

Form 78.05

Bankruptcy Court

OCT 2 2025

Halifax, N.S.

Hfx No. 45461
Estate No. 51-2938212

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency

IN THE MATTER OF THE BANKRUPTCY OF ATLANTIC SEA CUCUMBER INC.

Before the Registrar:

Whereas msi Spergel Inc., the Trustee in Bankruptcy for Atlantic Sea Cucumber Ltd. filed a motion with supporting material for, inter alia, the approval of sale and investment solicitation process over the assets, property and undertakings of Atlantic Sea Cucumber Ltd.,

Upon reading the material filed herein:

And Upon hearing Joshua J. Santimaw on behalf of the Trustee and those other counsel at the hearing;

Now Upon Motion of the Trustee, the following is ordered:

The Sale and Investment Solicitation Process attached hereto as Schedule "A" is approved by this Court.

Issued October 2nd, 2025

Josephine Cooper
Deputy Registrar

Josephine Cooper
Deputy Registrar
in Bankruptcy

**IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.**

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated the 2nd day of October
A.D., 20 25.

Josephine Cooper
DEPUTY REGISTRAR

Josephine Cooper
Deputy Registrar
in Bankruptcy

Schedule "A"

SALE PROCESS ("SISP")

Introduction

1. On 27 March 2024, Atlantic Sea Cucumbers Ltd. ("ASCL" or the "Company") was deemed automatically bankrupt following a decision of the Nova Scotia Court of Appeal in matter 2024 NSCA 35 with **msl Spergel Inc.** (the "Trustee") being automatically appointed as Trustee of the estate of the Company (the "Estate") pursuant to section 57 of the *Bankruptcy and Insolvency Act*, RSC 1985, (the "BIA").
2. In accordance section 71 of the BIA, the Trustee is possessed of all of the assets and undertaking of the Company and is authorized to pursue the sale and/or reorganization of the Company's business or property, in whole or part, for the benefit of the Company's creditors. In this regard, the Trustee seeks to commence a Sale and Investment Solicitation Process (the "SISP" or "Sale Process").

Opportunity

3. The SISP is intended to solicit interest in a sale of the Company' assets (collectively, the "Assets") and business operations (the "Business"), which for purposes of this SISP shall include the Company's property at Hackett's Cove, Nova Scotia (the "Opportunity"). The Assets include, among other things, the parcel and improvements comprising ACSL's seafood processing facilities located in Hackett's Cove, Nova Scotia, as well as, for purposes of this SISP, the Company's fish processing and re-sale licenses issued by the Canada Food Inspection Agency and the Department of Fisheries and Oceans (the "Licenses").
4. Any transaction executed pursuant to this SISP will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Trustee or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.
5. All of the Company' rights, title, and interest in and to any of its Business and Assets pursuant to any transaction(s) contemplated in the SISP will be implemented free and clear of all liens, security interests, mortgages, charges, and other encumbrances, except those expressly assumed by a purchaser, pursuant to a Court order approving such transaction.

Timeline

6. The following table sets out the key milestones and deadlines under the SISP, which milestones and deadlines may be extended or amended by the Trustee, in consultation with the Inspectors, by up to two weeks without Court approval:

<u>Milestone</u>	<u>Deadline</u>
Finalization of SISP Marketing Materials	October 31, 2025
Commencement of Marketing and Due Diligence	November 28, 2025
Bid Deadline	January 30, 2026

Selection of Successful Bid(s)	February 13, 2026
Court Approval of Successful Bid(s) (if required)	Week of February 23, 2026
Closing of Successful Bid(s) (the "Closing Date Deadline")	As soon as possible following Court Approval

SOLICITATION OF INTEREST: NOTICE OF SISP

7. By or no later than November 28, 2025, the Trustee shall:
- (a) cause a notice of the SISP (the "Notice") to be published in any industry journal and other news publications that the Trustee considers appropriate in consultation with the Inspectors;
 - (b) issue a press release, setting out the information contained in the Notice and such other relevant information that the Trustee considers appropriate, with Canada Newswire; and
 - (c) prepare a form of non-disclosure agreement ("NDA"); and
 - (d) prepare a virtual data room to provide additional information considered relevant, in the Trustee's sole discretion, to the Opportunity.
8. The Trustee will have responsibility for managing all communication with interested parties who have signed an NDA (hereinafter "**Interested Parties**"). This shall include facilitating the delivery of all communications, coordinating the execution of NDAs, and managing the process of answering enquiries.

Potential Bidders and Due Diligence Materials

9. Any parties who wish to participate in the SISP must provide to the Trustee:
- (a) an NDA executed by it;
 - (b) a letter setting forth the identity of the party, the contact information for such party, full disclosure of the direct and indirect principals of the party, and an acknowledgement of the SISP terms; and
 - (c) sufficient financial disclosure to allow the Trustee to make a reasonable determination as to the party's financial and other capabilities to complete a transaction.
10. If an Interested Party has: (i) delivered an executed NDA and letter referred to in paragraphs 9 above; and (ii) provided the Trustee with satisfactory evidence, in the sole discretion and judgment of the Trustee, of its financing capability to be able to complete a transaction pursuant to the SISP, then such party will be determined by the Trustee to be a "**Potential Bidder**".

