books and records in accordance with the terms of the SPA;

(i) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof;

(j) consult with Canada Revenue Agency with respect to any issues arising in respect of this CCAA Proceeding; and

(k) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

20. THIS COURT ORDERS that notwithstanding anything contained in this Order, the Monitor is not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo or the Debtor.

21. THIS COURT ORDERS that, without limiting the provisions of the Initial Order, ResidualCo shall remain in possession and control of its Property and Business (each as defined in the Initial Order) and the Monitor shall not take, or be deemed to have taken, possession or control of the Property or the Business of ResidualCo, or any part thereof.

22. 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 and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Initial Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties and the carrying out of the provisions of this Order.

23. 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 or legal representative of the Debtor or ResidualCo within the meaning of any relevant legislation and that any distributions to creditors of ResidualCo or the Debtor by the Monitor will be deemed to have been made by ResidualCo.

24. THIS COURT ORDERS that the power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of ResidualCo with respect to such matters and, 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.

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RELEASES

25. **THIS COURT ORDERS AND DECLARES** that Clive Dias' resignation as director of ResidualCo on November 21, 2022 be and is hereby authorized and ratified.

26. **THIS COURT ORDERS** that effective upon filing of the Monitor's Certificate, (i) the current directors, officers, employees, independent contractors that have provided legal or financial services to the Debtor or ResidualCo, as applicable, (ii) legal counsel and advisors of the Debtor or ResidualCo, (iii) Clive Dias, in his capacity as former director of ResidualCo, and (iv) the Proposal Trustee, the Monitor and their legal counsel (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind 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) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate and that relate in any manner whatsoever to the Debtor or any of its assets (current or historical), obligations, business or affairs or this CCAA Proceeding, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Transaction, or the administration and/or management of the Debtor or these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

GENERAL

27. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the New Common Shares.

28. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings 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 14544072 CANADA INC.

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

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist 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.

31. **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.

Conway J.

Schedule A – Form of Monitor's Certificate

Court File No. 32-2853708

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 iS5 COMMUNICATIONS INC.

RECITALS

A. Pursuant to the Initial Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List), dated December 1, 2022, as amended, iS5 Communications Inc. (the "**Debtor**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Grant Thornton Limited was appointed as the monitor (in such capacity, the "**Monitor**") of the Debtor.

B. Pursuant to the Approval and Vesting Order of the Court dated December 1, 2022 (the "**Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement dated October 17, 2022 (the "**SPA**"), between the Debtor and Elektrophoenix GmbH (the "**Purchaser**"), and ordered, *inter alia*, that: (i) all of the Debtor'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 New Common Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and the Debtor that all conditions to closing have been satisfied or waived by the parties to the SPA.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and from the Debtor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Monitor's certificate was delivered by the Monitor at __________ on ___________, 2022.

Grant Thornton Limited, in its capacity as Monitor of the Debtor, and not in its personal capacity.

Per: _______________________________

Name:

Title:

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 iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Applicant, iS5 Communications Inc.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	THURSDAY, THE 1ST
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2022
	)	

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 iS5 COMMUNICATIONS INC.

ORDER

THIS MOTION, made by iS5 Communications Inc. (the "**Company**"), 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 (the "**Fourth Report**") of Grant Thornton Limited ("**Grant Thornton**") in its capacity as the proposal trustee of the Company (in such capacity, the "**Proposal Trustee**") in the proceeding commenced by the Company by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate and court file number 32-2853708 (the "**NOI Proceeding**"), dated November 23, 2022, and the actions, conduct and activities of the Proposal Trustee described in the Fourth Report, and (ii) approving the fees and disbursements of the Proposal Trustee and its legal counsel Cozen O'Connor LLP ("**Cozen**") incurred in connection with the NOI Proceeding.

ON READING the affidavit of Clive Dias sworn November 22, 2022, the exhibits thereto and the Fourth Report, and on hearing the submissions of counsel for the Company, counsel for the Proposal Trustee, and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served as appears form the affidavit of service of Daniel Richer sworn November 22, 2022 filed,

SERVICE

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.

DEFINED TERMS

2. THIS COURT ORDERS that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) granted in these proceedings on December 1, 2022.

REPORT AND ACTIVITIES OF THE PROPOSAL TRUSTEE

3. THIS COURT ORDERS that the Fourth Report, and the actions, conduct and activities of the Proposal Trustee described therein, be and are hereby approved, provided, however, that only the Proposal Trustee, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF PROFESSIONAL FEES

4. THIS COURT ORDERS that the fees and disbursements of the Proposal Trustee and Cozen in the total amounts of $118,410.28 and $64,023.52, respectively, as set out in the Fourth Report and the fee affidavits attached as Appendices "9" and "10" thereto, be and are hereby approved.

GENERAL

5. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, Residual Co, 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 Company and ResidualCo, and 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 Company, ResidualCo, the Monitor and their respective agents in carrying out the terms of this Order.

6. THIS COURT ORDERS that each of the Company, 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 a jurisdiction outside Canada.

7. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

Conway J.

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 iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

ORDER

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Lawyers for the Applicant, iS5 Communications Inc.

APPENDIX 2

SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-22-00690563-00CL

DATE: Dec.22/22

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TITLE OF PROCEEDINGS: 14544072 Canada Inc. / iS5 Communications Inc.

NAMES OF COUNSEL AND PARTY:

☐ APPLICANT(S)

☐ PLAINTIFF(S) Sam Babe for Silicon Valley Bank

PHONE

EMAIL sbabe@airdberlis.com

NAMES OF COUNSEL AND PARTY:

☐ DEFENDANT Steven Weisz for Grant Thornton Limited, Monitor

☐ RESPONDENT(S)

☐ DEFENDANT(S)

☐ RESPONDENT(S)

PHONE

EMAIL sweisz@cozen.com

PHONE

EMAIL

ENDORSEMENT OF OSBORNE, J:

[1] The relief sought today by the Monitor is unopposed. They Monitor seeks an extension of the stay until January 31, 2023, authorization and direction on behalf of ResidualCo, to distribute sufficient funds to pay the secured indebtedness owed to SVB, in full, approval of the Monitor's First report dated December 15, 2022 and the activities described therein, and declaring that WEPPA applies to ResidualCo.

[2] Defined terms have the meaning given to them in the First Report and the motion materials.

[3] The stay extension makes practical common sense and I am satisfied the requirements of section 11 of the CCAA are satisfied. The distribution to SVB, the ranking creditor, is also appropriate now that proceeds are available.

[4] The activities of the Monitor as described in the First Report are equally appropriate and are approved.

[5] I am satisfied that WEPPA applies to ResidualCo. The Department of Justice is on the Service List and received the motion materials. It is the view of the Monitor that one or more employees of the Company who were recently terminated prior to the closing of the Transaction would be eligible to receive a payment under WEPPA. I am satisfied that such former employees meet the criteria set out in section 3.2 of the Wage Burner Protection Program Regulations, SOR/2008-222, pursuant to section 5(5) of WEPPA, and are individuals to whom it is applicable.

[6] Order to go in the form signed by me today which is effective without the necessity of issuing and entering.

[7] The parties will return for a <u>30 minute appointment on January 20, 2023 commencing at 11:30 AM</u> for the hearing of what is expected to be a motion for the discharge of the Monitor to conclude this proceeding.

Osborne, J.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 22nd
	)	
JUSTICE OSBORNE	)	DAY OF DECEMBER, 2022
	)	

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 14544072 CANADA INC.

ORDER

THIS MOTION, made by Grant Thornton Limited (the **"Monitor"**), in its capacity as Monitor of 14544072 Canada Inc. ("**ResidualCo**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, was heard this day by judicial video conference in Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's first report dated December 15, 2022 ("**Monitor's First Report**") filed by Grant Thornton Limited in its capacity as Monitor of ResidualCo in connection with ResidualCo's (and formerly iS5 Communications Inc.'s ("**iS5**")) proceedings under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended ("**CCAA**" and with reference to these proceedings, the **"CCAA Proceedings**"), and on hearing submissions of counsel for the Monitor and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served, as appears from the Affidavit of Service of Susan Gonsalves sworn December 15, 2022, filed:

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

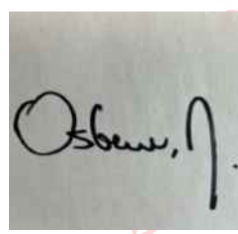
2. THIS COURT ORDERS that terms not otherwise defined herein shall have the meanings accorded to them in the Initial Order made in these proceedings on December 1, 2022 (the “**Initial Order**”).

3. THIS COURT ORDERS that the Stay Period be and is hereby extended until and including January 31, 2023.

4. THIS COURT ORDERS that the Monitor, on behalf of ResidualCo, distribute sufficient funds to pay, in full, the secured indebtedness owed to Silicon Valley Bank (“**SVB**”), as the primary secured creditor of ResidualCo.

5. THIS COURT ORDERS that the Monitor’s First Report, and the actions, conduct and activities of the Monitor described therein, be and are hereby approved, provided, however, that only the Monitor, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

6. THIS COURT ORDERS AND DECLARES that the *Wage Earner Protection Program Act (Canada), SC 2005, c 47, s 1* ("**WEPPA**") applies to ResidualCo. and the employee(s) that were terminated on or just prior to the closing of the Transaction and as a result of ResidualCo’s (and formerly iS5’s) restructuring proceedings.



