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VIA E-MAIL

Reference: 8431/1367

Pride Group Holdings et al. Service List

Re: Notice of DIP Expiry

To the Service List:

We are counsel to Ernst & Young Inc., in its capacity as the Court-appointed Monitor of Pride Group Holdings Ltd., *et al.* As you are aware, the Court most recently extended the stay of proceedings until September 30th. At the hearing extending the stay of proceedings, the Court was advised that the DIP Facility would expire on July 31, 2024, unless the Applicants satisfied the conditions for an automatic extension. Those conditions were not met and the DIP Facility matured on July 31st. The maximum amount available under the DIP Facility, being \$36.3 million, was fully drawn prior to the maturity.

The Applicants, the CRO and the Monitor are working to develop the path forward in light of the maturity of the DIP Facility. The Applicants and CRO are in advanced discussions with another potential DIP lender, and the Monitor is assisting the Applicants and CRO to advance an orderly monetization plan for presentation to the Court and stakeholders. The Applicants will continue to seek court approval for transactions, including the potential going-concern sale of PGL, as they are negotiated and finalized, as has been the current practice.

The Monitor expects to file a Report in the coming days outlining further details, but wanted the stakeholders to be advised as soon as possible of this material development in the CCAA proceedings.

The Applicants intend to seek the approval of temporary measures to provide short-term liquidity to enable them to continue to operate until they are able to seek approval from the Court in the coming weeks as to the path-forward and an appropriate plan for the orderly monetization and transition of the Pride estate that is fair and equitable to all stakeholders, including over 900 employees and contractors, as well as customers, mortgage holders and secured and unsecured creditors

Yours truly,

Pamela L. J. Huff