11. The Trustee will provide each Potential Bidder with access to a virtual data room to provide additional information considered relevant to the Opportunity.
12. The Trustee shall afford each Potential Bidder access to applicable due diligence materials and information pertaining to the Business and Assets of the Company as the Trustee deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to a data room, on-site inspections, and other matters which a Potential Bidder may reasonably request. The Trustee shall not be obligated to provide any information relating to the Business or the Assets to any person other than to Potential Bidders. The Trustee will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the way such requests must be communicated.
13. The Trustee shall not be obligated to provide any information relating to the Business or the Assets to any person other than to Potential Bidders. For greater certainty, selected materials may be withheld from certain Potential Bidders if the Trustee determines such information to represent proprietary or sensitive competitive information related to the Business and/or the Assets of the Company that should not be provided to a specific Potential Bidder, or if the Trustee believes, acting reasonably, that the information is being sought for purposes other than to consider a bid pursuant to this SISP.
14. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and of the Business and/or Assets in connection with their participation in the SISP and any transaction they enter into with the Trustee. The Trustee, makes no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) provided through the due diligence process or otherwise made available pursuant to the SISP; or (ii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the Successful Bidder (as defined below) and the Trustee, or approved by the Court (if required).
15. At any time during the SISP, the Trustee may in its reasonable business judgment, eliminate a Potential Bidder from the SISP, in which case such party will no longer be a Potential Bidder for the purposes of the SISP.

Bid Deadline

16. Potential Bidders that wish to make a formal binding offer pursuant to the SISP (a "Qualified Bid") must submit such offer (a "Bid") by email to be received by the Trustee not later than 5:00 PM (Atlantic Time) on January 30, 2026 (the "Bid Deadline"). A party that submits a Bid is considered a "SISP Bidder."

Qualified Bids

17. A bid will be considered a "Qualified Bid" if it meets the below criteria (collectively, the "Bid Criteria"), as determined by the Trustee:
 - (a) It is submitted on or before the Bid Deadline;
 - (b) it identifies the identity of the Potential Bidder and full disclosure of any entities and/or individuals that control the Potential Bidder, and/or the beneficial owner (if any) with the power, directly or indirectly, to direct the management and policies of the Potential Bidder;

- (c) it includes a duly authorized and executed, definitive transaction agreement, containing the detailed terms and conditions of the proposed transaction, including the Business or the Assets proposed to be acquired, the obligations and liabilities to be assumed/excluded, the detailed structure of the transaction, the final Purchase Price, and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements), and, if required, the proposed form of order(s) for the Court to consider in the motion to approve the transaction;
- (d) it contains a detailed description of the Potential Bidder's experience and expertise in seafood processing and sales (if any);
- (e) it provides specific statements concerning the intended treatment of employees, suppliers, customers, or any other stakeholder which the Trustee requests the Potential Bidder to specifically address;
- (f) it provides that it is binding and irrevocable until closing of a transaction with a Successful Bidder;
- (g) a detailed sources and uses schedule that identifies the amount of cash consideration/refinancing/or other consideration in respect to the Assets/Business;
- (h) it includes a non-refundable cash deposit in the form of a wire transfer to an account to be specified by the Trustee in the amount of not less than twenty percent (20%) of the cash component of the purchase price which deposit shall be retained by the Trustee in a non-interest bearing trust account in accordance with this SISP;
- (i) it provides contact information (including an email address) for the Potential Bidder and discloses the identity of each entity (including its ultimate shareholders and/or sponsors) that is bidding for the Business and/or Assets or otherwise participating in the bid and the complete terms of any such participation;
- (j) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to complete the proposed transaction(s) comprising the bid that will allow the Trustee to determine the Potential Bidder's financial and other capabilities to complete the proposed transaction;
- (k) it includes acknowledgments and representations of the Potential Bidder that:

 - (i) it has had an opportunity to conduct any and all due diligence regarding the Business and/or Assets, the Company, or otherwise, prior to making its bid;
 - (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or Assets (including, without limitation, any documents in connection therewith) in making its bid; and
 - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business and/or Assets or the completeness of any information provided in connection therewith, except as expressly

contemplated in any definitive documentation duly executed by the Successful Bidder and the Trustee and approved by the Court;

- (l) it includes written evidence, in form and substance reasonably satisfactory to the Trustee, of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
 - (m) it specifies that the transaction is not subject to further due diligence;
 - (n) it includes a description of any regulatory or other third-party approvals required to complete the proposed transaction, and the time within which the Potential Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Potential Bidder will take to ensure receipt of such approvals as promptly as possible;
 - (o) it includes a description of any desired arrangements with respect to transition services that may be required from the Company in connection with the transaction, including funding for same;
 - (p) it is not subject to any conditions precedent except those that are customary in a transaction of that nature;
 - (q) it is not conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement, or similar type of payment;
 - (r) it is received by the Trustee by the Bid Deadline; and
 - (s) it contemplates closing on or before the Closing Date Deadline.
18. The Trustee may waive compliance with any one or more of the Bid Criteria and deem a non-compliant bid to have met the Bid Criteria.