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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 MATTER OF THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
TORONTO

O R D E R

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Lawyers for Grant Thornton Limited, in its capacity as Monitor of 14544072 Canada Inc.

APPENDIX 3

DIRECTION RE FUNDS

TO: **GRANT THORNTON LIMITED, as Monitor**

AND TO: **14544072 CANADA INC. ("ResidualCo")**

AND TO: **iS5 COMMUNICATIONS INC. (the "Company")**

RE: **Convertible Secured Promissory Notes issued November 19, 2020 ("Original Notes") and Convertible Secured Promissory Notes issued August 17, 2021 ("New Notes") by the Company (together, the "Notes")**

DATED: **January 10, 2023**

WHEREAS pursuant to the order of the Ontario Superior Court of Justice (Commercial List) dated December 1, 2022 in Court File No. CV-22-00690563-00CL ("**Approval and Vesting Order**"), the Company was authorized and directed to complete a transaction ("**Transaction**"), which Transaction was completed on December 14, 2022, by which Elektrophoenix GmbH ("**Purchaser**") became the sole shareholder of the Company and certain liabilities of the Company were transferred to ResidualCo with the same priority as they had prior to transfer, including the obligations of the Company under the Original Notes and the New Notes.

AND WHEREAS upon completion of the Transaction, the proceeds thereof ("**Proceeds**") were paid to Grant Thornton Limited in its capacity as the court-appointed monitor of ResidualCo (in such capacity, "**Monitor**").

AND WHEREAS further to the Approval and Vesting Order,the Monitor shall take such steps as it deems necessary to distribute the Proceeds and the assets of ResidualCo to the creditors of ResidualCo in accordance with their priorities.

AND WHEREAS pursuant to a subordination agreement among the holders of the Original Notes ("**Original Noteholders**"), the holders of the New Notes ("**New Noteholders**" and, collectively with the Original Noteholders, "**Noteholders**") and Silicon Valley Bank, amounts owing on the Original Notes and New Notes are subordinate to amounts owing to Silicon Valley Bank.

AND WHEREAS pursuant to an intercreditor agreement dated August 17, 2021, the Original Notes and the New Notes and the security created thereby rank *pari passu* (based upon principal and interest then outstanding), and each of the Noteholders ceded, postponed and subordinated their respective indebtedness secured thereunder to and in favour of every other holder to give effect to such *pari passu* ranking.

AND WHEREAS BDC Capital Inc. ("**BDC**") holds security on its own behalf and on behalf of each of the other Original Noteholders.

AND WHEREAS ClearSky Power & Technology Fund II LLC ("**CSPTF II**") holds security on its own behalf and on behalf of each of the other New Noteholders.

AND WHEREAS further to the Approval and Vesting Order the Monitor will determine the aggregate Proceeds available for distribution to the Noteholders, the debt (inclusive of principal and interest then outstanding) owing to each of the Noteholders, and each of the Noteholders' corresponding *pro rata* entitlement to the aggregate Proceeds available for distribution to the Noteholders.

THEREFORE BDC and CSPTF II, in their capacities as security holders, hereby irrevocably authorize and direct the Monitor on behalf of ResidualCo to disburse to the Noteholders, on a *pro rata* and *pari passu* basis as amongst the Noteholders, such Proceeds as the Monitor determines are available for distribution to the Noteholders, as follows:

1. to BDC, by wire transfer of immediately available funds to the account details attached as **Schedule A** in partial repayment of the debt owing under the Original Note issued to BDC;

2. to CSPTF II, by wire transfer of immediately available funds to the account details attached as **Schedule B** in partial repayment of the debt owing under the Original Note and under the New Note issued to CSPTF II;

3. to ClearSky Security Fund I LLC ("**CSF I**"), by wire transfer of immediately available funds to the account details attached as **Schedule C** in partial repayment of the debt owing under the Original Note and under the New Note issued to CSF I;

4. to Phoenix Contact Venture Funds I GmbH ("**Phoenix**"), as directed by Phoenix, in partial repayment of the debt owing under the Original Note and under the New Note issued to Phoenix;

5. to Cao Yang ("**Yang**"), as directed by Yang, in partial repayment of the debt owing under the Original Note and under the New Note issued to Yang;

6. to David and Jessica Coutinho, as trustees of the Coutinho Family Trust ("**Coutinho**"), as directed by Coutinho, in partial repayment of the debt owing under the Original Note issued to Coutinho;

7. to Clive Dias ("**Dias**"), as directed by Dias, in partial repayment of the debt owing under the New Note issued to Dias;

8. to Artemis Capital Limited ("**Artemis**"), as directed by Artemis, in partial repayment of the debt owing under the New Note issued to Artemis;

and this shall be your good and sufficient authority for doing so.

Defined terms used in this Direction that are not otherwise defined herein are defined with the meanings given to such terms in the Approval and Vesting Order. Execution of this Direction by any party by facsimile or other electronic format (including, without limitation, PDF), and in one or more counterparts, shall be treated, for all purposes, as execution by original signature. This Direction shall be governed by the laws of the Province of Ontario.

[Signature page follows]

DATED as of the date first above written.

BDC CAPITAL INC.

By: DocuSigned by: Anne-Marie Christoffersen-Deb 342AFE128A8F464...
Name: Anne-Marie Christoffersen-Deb
Title: Director, Bridge Financing Program

By: DocuSigned by: E. B. C8C77EBAC41A40D...
Name: Ela Borenstein
Title: Vice-President, VCIP

CLEARSKY POWER & TECHNOLOGY FUND II LLC

By: ______________________________
Name: James Huff
Title: Managing Director

DATED as of the date first above written.

BDC CAPITAL INC.

By: ______________________________
Name: Anne-Marie Christoffersen-Deb
Title: Director, Bridge Financing Program

By: ______________________________
Name: Ela Borenstein
Title: Vice-President, VCIP

CLEARSKY POWER & TECHNOLOGY FUND II LLC

DocuSigned by:
James Huff
BAC283766F37484...

By: ______________________________
Name: James Huff
Title: Managing Director

SCHEDULE A

BDC Capital Inc.

Wiring Instructions

Beneficiary details:
Account name: BDC Capital Inc.
Address: 5 Place Ville Marie
Suite 100, Montreal QC H3B 5E7

Bank Information :
Bank : Bank of Montreal
Address : 119 St-Jacques, Main Floor, Montreal QC H2Y 1L6

CAD Wire Payment Instructions:
General CAD Payment Routing Instructions:
SWIFT B.I.C. Code: BOFMCAM2
Beneficiary Account Details: 0001-1941-762

CAD EFT Payments:
Financial Institution: 001
Account Number: 1941 762
Transit Number: 00011

USD Wire Payment Instructions:
General USD Payment Routing Instructions:
Pay through: (Destination Bank) Wells Fargo Bank, N.A. (formerly known as Wachovia) New York
S.W.I.F.T. BIC CODE: PNBPUS3NNYC
Fed wire ABA Number 026005092 or CHIPS UID Number 0509
Beneficiary's Bank: Bank of Montreal,
(BBK field or SWIFT field 57a) Intl Banking H.O. Montreal
S.W.I.F.T. BIC CODE: BOFMCAM2
Beneficiary Account Details: 0001-4760-886

USD EFT Payments:
Financial Institution: 001
Account Number: 4760 886
Transit Number: 00011

SCHEDULE B

ClearSky Power & Technology Fund II LLC

Wiring Instructions

Bank Name:	Silicon Valley Bank
Location:	Santa Clara, California
SWIFT Code:	SVBKUS6S (for international payments only)
ABA Number:	121-140-399
Account Name:	ClearSky Power & Technology Fund II LLC
Account Number:	3302353314

SCHEDULE C

ClearSky Security Fund I LLC

Wiring Instructions

Bank Name:	Silicon Valley Bank
Location:	Santa Clara, California
SWIFT Code:	SVBKUS6S (for international payments only)
ABA Number:	121-140-399
Account Name:	ClearSky Security Fund I LLC
Account Number:	3302203348

APPENDIX 4

In the Matter of the Receivership of 14544072 Canada Inc.
Final Statement of Receipts and Disbursements
As at January 11, 2023

Receipts			
Sale Proceeds		$ 5,744,850	
Interest Allocation		7,543	
Total Receipts			**$ 5,752,393**
Disbursements			
Miscellaneous Fees		17	
Monitor/Proposal Trustee's Fees		56,698	
HST on Monitor/Proposal Trustee's Fees		7,371	
Legal Fees		329,500	
HST on Legal Fees		52,801	
Distribution to Silicon Valley Bank		2,605,211	
Total Disbursements			**$ 3,051,598**
Receipts less Disbursements			**$ 2,700,795**
Proposed Disbursements			
Monitor's Fees		77,620	
HST on Monitor's Fees		10,115	
Legal Fees		116,464	
HST on Legal Fees		15,110	
Bankruptcy Retainers		45,000	$ 264,309
2020 Note Issuance			$ 2,436,485
Coutinho Family Trust	0.36%	8,819	
Cao Yang - Note 1	0.21%	5,039	
Phoenix Contact Venture I	10.34%	251,963	
ClearSky Security Fund I	5.17%	125,982	
ClearSky Power & Technology Fund II	15.51%	377,945	
BDC Capital Inc.	31.02%	755,890	
2021 Note Issuance			
ClearSky Power & Technology Fund II	18.35%	447,079	
ClearSky Security Fund I	6.12%	149,026	
Pheonix Contact Venture Funds I	12.23%	298,052	
Cao Yang - Note 2	0.20%	4,769	
Clive Dias	0.24%	5,961	
Artemis Capital Limited	0.24%	5,961	
Total Proposed Disbursements			**$ 2,700,795**
Receipts less Disbursements and Proposed Disbursements			**$ -**

Notes:

1. All of the above values are in CAD $.
2. The August 5th Order(s) established an Administrative Charge to secure payment of certain professional fees and disrbusements in the amount of $150,000, which was subsequently increased to $350,000 in the December 1 Orders. The charge was used to remit payment of the fee owing to iS5's former counsel, who is a beneficiary to the charge.
3. The proposed distribution to Secured Noteholders is a pro rata distribution based on principal and interest outstanding as at Janaury 20, 2023.

APPENDIX 5

District of Ontario
Division No. 9 - Toronto
Estate File No. 32-2853708
Court File No. CV-22-00690563-00CL

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 THE COMPROMISE AND ARRANGEMENT OF 14544072 CANADA INC. OF THE CITY OF MISSISSAUGA, PROVINCE OF ONTARIO

AFFIDAVIT OF DANIEL WOOTTON

I, **Daniel Wootton**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am Senior Vice-President of Grant Thornton Limited, ("**GTL**"). Court-Appointed Monitor of 14544072 Canada Inc., and formerly the Proposal Trustee and Monitor of iS5 Communications Inc. (collectively, the "**Company**"), and as such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "**A**" to this my affidavit is a true copy of the detailed billing setting out the fees and disbursements of GTL in its role as Proposal Trustee/Monitor of the Company from November 1, 2022 to December 31, 2022, totalling $72,925.12, and HST in the amount of $8,389.62 and such is summarized on Exhibit "**B**" to this my affidavit. That the average hourly rate from November 1, 2022 to December 31, 2022 was $455.38.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. The hours spent on this matter and disbursements incurred by GTL are outlined in detail in Exhibits "A" and "B" and I believe were reasonable and appropriate in the circumstances.

5. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME over video teleconference this 9th day of January 2023	)	
	)	
Commissioner for Taking Affidavits, etc.	)	Daniel Wootton

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2023

Exhibit "A" to the Affidavit of Daniel Wootton,
sworn before me this 9th day of January 2023

Commissioner for Taking Affidavits, etc.

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2023

Grant Thornton

December 9, 2022

iS5 Communications Inc.
5895 Ambler Dr.
Mississauga, ON
L4W 5B7

Attention: Clive Dias

Remit To: Grant Thornton Limited
11th Floor
200 King Street West
Toronto, Ontario M5H 3T4

Attention: Dan Wootton

BILLING

BN 12738 4717 RT0001
Client #333331
Invoice# LSON-8649

Re: iS5 Communications Ltd.

To: Professional fees rendered for the period from November 1, 2022 to November 30, 2022.

Date	Full Name	Time	Detail
November 1, 2022	Jason Kanji	1.10	Coordinate CAs on SISP process; Communicate with interested parties.
November 1, 2022	David Collins	0.50	Monitored iS5 inbox; Correspondence with interested parties. Updated IPT.
November 1, 2022	Matthew Gibbard	1.00	Review of emails from interested parties; Respond to emails; Discussion with team.
November 2, 2022	Jason Kanji	1.00	Management of SISP process; Review NDAs and changes; Correspond with interested parties
November 2, 2022	David Collins	0.70	Reviewed interested party correspondence; Reviewed previous cash flow. Cash flow call with iS5.
November 2, 2022	Matthew Gibbard	0.30	Response and review of emails from interested parties.
November 3, 2022	Jason Kanji	1.20	Correspond with SISP participants; Correspond with counsel on next motion; Review information on the same
November 3, 2022	Matthew Gibbard	0.30	Review email from counsel; Look into inquiry; Email to interested party counsel.
November 4, 2022	Jason Kanji	0.80	Correspond with interested parties; Prepare materials for next motion; Update Company on SISP.
November 4, 2022	Dan Wootton	0.40	Debtor counsel correspondence; Review and sign consent; Review weekly sale process update.
November 4, 2022	Matthew Gibbard	0.10	Discussion with David on interested parties.
November 4, 2022	David Collins	0.40	Provided update to J. Kanji on status of sale process. Monitored.

Date	Full Name	Time	Detail
November 7, 2022	Rosa Wilford	1.20	On-line banking; Review print screens for expecting incoming wire; Notify team funds received; Prepare receipt requisition form; Post deposit entries, print slip and stamp date for signing; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; E-file remittance advice; Emails.
November 7, 2022	Matthew Gibbard	0.10	Updating interested party tracker.
November 7, 2022	Matthew Gibbard	0.10	Email to the sunray group and add additional member from the group to the data room.
November 7, 2022	Matthew Gibbard	0.10	Email to potential purchaser.
November 7, 2022	Matthew Gibbard	0.10	Review of email from the Sunray Group with signed NDA.
November 7, 2022	Matthew Gibbard	0.20	Call with the Sunray Group then email to the Sunray group.
November 7, 2022	Matthew Gibbard	0.10	Review of email from potential purchaser.
November 7, 2022	Jason Kanji	1.20	Correspond with various SISP participants; Correspond with CD on agreements; Internal update with team on SISP
November 7, 2022	David Collins	0.60	Correspondence with interested parties; Added interested parties to data room.
November 8, 2022	David Collins	0.10	Monitored iS5 inbox.
November 9, 2022	David Collins	0.40	Reviewed weekly cash flow; Brief call M. Milani re: extending cash flow. Weekly cash flow review call.
November 9, 2022	Matthew Gibbard	0.10	Email response to Harris computers.
November 10, 2022	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
November 10, 2022	Jason Kanji	1.00	Review and begin preparation of motion materials for SISP/CCAA approval.
November 10, 2022	David Collins	3.00	Call with J. Kanji; Began writing the Fourth Report.
November 14, 2022	David Collins	5.00	Finished first draft of Fourth Report and sent to J. Kanji for review; Monitored iS5 inbox. Sent materials to new interested party; Updated Interested Party Tracker; Updated statistics for J. Kanji's update to iS5.
November 14, 2022	Matthew Gibbard	0.20	Call with interested party; Email them the sales process documents.
November 15, 2022	Matthew Gibbard	0.20	Review of email from the CVC group, and response.
November 15, 2022	Dan Wootton	0.80	Update correspondence with counsel; Internal update on offer status and draft report to court.
November 15, 2022	David Collins	0.20	Corresponded with interested parties; Updated the interested party tracker.

Date	Full Name	Time	Detail
November 16, 2022	David Collins	1.40	Call with M. Milani re: cash flow to January 27, 2023; Updated cash flow formatting to prepare for filing; Weekly cash flow review and call with iS5. Monitored iS5 inbox.
November 16, 2022	Dan Wootton	1.40	Internal meeting re: sale process and next steps; Correspond with counsel, iS5 counsel, and Stalking Horse Purchaser counsel.
November 16, 2022	Matthew Gibbard	0.10	Email to Jason confirming we have not received offers.
November 16, 2022	Jason Kanji	7.70	Review and amend is5 report; Numerous calls with Company counsel on relief being sought; Review of projected cash flows and amendments on the same; Conclusion of Phase 1 SISP and correspondence on the same.
November 17, 2022	Jason Kanji	3.30	iS5 SISP update with counsel; Amend report; Review and discuss relief being sought; Review of cashflow projections.
November 17, 2022	Dan Wootton	1.00	SISP review, report to court, and correspond with debtor and counsel.
November 18, 2022	David Collins	2.50	Reviewed loan documents and financial information and prepared cash flow waterfall.
November 18, 2022	Jason Kanji	5.40	Correspondence with counsel on relief being sought; Review of materials; Review and amendment of report; Discussions internally on the same; Updates to cash flow.
November 18, 2022	Dan Wootton	0.70	SISP update and plan for next steps.
November 19, 2022	Jason Kanji	1.30	Prepare for and attend update call with Counsel; Correspond with Company Counsel; Review and amendment of Waterfall.
November 19, 2022	Dan Wootton	1.20	Review draft Court materials and discuss with counsel.
November 21, 2022	David Collins	1.50	Compiled appendices for the Fourth Report. Reformatted cash flow for filing in the Fourth Report; Obtained records of priority payments from M. Milani at iS5.
November 21, 2022	Dan Wootton	3.20	Call with counsel re: security opinion, report to Court, and sale transaction; Update call with Secured Lender counsel; Review Debtor's Court materials, correspond with respective counsel on timing to serve, distributions, and court dates; Assist Debtor counsel with NTDs for their materials; Finalize Fourth Cash Flow Forecast.
November 21, 2022	Jason Kanji	3.40	Prepare for and attend numerous meetings re: motion materials; Review and amend report; Correspond with counsel and management on the same.
November 22, 2022	Dan Wootton	4.30	Review and update Fourth Report to Court, forward to respective counsel for review and comment. Correspond with Debtor counsel, Purchaser counsel, and Secured Lender counsel.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Date	Full Name	Time	Detail
November 23, 2022	David Collins	1.00	Brief call with J. Kanji; Updated Fourth Report with comments from counsel; Reviewed weekly cash flow; Call with iS5.
November 23, 2022	Dan Wootton	0.40	Internal update correspondence and Fourth Report matters; review and sign final version of the Fourth Report and forward to counsel for service.
November 23, 2022	Jason Kanji	3.90	Numerous calls with counsel; Amendments to report for service; Correspond with team internally; Correspond with creditors
November 24, 2022	Dan Wootton	1.70	Correspond with HP re: RBC; Correspond with FedDev; phoenix correspondence re: closing. Internal correspondence re: Report to Court.
November 24, 2022	Jason Kanji	1.00	Update call with is5 management to discuss closing matters
November 25, 2022	Ada Shahini	0.30	Uploaded notice of application and motion record and fourth report of proposal trustee and first report of proposed monitor; Uploaded documentation on website and responded to team email.
November 28, 2022	David Collins	1.00	Meeting with D. Wootton and J. Kanji; Began drafting Fifth Report of the Proposal Trustee for iS5.
November 28, 2022	Dan Wootton	1.30	Internal update meeting and prepare for next report to court, and Dec 1 court hearing; correspond with Debtor Counsel re: SPA time periods.
November 28, 2022	Jason Kanji	0.50	Discussions re: next report and filings.
November 29, 2022	David Collins	0.60	Brief meeting with J. Kanji. Continued drafting next iS5 report.
November 29, 2022	Jason Kanji	1.00	Update call with Maurizio re: operations; Review of Payables
November 30, 2022	David Collins	3.40	Prepared Forms 1 and 2 for December 1, 2022 hearing; Correspondence with M. Milani; Continued drafting First Report of the Monitor.
November 30, 2022	Dan Wootton	0.10	Creditor correspondence.
November 30, 2022	Ada Shahini	0.20	Received and uploaded Factum dated November 28, 2022 on website and server; Responded to teams email.
November 30, 2022	Jason Kanji	0.50	Correspond with counsel re: enforcement of contracts.