Assessment of Qualified Bids

19. Promptly after the Bid Deadline, the Trustee:
- (a) will review and assess the bids received to determine whether they are Qualified Bids (the bidder of a Qualified Bid being referred to as a "Qualified Bidder"); and
 - (b) may request clarification of the terms of the bids.
20. The Trustee may negotiate amended, modified, or varied terms with a Qualified Bidder; however, the Trustee shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Qualified Bidder.

Selection of Successful Bid(s)

21. The Trustee will review and evaluate each Qualified Bid, based upon several factors, including, without limitation, the transaction price and net value provided by the bid, the identity and circumstances of the Qualified Bidder, the ability of the Qualified Bidder to successfully complete the contemplated transaction(s), the proposed transaction

documents, the effects of the bid on the stakeholders of the Company, factors affecting the speed and certainty of the transaction (including any approval or third-party agreements), the Assets included in and excluded from the bid, any related restructuring costs, and the likelihood and timing of closing the transaction.

22. After reviewing and evaluating the Qualified Bids, the Trustee may identify the highest or otherwise best bid(s) (the "Successful Bid(s)") for any Assets or the Business of the Company, in whole or part. The determination of any Successful Bid(s) (the bidder of a Successful Bid being referred to as a "Successful Bidder(s)") is subject to approval by the Court.

Transaction Approval Motion Hearing (If required)

23. If required, at the hearing of the motion to approve the Successful Bid(s) (the "Transaction Approval Hearing"), the Trustee shall seek, among other things, approval from the Court to complete the transaction(s) contemplated by the Successful Bid(s).

Closing of Successful Bid(s)

24. The Trustee and the Successful Bidder(s) shall take all reasonable steps to complete the transactions(s) contemplated by the Successful Bids(s) as soon as possible after the Successful Bid(s) are approved by the Court (the "Closing"). All of the Qualified Bids other than the Successful Bid(s), if any, shall be deemed to be rejected from and after closing of the Successful Bid(s).

Confidentiality and Access to Information

25. No Interested Party, Potential Bidder and Qualified Bidder shall receive any confidential or competitive information that is not made generally available to all participants in the SISP.
26. No Interested Party, Potential Bidder and Qualified Bidder shall receive the details of any bid submitted or the details or existence of any confidential discussions or correspondence among the Trustee and any participant in connection with the SISP, except to the extent the Trustee is seeking to aggregate separate bids from Qualified Bidders.
27. The Trustee may facilitate discussions between a Qualified Bidder and a stakeholder or other third party, including in consideration of a contemplated condition. Any such meetings or other form of communications will take place on terms and conditions considered appropriate by the Trustee.

Supervision of the SISP

28. The Trustee will conduct the SISP in the manner set out herein. All discussions or enquiries regarding the SISP shall be directed to the Trustee.
29. ASCL and its principals, employees and professional advisors shall cooperate fully with the Trustee and provide documents and information requested as part of the SISP to the Trustee in a prompt fashion.
30. Other than as specifically set forth in a definitive agreement between the Trustee and a Successful Bidder, the SISP does not, and will not be interpreted to, create any contractual

or other legal relationship among the Trustee, any Interested Party, Qualified Bidder, the Successful Bidder(s), or any other party.

31. The Trustee shall not be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the completion of any of the transactions completed under the SISP. Any such claim shall be the sole liability of the bidder who completes a transaction under the SISP pursuant to which the claim is being made.

General

32. If a Successful Bidder breaches its obligations under the terms of the SISP, as determined by the Trustee, its deposit shall be forfeited as liquidated damages and not as a penalty.
33. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with their participation in the SISP, including the submission of any letter of intent or bid, due diligence activities, completion of a Successful Bid or actions whether or not they lead to the consummation of a transaction.
34. All bidders in the SISP (including Qualified Bidders and Successful Bidder(s)) shall be deemed to have consented to the exclusive jurisdiction of the Courts of the Province of Nova Scotia and to have waived any right to a jury trial with respect to any matter or dispute related to the SISP, including without limitation the qualification of bids, the construction and enforcement of the SISP, and Closing.

For greater certainty, any approvals required pursuant to the terms of the SISP are in addition to, and not in substitution for, any other approval required by the BIA or any other statute or as otherwise required at law in order to implement a Successful Bid.