Time Charges and Expenses:

D. Wootton, Sr. Vice President	16.50	hours @	$	695.00	per hour	$	11,467.50
J. Kanji, Sr. Manager	34.30	hours @	$	375.00	per hour	$	12,862.50
R. Wilford, Manager	1.20	hours @	$	295.00	per hour	$	354.00
D. Collins, Sr. Associate	22.30	hours @	$	245.00	per hour	$	5,463.50
A. Shahini, Sr. Associate	0.50	hours @	$	200.00	per hour	$	100.00
M. Gibbard, Sr. Associate	3.00	hours @	$	205.00	per hour	$	615.00
V. Naccarato, Analyst	0.20	hours @	$	165.00	per hour	$	33.00
	78.00					$	30,895.50
Disbursements:							
The Globe and Mail ad						$	2,701.00
						$	2,701.00
Total time and disbursements						$	33,596.50
HST						$	4,367.55
Total Invoice Due						**$**	**37,964.05**

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Grant Thornton

November 8, 2022

iS5 Communications Inc.
5895 Ambler Dr
Mississauga ON L4W 5B7

Remit To:
Grant Thornton Limited
Nova Centre, North Tower
1001 - 1675 Grafton St
Halifax, NS B3J 0E9

BN 12738 4717 RT0001

CLIENT # 333331

FOR PROFESSIONAL SERVICES **INVOICE # LSON-8597**

Ascend License fee		$190.00
	HST	24.70
		CAD $214.70

Billing Address
11th Floor
200 King Street West
Box 11
Toronto ON M5H 3T4
T +1 416-366-0100
F +1 416-360-4949

Please make payment(s) payable to Grant Thornton Limited
For Billing inquiries, please contact your local office.
For payment inquiries, please call 1-844-268-1495 between 7:30 AM and 5:30 PM Eastern Time, Monday to Friday. We accept payments using Visa or MasterCard.
Please note we are unable to accept INTERAC E-transfer.
For money transfers: RBC Royal Bank of Canada, 200 Bay Street, Toronto, ON M5J 2J5
Bank No: 003 Transit No: 00002 Account No: 1456458 BIC/SWIFT Code: ROYCCAT2
Please send remittance details to: Accounts.Receivable@ca.gt.com

Grant Thornton

January 4, 2023

iS5 Communications Inc.
5895 Ambler Dr.
Mississauga, ON
L4W 5B7

Attention: Clive Dias

Remit To: Grant Thornton Limited
11th Floor
200 King Street West
Toronto, Ontario M5H 3T4

Attention: Dan Wootton

BILLING

BN 12738 4717 RT0001
Client #333331
Invoice# LSON-8682

Re: iS5 Communications Ltd.

To: Professional fees rendered for the period from December 1, 2022 to December 31, 2022.

Date	Full Name	Time	Detail
December 1, 2022	Ada Shahini	0.30	Received and uploaded Orders on website and server; Responded to teams email.
December 1, 2022	David Collins	0.20	Reviewed the Dias Affidavit to confirm the secured noteholders on request of J. Kanji.
December 1, 2022	Jason Kanji	1.30	Prepare for and attend is5 hearing; Prepare and finalize CCAA regulatory forms
December 1, 2022	Dan Wootton	1.60	Prepare for and attend Court hearing for iS5 (CCAA, sale transaction, etc.). Review Court orders and connect with counsel.
December 2, 2022	David Collins	0.60	Reviewed iS5 cash flows. Cash flow review call with iS5.
December 5, 2022	David Collins	0.70	Brief meeting with D. Wootton. Call with counsel.
December 5, 2022	Dan Wootton	0.90	Call with counsel re: security opinion matters. Review, sign, and arrange for e-filing of Forms 1 and 2.
December 6, 2022	David Collins	0.20	Brief call with D. Wootton.
December 6, 2022	Dan Wootton	0.20	E-filing matters.
December 7, 2022	Dan Wootton	2.30	Correspond with Phoenix re: CRA. Correspond with counsel re: security opinion. Correspond with Phoenix, counsel and update draft distribution scenarios. PPSA review and waterfall calculations.

Date	Full Name	Time	Detail
December 7, 2022	David Collins	4.60	Brief call with D. Wootton and S. Weisz. Brief call with D. Wootton. Correspondence with M. Milani. Reviewed cash flow from iS5. Weekly cash flow call. Finished draft First Monitor's Report.
December 8, 2022	Rosa Wilford	0.30	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile November statement; Print Summary of Estate Balance Report; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
December 8, 2022	David Collins	4.20	Call with D. Wootton. Correspondence with M. Milani. Continued drafting the First Monitor's Report and sent to D. Wootton for review. Updated cash flow to reflect updates from M. Milani re: uses of cash. Reformatted and prepared cash flow for filing the First Monitor's Report.
December 8, 2022	Ada Shahini	0.20	Updated write up on website and responded to teams email.
December 8, 2022	Dan Wootton	2.80	Correspond with counsel and internally re: banking, secured creditor claims, court hearing, and next steps. Review and comment on draft report.
December 9, 2022	Valerie Naccarato	0.10	Open mail, scan and email to team.
December 9, 2022	Dan Wootton	0.10	Correspond with purchaser re: excluded liabilities.
December 12, 2022	David Collins	1.80	Reviewed SPA for D. Wootton to find information on excluded a/l/c. Correspondence with D. Wootton. Call with M. Milani and D. Wootton. Reviewed correspondence between D. Wootton and counsel.
December 12, 2022	Dan Wootton	6.70	Correspond with Debtor counsel re: wages and WEPPA. Correspond with respective counsel re: Dec 22nd relief. Review of sale agreement and orders re: assumed liabilities and leases. Review of HST assessment and discuss related refunds being held by CRA with iS5. Update with counsel re: charges, disbursements, residual

Date	Full Name	Time	Detail
			debtor funds, AP arrears. Banking matters. Update call with management re: communications. Update estimated distribution schedule and share with counsel. Update draft report to Court and provide to counsel for comment.
December 13, 2022	David Collins	0.60	Reviewed correspondence between D. Wootton and counsel. Reviewed updated draft report. Call with D. Wootton. Minor revisions to cash flow format and correspondence with M. Milani.
December 13, 2022	Dan Wootton	3.20	Status call with Purchaser/Debtor counsel. Call with counsel re: security opinion and next steps. Correspondence re: wage claims and non-assumed employees. Update report to Court. Review and update report appendices, and cash flow. Review and update distribution schedule and related expenses.
December 14, 2022	David Collins	0.30	Reviewed correspondence. Follow up with M. Milani re: AP and cash flow. Brief call with D. Wootton.
December 14, 2022	Dan Wootton	3.60	Correspond with iS5, and respective counsel re: closing of sale transaction. Banking matters. Review sale closing terms, conditions precedent, confirmations from both Purchaser and Vendor re: satisfaction of closing conditions. Review and prepare Monitor's Certificate and issue to complete closing. Update web page and report to court.
December 15, 2022	David Collins	3.00	Correspondence with M. Milani. Correspondence with D. Wootton. Brief review of cash flow. Brief call with D. Wootton. Identified post-filing payables by vendor and total amounts. Reviewed with D. Wootton. Call with M. Milani. Correspondence with C. Dias.
December 15, 2022	Ada Shahini	0.50	Updated documentation on website and website folder on server; Updated file name and website write up; Responded to teams email.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Date	Full Name	Time	Detail
December 15, 2022	Valerie Naccarato	1.50	Email TD Bank for conversion of incoming wire from USD to CDN dollars; Prepare deposit requisition form; Post entry to Ascend, print deposit form; Review internal email instructions from team re Banking; Review payment request Prepare disbursement requisition forms; Post invoice entries; print cheques; Print various court orders as backup to the cheque requisition forms.
December 15, 2022	Dan Wootton	2.40	AP discussion with iS5 re: confirm list of creditors for ResidualCo. Request SVB payout statement. Update report to Court and appendices. Web page maintenance. Closing matters.
December 16, 2022	Ada Shahini	0.40	Updated Motion record and First report of Monitor on website and website folder on server; Responded to teams email.
December 16, 2022	Valerie Naccarato	1.70	Review internal email instructions from team re Banking; Review payment request; Prepare disbursement various requisition forms; Notify authorized signing officer with supporting documentation for review and approvals; Prepare letter to Bank re wire payment; Print wire confirmation and respond to team; Copy cheques and send via courier.
December 16, 2022	David Collins	0.10	Correspondence with M Milani.
December 16, 2022	Dan Wootton	1.40	AP discussion with former principal. Web page maintenance. Creditor correspondence. Correspond with HP and Purchaser counsel re: RBC accounts. ResidualCo management.
December 19, 2022	Dan Wootton	2.30	Correspond with SVB counsel re: collateral account. Correspond with former principal re: shareholder tax matters. Correspond with internal tax group. Correspond with purchaser's counsel re: leases and RBC accounts.
December 20, 2022	Valerie Naccarato	0.50	Review online banking; enter wire payment confirmation to Ascend and notify team.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Date	Full Name	Time	Detail
December 20, 2022	Dan Wootton	2.10	Call with SVB and iS5 re: distribution mechanics. Correspond with Phoenix and RBC counsel re: accounts. Internal correspondence re: disbursements and distributions. Correspond with counsel re: next steps for distribution and discharge. Correspond with Phoenix counsel and iS5 re: list of unsecured creditors.
December 21, 2022	Dan Wootton	1.10	Correspond with SVB counsel re: distribution. Correspond with iS5 and Phoenix re: distribution and AP Ledger. Correspond with counsel re: letter to all unsecured creditors.
December 22, 2022	Ada Shahini	0.40	Responded to teams emails re: WEPP filing requirements; Requested and followed up with HR on WEPP.
December 22, 2022	Valerie Naccarato	1.50	Review internal email instructions from team re Banking; Review payment request; Prepare disbursement various requisition form; Notify authorized signing officer with supporting documentation for review and approvals; Prepare letter to Bank re wire payment; Print wire confirmation and respond to team.
December 22, 2022	Dan Wootton	2.80	Correspond with counsel re: court hearing. Arrange for payment of disbursements. Forward signed SVB forms to counsel. Receipt and review of SVB payout letter, discuss internally and with iS5. WEPPA coordination. Creditor enquiries.
December 23, 2022	Valerie Naccarato	2.50	Review internal email instructions from team re Banking; Review payment request; Prepare disbursement requisition forms; Notify authorized signing officer with supporting documentation for review and approvals; Prepare letter to Bank re wire payment; Various emails to Bank on status of wire; Scan various cheque requisition forms to server and file originals.
December 23, 2022	Ada Shahini	0.30	Uploaded Order and Endorsement of Justice Osborne and responded to teams email;

Date	Full Name	Time	Detail
			Uploaded documentation on server.
December 23, 2022	Rosa Wilford	0.50	Review internal email instructions from team re Banking re wire transfer/confirmation; On-line banking; Review print screens and match to outgoing wire payment; Post entries; Provide team with supporting transaction report; Email.
December 23, 2022	Dan Wootton	0.80	Receipt and review of endorsement and court order, arrange for posting. Correspond with RBC, SVB re: distribution. Review and approve of disbursement.
December 28, 2022	Dan Wootton	0.30	Assist with wire transfer enquiries.
December 29, 2022	Dan Wootton	0.30	Assist with wire transfer enquiries.
December 30, 2022	Dan Wootton	0.10	Wire transfer correspondence.

Time Charges and Expenses:

D. Wootton, Sr. Vice President	35.00	hours @	$	695.00	per hour	$	24,325.00
J. Kanji, Sr. Manager	1.30	hours @	$	375.00	per hour	$	487.50
R. Wilford, Manager	0.80	hours @	$	295.00	per hour	$	236.00
D. Collins, Sr. Associate	16.30	hours @	$	245.00	per hour	$	3,993.50
A. Shahini, Sr. Associate	2.10	hours @	$	200.00	per hour	$	420.00
V. Naccarato, Analyst	7.80	hours @	$	165.00	per hour	$	1,287.00
	63.30					$	30,749.00
HST						$	3,997.37
Total Invoice Due						**$**	**34,746.37**

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Exhibit "**B**" to the Affidavit of Daniel Wootton,
sworn before me this 9th day of January 2023

Commissioner for Taking Affidavits, etc.

Jonathan David Krieger,
a Commissioner, etc., Province of Ontario,
for Grant Thornton Limited.
Expires February 11, 2023

iS5 Communications Inc. / 14544072 Canada Inc.
Billing Summary
for the period from November 1, 2022 to December 31, 2022

Period	Fees	Disbursements	Subtotal	HST	Total
November 1-30, 2022	$ 33,596.50	$ -	$ 33,596.50	$ 4,367.55	$ 37,964.05
November 8, 2022		$ 190.00	$ 190.00	$ 24.70	$ 214.70
December 1-31, 2022	$ 30,749.00	$ -	$ 30,749.00	$ 3,997.37	$ 34,746.37
	$ 64,345.50	**$ 190.00**	**$ 64,535.50**	**$ 8,389.62**	**$ 72,925.12**

District of Ontario
Division No. 9 - Toronto
Court File No. 32-2853708
Estate File No. 32-2853708

**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 AND ARRANGEMENT OF 14544072 CANADA INC.**

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF DANIEL WOOTTON

GRANT THORNTON LIMITED
200 King Street West
11th Floor
Toronto, ON, M5H 3T4

Tel. 416-366-0100
Fax. 416-360-4948
Email Dan.Wootton@ca.gt.com

APPENDIX 6

Court File No. CV-22-00690563-00CL

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 THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

AFFIDAVIT OF SHAHROUZ HAFEZ GHORAN

I, Shahrouz Hafez Ghoran, of the City of Toronto, in the Province of Ontario, make oath and say:

1. I am a Lawyer with the law firm Cozen O'Connor LLP ("**Cozen O'Connor**") and, as such, have knowledge of the following matters.

2. Grant Thornton Limited (the "**Monitor**") was named as monitor of 14544072 Canada Inc. ("**ResidualCo**") pursuant to an Order of the Court dated December 1, 2022, and was formerly the proposal trustee and Monitor of iS5 Communications Inc. ("**iS5**").

3. The Monitor retained Cozen O'Connor to advise with regards to matters related to the Monitor's appointment and the performance of its duties and powers.

4. Cozen O'Connor's fees and disbursements for the period of November 16, 2022 to December 31, 2022 are summarized in the invoices rendered to the Monitor (the "**Invoices**"). The Invoices are a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Cozen O'Connor, and are based on its standard rates and charges. The Invoices contain information and advice over which lawyer and client privilege is asserted. As a result, redacted copies of the Invoices are attached hereto and marked as Exhibit "**A**". Copies of the complete Invoices have been provided to the Monitor and I am advised by the

Monitor that they have been received and consider the fees and disbursements fair and reasonable.

5. Attached hereto and marked as Exhibit "**B**" is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed. The Billing Summary indicates an average hourly rate of $559.51.

6. The total amount being claimed for the work performed by Cozen O'Connor for the period of August 11, 2022 to November 15, 2022, for which approval is being sought at this court is $106,664.30 including $106,344.30 for fees and $320 for disbursements, inclusive of HST.

7. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

8. This Affidavit is sworn in support of the Monitor's motion for approval of its fees and disbursements and those of its legal representatives and for no other improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, on this 11th day of January, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

SHAHROUZ HAFEZ GHORAN

This Exhibit "**A**" referred to in the

Affidavit of Shahrouz Hafez Ghoran,

sworn before me this 11th day of

January, 2023.

A Commissioner, etc.

January 11, 2023

Grant Thornton Limited
200 King Street West
11th Floor
Toronto, ON M5H 3T4

Re: Grant Thornton Limited
Our File No.: 00558650
Invoice No. 2501987

Fees for Professional Services:	94,110.00	C$
HST 13.00%	12,234.30	C$
Disbursements:		
Non - Taxable Disbursements:	320.00	C$
Total amount of Invoice No.: 2501987	**106,664.30**	**C$**

Total amount due upon receipt of bill

Bay Adelaide Centre – West Tower, 333 Bay Street Suite #1100 Toronto, ON M5H 2R2
416.361.3200 416.361.1405 Fax

3682309 Grant Thornton Limited
00558650 Grant Thornton Limited

Date	Initials	Description of Services	Hours
11/16/22	SJW	Email regarding sales process and bid deadline for Phase 1 Qualified Bids and court scheduling/process matters. Email confirming no bids received and Phoenix successful bidder. Receive and review draft affidavit, notice of application (CCAA), initial order and ancillary order. Review and consider court materials from Just Energy CCAA proceedings in support of approval of Reverse Vesting Order (RVO) and endorsement of Justice McEwen approving RVO transaction.	2.40
11/16/22	SH	Reviewing and analyzing two sets of closing documents containing large tranche of documents relating to two separate note issuances by iS5 in order to provide a security opinion; reviewing and considering email correspondence; reviewing additional materials.	7.70
11/17/22	SJW	Working on Noteholder security opinion. Reviewing documents from Faskens (Closing Books 2020 Note Issuance and 2021 Note Issuance). Working on fee affidavit.	1.80
11/17/22	SJW	Prepare for and attend conference call with Debtor and Debtor's counsel.	1.00
11/17/22	SH	Participating in call regarding SISP update and next steps; reviewing and analyzing two sets of closing documents relating to two separate note issuances by iS5 in order to provide a security opinion; reviewing and considering email correspondence; reviewing additional materials.	8.60
11/18/22	SJW	Review, consider and provide comments on draft court materials of Debtor. Email with client and counsel for Debtor regarding closing and distribution matters. Discussion with client regarding CCAA process and scope of relief to be requested at December 1 court hearing. Conference call with counsel for Debtor and client regarding same. Working on security review of Noteholder security. Email with counsel for Phoenix.	3.80
11/18/22	SH	Participating in call regarding update on file; reviewing and analyzing two sets of closing documents relating to two separate note issuances by iS5 to provide security opinion; communicating regarding potential issues/concerns with certain noteholder security; reviewing and considering email correspondence; reviewing additional materials regarding noteholder security and considering impact; communicating with S. Weisz regarding noteholder security considerations; communicating with client.	9.20

Date	Initials	Description of Services	Hours
11/19/22	SJW	Email and discussion with counsel for Debtor and client regarding Noteholder security matters and court materials. Review and consider Noteholder documentation and revised court materials.	1.80
11/19/22	SH	Participating in call regarding matter; reviewing email correspondence from counsel for iS5 detailing responses to our questions regarding potential deficiencies incertainn noteholder security; reviewing materials that counsel for iS5 cited in email correspondence; communicating with S. Weisz regarding same; carrying out secondary review of closing documents for noteholder issuances; carrying out research regarding same.	8.20
11/20/22	SJW	Email with counsel for Debtor regarding revisions to court materials and review revised court materials. Discussion with counsel for Debtor regarding Noteholder security matters. Email with counsel for Phoenix regarding review of draft court materials. Email with client regarding review of Noteholder security.	2.20
11/20/22	SH	Communicating with counsel to iS5 regarding potential deficiencies relating to certain noteholder security; communicating with S. Weisz regarding same; participating in call with J. Kennedy; participating in call with S. Weisz; carrying out research regarding potential impacts of noteholder security concerns and potential means of rectification; communicating with client.	6.10
11/21/22	SJW	Email regarding terms of ancillary order, increase in administrative charge, closing and distribution matters. Email and discussion with counsel for Silicon Valley Bank and Debtor and client regarding closing and distribution matters. Discussion with client regarding review of Noteholder security and court process/scheduling matters. Email regarding results of SISP process. Conference call with counsel for Debtor and client. Review and consider Fourth Cash Flow Forecast. Email with counsel for Phoenix regarding increase in administrative charge and comments on court materials.	4.20
11/21/22	SH	Participating in call with client; participating in call with counsel for SVB; participating in call with counsel for iS5; reviewing materials; communicating with client; communicating with J. Kennedy; assisting with matter.	3.10

Date	Initials	Description of Services	Hours
11/22/22	SJW	Email regarding court materials and Noteholder security review. Review and consider court materials as served. Continued consideration of Noteholder security matters. Email regarding shareholder inquiry. Email with counsel for Silicon Valley Bank and Phoenix regarding closing matters. Finalize fee affidavit. Email with client.	1.80
11/22/22	SH	Reviewing and considering additional correspondence from counsel for iS5 relating to potential concerns regarding the validity of certain noteholder security; drafting response regarding same; drafting fee affidavit and finalizing same; reviewing email correspondence.	4.10
11/23/22	SJW	Working on Fourth Report of Proposal Trustee and First Report of Proposed Monitor. Email regarding closing, scheduling and distribution matters.	2.80
11/23/22	SH	Finalizing and swearing fee affidavit; communicating with client; reviewing and considering email correspondence for matter.	1.80
11/24/22	SJW	Finalize Fourth Report of Proposal Trustee and First Report of Proposed Monitor and arrange for service of Report. Email with counsel for Phoenix regarding closing matters.	2.60
11/25/22	SJW	Email regarding creditor inquiry (Vault and Blue Chip Leasing).	0.20
11/28/22	SJW	Email regarding closing matters. Reviewing draft factum of Debtor. Email from counsel for Phoenix.	0.70
11/30/22	SJW	Email regarding and prepare for court hearing December 1. Review and consider revised forms of Orders for December 1 court hearing. Review and consider Amendment Agreement. Email regarding Assumed Contracts and cure costs.	1.60
12/01/22	SJW	Prepare for and attend court hearing. Review and consider endorsement and Orders of Justice Conway. Report to client. Email with shareholder.	1.20
12/05/22	SJW	Attend to Noteholder Security review matters. Email with Faskens. Discussion and email with client regarding status of closing and next steps/outstanding matters. Email with counsel for Phoenix.	1.80
12/05/22	SH	Participating in call with client; communication regarding closing matters, security opinion, and related matters; communicating with counsel for company; reviewing correspondence.	2.40

Date	Initials	Description of Services	Hours
12/06/22	SJW	Email and discussion with counsel for Phoenix regarding Noteholder security matters. Further review and consideration of Noteholder review and inter-creditor agreement/ancillary documentation.	2.40
12/06/22	SH	Participating in call regarding security opinion; communicating with counsel for the company; reviewing correspondence; reviewing communication from counsel for company regarding PPSA registrations.	2.10
12/07/22	SJW	Email and discussion with client regarding waterfall and Noteholder security review. Email and discussions with counsel for Phoenix and Debtor regarding waterfall (Noteholder estimated distribution) and Noteholder security review.	3.60
12/07/22	SH	Participating in call with client; participating in calls regarding security opinion; reviewing waterfall spreadsheet, draft distribution scenarios, and related documentation; reviewing company counsel correspondence regarding PPSA registrations in relation to security opinion; reviewing correspondence regarding closing and security opinion.	4.10
12/08/22	SJW	Attending to ongoing Noteholder security review. Email with Client regarding same and discussions with counsel for Debtor. Email with counsel for Phoenix and client regarding comments on Draft Distribution Scenarios and considering methodology for calculating estimated distributions to Silicon Vally Bank and Noteholders as may be directed by the Court. Considering logistics for closing/setting up bank account for ResidualCo and matters for Court Report of Monitor of ResidualCo to report on closing of transaction with Phoenix, seek direction to make a distribution from the proceeds to Silicon Valley Bank and stay extension to January 31, 2023 to allow time to complete outstanding matters and obtain discharge of Monitor and email with client regarding same.	1.60
12/09/22	SJW	Working on Court materials for December 22, 2022 motion by Monitor of ResidualCo seeking direction to distribute proceeds to Silicon Valley Bank and extension of stay of proceedings to January 31, 2023. Follow up on waterfall/distribution matters and methodology. Email with client and counsel for Phoenix. Attend to closing matters.	2.20
12/09/22	SH	Reviewing correspondence; participating in call regarding production of necessary motion materials; assisting in preparation of notice of motion and related materials.	3.20
12/09/22	ZC	Reviewing file; call with SW and SH re motion to extend stay of proceedings	2.20

Date	Initials	Description of Services	Hours
12/10/22	ZC	Reviewing file; drafting motion materials to extend stay of proceedings	2.30
12/11/22	ZC	Preparing motion materials; drafting email to SG and SH re same	1.40
12/12/22	SJW	Working on Court materials for motion by Monitor of ResidualCo returnable December 22, 2022 seeking directions for distribution to Silicon Valley Bank and extension of stay to January 31, 2023. Attending to closing matters and Noteholder securityreview/distribution matters. Reviewing and considering draft letter from Counsel for Phoenix to Monitor and Monitor's counsel regarding Noteholder distribution matters. Conference call with counsel for Phoenix regarding same. Report to client. Follow up on determination and calculation of post-filing payables and accruals and treatment post-closing. Considering form of direction from BDC and ClearSky and terms of Intercreditor Agreement for Noteholders(2020 and 2021 issuances) and proposed distributions among Noteholders. Considering issues regarding CRA HST Audit and CRA claim in CCAA Proceedings and potential director laibility. Email with client and counsel for Debtor regarding same. Email regarding closing logistics and timing of delivery of funds from Germany to Monitor's trust account to avoid delay in closing. Reviewing and considering revised draft letter from counsel for Phoenix to Monitor and Monitor's counsel regarding Noteholder distribution matters incorporating comments from conference call with counsel for Phoenix and provide additional comments to counsel for Phoenix. Email and discussions with client regarding and considering WEPPA claims, Phoenix letter, closing matters, CRA HST claim/set-off against CRA refund, distribution matters and claims/flow of funds methodologies and logistics. Email with counsel for Debtor and client regarding and considering BDC and ClearSky directions for Noteholder distribution and possible distribution scenarios and methodologies. Review and consider inquiry from Vault Credit and Blue Chip Leasing(and related documentation) and email with client and counsel for Phoenix regarding assumed liabilities and leases/contracts. Review and consider draft Credit Bid Consideration Statement from counsel for Phoenix as DIP Lender and amount of Recoverable Expenses(as defined in the DIP Term Sheet) and email with counsel for Phoenix and client regarding same.	3.60

Date	Initials	Description of Services	Hours
12/12/22	SH	Assisting with preparation of notice of motion, draft order, and related materials; reviewing correspondence; reviewing credit bid consideration statement and first draft report of the monitor.	3.90
12/12/22	ZC	Drafting motion materials; corresponding with assistant and SH re same	2.00
12/13/22	SJW	Working on court materials and Monitor's Report for motion returnable December 22, 2022 seeking direction for distribution of sale proceeds to Silicon Valley Bank and for extension of stay to January 31, 2023. Negotiate Credit Bid Consideration Statement and amount of recoverable expenses with counsel for Debtor and Phoenix. Review with client. Follow up on WEPPA issues and review precedent Orders and position of OSB. Email with counsel for Debtor regarding same. Attend to closing matters and attend pre-closing conference call and review of closing agenda and deliverables with counsel for Phoenix and Debtor and client. Follow up with client regarding closing matters and logistics. Review and consider draft DIP Lender release and email with counsel for Phoenix and Debtor regarding same. Email with Vault Credit regarding assumption of lease and payment of arrears by purchaser. Follow up with counsel for Phoenix regarding assumption of liabilities/contracts and quantum of accrued accounts payable . Review and consider breakdown of fees of counsel for Phoenix and allocation to recoverable expenses under DIP Loan and discussion/email with client and counsel for Phoenix.	4.20
12/13/22	SH	Participating in closing call; communicating with team regarding closing; participating in call with client; reviewing and revising Monitor's First Report; drafting Notice of Motion and Draft Order; reviewing correspondence.	5.20
12/13/22	ZC	Reviewing draft monitor report; revising draft motion materials; corresponding with SH and SW re same	2.90

Date	Initials	Description of Services	Hours
12/14/22	SJW	Working on court materials and Monitor's Report for motion returnable December 23, 2022 seeking direction for distribution from sale proceeds to Silicon Valley Bank and extension of stay of proceedings to January 31, 2023. Attend to closing matters. Attending conference all with client, counsel for Phoenix and Debtor regarding satisfaction of conditions to closing. Email confirming conditions to closing have been satisfied. Review and consider signed Credit Bid Consideration Statement and email regarding receipt by Monitor of closing funds. Review and provide comments on draft direction to the Monitor from BDC and ClearSky regarding the payment of distributions directly to the Noteholders and email with client regarding same. Discussion with client regarding closing and post-closing matters and next steps regarding distributions and assumed liabilities/post-filing claims. Email with counsel for Debtor and review Certificate of Amendment and filed articles of amendment dated December 14, 2022 and satisfaction of remaining conditions of closing for iS5. Email from Monitor and review executed Monitor's Certificate.	3.40
12/14/22	SH	Finalizing Notice of Motion and draft order; participating in call with S. Weisz regarding same; reviewing correspondence.	7.80
12/15/22	SJW	Review emails confirming transaction closed and delivering Monitor's Certificate. Revising court materials for motion returnable December 22, 2023 for approval of distribution from sale proceeds to Silicon Valley Bank and for extension of stay to January 31, 2023. Forwarding draft report to counsel for purchaser/Phoenix and Debtor. Considering comments from counsel for purchaser/Phoenix. Forwarding draft Notice of Motion and Order to client and email with client regarding comments on Monitor's Report from counsel for purchaser/Phoenix and finalization of court materials.	3.20
12/15/22	SH	Communicating with client; reviewing correspondence; revising notice of motion and draft order to reflect comments from M. Grossell; assisting team in preparation and service of materials.	5.50
12/16/22	SJW	Finalize motion record and arrange for service and filing. Review affidavit of service. Email with counsel for Silicon Valley Bank regarding court attendance. Email with Court regarding filing of court materials.	0.70
12/16/22	SH	Final review of materials for service; assisting with service of motion materials.	0.60

Date	Initials	Description of Services	Hours
12/19/22	SJW	Email with counsel for Silicon Valley Bank(SVB) and client regarding payout of indebtedness to SVB and set up of cash collateral account for letter of credit and review Client Attestation form and Cash Pledge Agreement. Email with counsel for purchaser regarding post-closing matters(assumption approval process and credit application with Vault Credit Corporation)	0.50
12/20/22	SJW	Working on memorandum of law regarding WEPPA applicaiton declaration in CCAA proceeding. Email with client and counsel for Silicon Valley Bank(SVB) regarding payout and logistics regarding cash collateral account for letter of credit. Email with counsel for Phoenix/purchaser regarding assumption of post-filing payables. Review and consider correspondence from counsel for Phoenix relating to Monitor's request for Court Approval of distribution to Noteholders and position of Phoenix as Noteholder.	1.20
12/20/22	SH	Reviewing correspondence; communicating with client; researching WEPPA.	2.10
12/21/22	SJW	Email with client regarding Court hearing December 22, 2022, payout statement of Silicon Valley Bank(SVB) preparation of court materials for January Court hearing and scheduling matters. Email with counsel for SVB and client regarding SVB payout statement and cash collateral for letter of credit. Email with counsel for Phoenix/Purchaser regarding assumed payables list. Finalize memorandum of fact and law to be submitted to the Court to address requested WEPPA declaration. Reviewing annotated WEPPA act and commentary. Preparing for court hearing December 22, 2022.	2.50
12/21/22	SH	Reviewing correspondence; communicating with team regarding upcoming Court hearing; finalizing research of WEPPA; drafting memorandum of fact and law regarding WEPPA, its applicability to CCAA proceedings, and its applicability to the iS5 matter; communication with other interested parties regarding memorandum; uploading memorandum to CaseLines (and resolving CaseLines technical challenges).	6.70

Date	Initials	Description of Services	Hours
12/22/22	SJW	Review and consider final version of Pay-Off Letter from Silicon Valley Bank. Prepare for and attend Court hearing before Justice Osborne. Follow up with counsel for debtor and Purchaser regarding outcome of court hearing. Follow up with client and counsel for Silicon Valley Bank regarding payout and cash collateral account for letter of credit relating to RBC credit cards. Considering next steps and follow up on security review and other outstanding matters relating to distribution motion and termination of CCAA proceedings.	2.80
12/22/22	SH	Attending hearing; communicating with client; participating in call with SVB and counsel; communicating with Justice Osborne; reviewing communication relating to payout letter; reviewing email correspondence.	1.30
12/23/22	SJW	Follow up on payout of Silicon Valley Bank claim and email with counsel for Silicon Valley Bank regarding cash collateral account for letter of credit for RBC credit card and outstanding charges of iS5. Email with Court regarding Court Order. Circulating endoresment and Court Order.	0.50
12/23/22	SH	Communicating with Justice Osborne; reviewing email correspondence; serving Court order to all interested/relevant parties; participating in call with interested party.	1.40
		Total Hours Billed:	**168.20**

Time And Fee Summary

Timekeeper	Rate	Hours		Fees
Weisz, Steven Jonathan	750.00	62.30	C$	46,725.00
Cooper, Zachary	425.00	10.80		4,590.00
Hafez Ghoran, Shahrouz	450.00	95.10		42,795.00
Totals:		**168.20**	**C$**	**94,110.00**

Date	Disbursements		Value
12/23/22	Vendor: Gonsalves, Susan Invoice#: 5622218812231505 Date: 12/23/2022 - Filing Fees - 00558650 - Filing Fees and Related 12/16/2022, Susan Gonsalves Filing fees for Motion Record Supreme Court of Justice in Toronto	C$	320.00
	Total Disbursements:	**C$**	**320.00**

January 11, 2023

Grant Thornton Limited
200 King Street West
11th Floor
Toronto, ON M5H 3T4

Re: Grant Thornton Limited
Our File No.: 00558650
Invoice No. 2501987

Fees for Professional Services:	94,110.00	C$
HST 13.00%	12,234.30	C$
Disbursements:		
Non - Taxable Disbursements:	320.00	C$
Total Amount of Invoice No.: 2501987	**106,664.30**	**C$**

Cheque:
Cozen O'Connor LLP
C/O T10540
PO BOX 4388, STN A
Toronto, ON M5W 3S1
Canada

ACH/Wire Transfer:
Account Name: Cozen O'Connor LLP Operating
Account No: 47696 15616 18 (CAD payments)
Transit No: 47696
Institution No: 002
Bank Name: Bank of Nova Scotia
Bank Address: P.O. Box 4234 STN A
Toronto, ON, M5W 5P6
Canada
Swift Code*: NOSCCATT
*Only needed for international transfers.

Please email notification of electronic payments to payments@cozen.com

HST: 761347137

Total amount due upon receipt of bill

This Exhibit "**B**" referred to in the

Affidavit of Shahrouz Hafez Ghoran,

sworn before me this 11th day of

January, 2023

A Commissioner, etc.

EXHIBIT B

Time and Fee Summary

Attached hereto is a summary of the timekeepers whose services are reflected on the Invoices, including year of call and hourly rate, and the total fees and hours billed.

Timekeeper	Year of Call	Rate	Hours	Fees
Weisz, Steven Jonathan	1990	C$750	62.30	C$46,725.00
Hafez Ghoran, Shahrouz	2019	C$450	95.10	C$42,795.00
Cooper, Zachary	2020	C$425	10.80	C$4,590.00
Totals			168.20	C$94,110.00

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 14544072 CANADA INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
TORONTO

AFFIDAVIT OF SHAHROUZ HAFEZ GHORAN

COZEN O'CONNOR LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 1100
Toronto, Ontario M5H 2R2

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APPENDIX 7

January 5, 2023

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To the Unsecured Creditors of 14544072 Canada Inc. (and formerly of iS5 Communications Inc.)

Re: Conclusion of the iS5 Communications Inc. Restructuring Proceedings

The following letter has been prepared to provide you notice of the pending conclusion of the restructuring proceedings and the distribution of remaining sale proceeds to secured creditors.

iS5 Communications Inc. ("**iS5**") commenced a formal restructuring proceeding on August 5, 2022. The primary purpose of such proceeding was to provide iS5 with the financing required to maintain operations while a stalking horse sale process was conducted and in order to identify a buyer, or investor, for iS5's assets and business. On December 1, 2022, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") approved a sale transaction between iS5 and the Stalking Horse Bidder (Elektrophoenix GmbH) (the "**Purchaser**") pursuant to a Revere Vesting Order.. The sale transaction closed on December 14, 2022. Pursuant to the Reverse Vesting Order, the assets, business and shares of iS5 were transferred to the Purchaser, in consideration of the purchase price paid by the Purchaser to 14544072 Canada Inc. ("**ResidualCo**"), an entity incorporated for that purpose, and all liabilities of iS5 that were not assumed by the Purchaser were transferred to ResidualCo. The cash proceeds are now held by ResidualCo and any claims of creditors of iS5 are to be asserted against those proceeds. iS5 is now owned and operated by the Purchaser, free and clear of prior liabilities or claims against iS5. Any enquiries related to ongoing and future business with iS5 should be directed to iS5.

Grant Thornton Limited, as the Court-Appointed Monitor of ResidualCo, is in the process of seeking final approvals from the Court to distribute the remaining sale proceeds; to terminate the current CCAA restructuring proceedings; and to seek its discharge as Monitor. Based on the review of secured claims, it is not expected that any unsecured creditors will receive a distribution from the net sale proceeds from the iS5 sale transaction held by ResidualCo. It is also contemplated that the ResidualCo entity will be assigned into bankruptcy after the CCAA proceedings are terminated.

Please be advised that a Court hearing has been scheduled for January 20, 2023 at 11:30 am (EST) via Zoom videoconference, for the Monitor to seek the final approvals by the Court as referenced above. Please advise if you would like to receive an electronic copy of the court materials for the hearing and provide your contact details. Copies of all relevant court materials on this matter are available on the Monitor's case web page at www.grantthornton.ca/iS5.

Please contact David Collins (David.Collins@ca.gt.com, 416-360-5131) should you have any questions, as well as for further details with respect to the January 20, 2023 Court hearing.

Grant Thornton Limited
In its capacity as Monitor of 14544072 Canada Inc.
and not in its personal or corporate capacity

TAB 3

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	))	FRIDAY, THE 20th
JUSTICE	))	DAY OF JANUARY, 2023

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 14544072 CANADA INC.

O R D E R

THIS MOTION, made by Grant Thornton Limited (the **"Monitor"**), in its capacity as Monitor of 14544072 Canada Inc. ("**ResidualCo**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, was heard this day by judicial video conference in Toronto, Ontario.

ON READING the Notice of Motion, the Monitor's Second report dated January 10, 2023 ("**Monitor's Second Report**") filed by Grant Thornton Limited in its capacity as Monitor of ResidualCo in connection with ResidualCo's (and formerly iS5 Communications Inc.'s ("**iS5**")) proceedings under the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended ("**CCAA**" and with reference to these proceedings, the **"CCAA Proceedings**"), and on hearing submissions of counsel for the Monitor and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served, as appears from the Affidavit of Service of Susan Gonsalves sworn January ●, 2023, filed:

1. **THIS COURT ORDERS** the time for and manner of service and filing of the Notice of Motion and the Motion Record of the Monitor in support of this motion is

hereby abridged and validated so that this Motion is properly returnable today and the Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that terms not otherwise defined herein shall have the meanings accorded to them in the Initial Order made in these proceedings on December 1, 2022 (the "**Initial Order**") and the Monitor's Second Report.

DISTRIBUTION OF SALE PROCEEDS

3. **THIS COURT ORDERS** that the Monitor, on behalf of ResidualCo, is hereby authorized and directed to distribute the balance of the net sale proceeds to the Secured Noteholders in accordance with the Secured Noteholder Allocation.

APPROVAL OF R&D AND FEES

4. **THIS COURT ORDERS** that the Monitor's statements receipts and disbursements (the "**R&D**") is hereby approved.

5. **THIS COURT ORDERS** that the Remaining 2022 Fees, the Final Fees, and the Bankruptcy Retainer are hereby approved.

6. **THIS COURT ORDERS** that the Monitor, on behalf of ResidualCo, is hereby authorized and directed to transfer $30,000 to Grant Thornton Limited in trust, and $15,000 Cozen O'Connor LLP in trust, in order to provide Grant Thornton Limited, and Cozen O'Connor LLP, with the Bankruptcy Retainer.

MONITOR'S REPORT AND DISCHARGE

7. **THIS COURT ORDERS** that the Monitor's Second Report, and the actions, conduct and activities of the Monitor described therein, be and are hereby approved, provided, however, that only the Monitor, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

8. **THIS COURT ORDERS AND DIRECTS** that, notwithstanding any prior order of the Court to the contrary, the Monitor shall serve on the service list in these

proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Discharge Certificate, substantially in the form attached as Schedule "A: hereto (the "Monitor's Discharge Certificate"), forthwith upon completion of the Remaining Activities.

9. **THIS COURT ORDERS AND DECLARES** that, notwithstanding any prior order of the Court, upon the service of the Monitor's Discharge Certificate, (i) the Monitor shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of iS5 and ResidualCo and shall be forever released, remised and discharged from any claims against it relating to its activities as the Monitor of iS5 and ResidualCo; and (ii) the CCAA Proceedings will be terminated

GENERAL

10. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist ResidualCo and 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

12.

SCHEDULE "B"

FORM OF MONITOR'S DISCHARGE CERTIFICATE

Court File No. CV-22-00690563-00CL

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 THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

MONITOR'S DISCHARGE CERTIFICATE

WHEREAS pursuant to the Order of this Court dated December 1, 2022, Grant Thornton Limited was appointed as the monitor (the "**Monitor**") of 14544072 Canada Inc. ("**ResidualCo**") within these CCAA proceedings (the "**CCAA Proceedings**");

AND WHEREAS iS5 Communications Inc. ("**iS5"**) made an application to continue the proceedings commenced by iS5 by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act,* RSC 1985, c B-3, as amended (the "**NOI Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, that was sanctioned by order dated December 1, 2022;

AND WHEREAS iS5 made an application to, among other things, add ResidualCo as an applicant to the CCAA Proceedings and to transfer and vest certain assets and liabilities of iS5 to, and in, ResidualCo that was sanctioned by order dated December 1, 2022, following which the Monitor was appointed as the monitor of ResidualCo;

And WHEREAS following the closing of the sale transaction, iS5 exited from the CCAA Proceedings and ResidualCo became a company to which the CCAA applied and was added as an applicant in the CCAA Proceedings, as was sanctioned by order dated December 1, 2022.

AND WHEREAS pursuant to the Order of this Court dated January 20, 2023 (the "**Noteholder Distribution & Fee Approval Order**"), the Court approved the distribution of the net sale proceeds to the Secured Noteholders in accordance with the Secured Noteholder Allocation and ordered, at paragraph 8, that the Monitor shall serve on the service list in the CCAA Proceedings, post on the website established by the Monitor in respect of these proceedings and file with the Court, the Monitor's Discharge Certificate, signed by the Monitor, forthwith upon fulfilment of the Monitor's Remaining Activities.

AND WHEREAS the Monitor has completed the Remaining Activities;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the Noteholder Distribution & Fee Approval Order, the Monitor's second report;

THE MONITOR HEREBY CERTIFIES that:

1. The Monitor has completed the Remaining Activities;

2. Upon the filing of this Monitor's Discharge Certificate:

   (a) the Monitor shall be deemed to be discharged from its duties, obligations and responsibilities as monitor of ResidualCo and shall be forever released, remised and discharged from any claims against it relating to its activities as the Monitor of ResidualCo;

   (b) the CCAA Proceedings shall be terminated;

4. This Monitor's Discharge Certificate is delivered by the Monitor on _____ , 2022.

GRANT THORNTON LIMITED, solely in its capacity as court-appointed monitor of the 14544072 CANADA INC., and not in its personal capacity or in any other capacity

Per: ______________________________

Name:

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 14544072 CANADA INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
TORONTO

O R D E R

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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 MATTER OF THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
TORONTO

MOTION RECORD
(Returnable January 20, 2023)

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