



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV- 25-00740088-00CL

DATE: April 02, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: CLEARPIER ACQUISITION CROP. et al.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Applicant:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE CONWAY:

[1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of ClearPier Acquisition Corp. ("CPAC"), and 1000238820 Ontario Inc. (collectively, the "**Applicants**") dated April 1, 2025. All factual references are from the affidavit of Jignesh Shah, Chief Operating Officer of CPAC and a director of the Applicants, sworn March 31, 2025, and the pre-filing report of the Proposed Monitor Richter Inc. dated April 1, 2025.

[2] The Applicants seek protection from their creditors and certain other ancillary relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").

[3] The Applicants are holding companies that operate through four wholly owned operating subsidiaries in Israel and Portugal (the "**CPAC Group**"). They are premier advertising companies specialized in performance app marketing, including user acquisition and engagement, who use advanced user acquisition strategies such as targeted advertising and dynamic bidding in order to help customers reach high-quality users and drive app growth.

[4] For the past few years, the Applicants have been experiencing financial difficulties as a result of a variety of factors, including the "explosion" of the "pandemic bubble" (as the global effects of the COVID-19 pandemic began to faze out), the downturn in the cryptocurrency markets in which several clients of the CPAC Operating Subsidiaries operated in, and the rise of interest rates which contributed to the CPAC Group's operating costs.

[5] Export Development Canada ("**EDC**") is the Applicants' sole secured creditor. EDC is owed in excess of approximately \$36 million and US\$40 million pursuant to the EDC Credit Agreement. Overdue scheduled interest and principal payments are in excess of \$11,000,000 and US\$11,000,000.

[6] In March 2025, EDC commenced receivership proceedings. However, over the course of several weeks, the parties agreed on an alternative path going forward, which includes the commencement of this CCAA application and the conduct of a SISP with KPMG acting as sale advisor. Approval of the SISP will be sought on the comeback hearing. The Applicants believe that a debtor-in-possession court supervised process is in the best interest of all parties, as it will enhance the chances of preserving enterprise value for the Applicants and the CPAC Operating Subsidiaries (and therefore maximizing creditor recovery), while at the same time allow for the opportunity for such entities to maintain employment and operations as a going concern.

[7] The Applicants do not have any employees of their own but the CPAC Operating Subsidiaries, as of February 28, 2025, employed/contracted 57 full-time and 4 part-time non-unionized employees.

[8] As at December 31, 2024, the assets of the CPAC Group, on a consolidated basis, were approximately US\$51,808,140. As at December 31, 2024, the liabilities of the CPAC Group, on a consolidated basis, had an unaudited book value of approximately US\$75,110,823 which consisted of approximately US\$18,975,892 in current liabilities and US\$56,134,931 in non-current liabilities. As at December 31, 2024, at book value, CPAC Group's total liabilities exceeded its total assets by US\$23,302,682.

APPLICATION FOR AN INITIAL ORDER

The CCAA Applies

[9] The CCAA applies to a “debtor company” if the total claims against it or its affiliates exceed \$5 million. The Applicants meet the definition of “company” as they are incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16.

[10] The Applicants also meet the insolvency part of the “debtor company” definition. They are unable to meet their obligations generally as they become due (considering the principal and interest due to EDC). They are also insolvent on a balance sheet test as the realizable value of their current and long-term assets is not sufficient to satisfy their existing current and long-term liabilities. The Applicants also have an aggregate amount of outstanding indebtedness well in excess of \$5 million.

[11] This court has jurisdiction over the Applicants since the registered head office and chief place of business of the Applicants are in Toronto, Ontario. In addition, the Applicants' operational and critical strategic decisions are mainly made by senior management of CPAC in Toronto.

The Relief Sought is Reasonably Necessary

[12] The initial order sought today is very “skinny” or limited. The Applicants seek a stay, the appointment of Richter as Monitor, and an Administration Charge of \$500,000. I am satisfied that the relief sought for the 10-day period is limited to relief that is “reasonably necessary for the continued operations of the debtor company in the ordinary course of business during that period”, as required by s. 11.001 of the CCAA.

[13] This court may grant a stay of proceedings of up to 10 days on an initial application, provided it is satisfied that: (i) such a stay is appropriate; and (ii) the Applicant has acted in good faith and with due diligence (s. 11.02(1), (3)).

[14] I am satisfied that the Stay of Proceedings sought by the Applicants is reasonably necessary to maintain the *status quo* and to provide an opportunity for the Applicants to finalize a plan for a SISF to be considered by this court, all for the benefit of their stakeholders. The Applicants have acted in good faith and with due diligence. Pursuant to s. 11.03 of the CCAA, the Stay of Proceedings is extended to the directors and officers.

[15] The Stay of Proceedings is extended to the CPAC Operating Subsidiaries given the fact that they are the operating companies and are intertwined with the Applicants. An extension of a

stay to a foreign non-applicant (in this case, Portugal and Israel) has been granted by this court where, as in this case, the group operated in an integrated manner and depended on the non-applicants for their value generating capacity: see *Jaguar Mining Inc. (Re)*, 2014 ONSC 494, at para. 39.

Other Relief

[16] The Applicant seeks an Administration Charge of \$500,000. The amount of that charge was determined with guidance from the Proposed Monitor and is limited to what is necessary for the initial period. Taking into account the factors under s. 11.52 of the CCAA, I consider the charge to be reasonable and approve it.

[17] Richter is acceptable and is appointed as Monitor.

[18] The Applicants are not seeking any DIP financing as the Cash Flow Forecast projects that the CPAC Group will have sufficient liquidity to continue operating during the Forecast Period.

Initial Order Granted; Comeback Hearing

[19] I reviewed the terms of the Initial Order. There are a number of financial thresholds that the Monitor says will facilitate its supervision of the CPAC Group's cash and financial assets. These Financial Covenants were developed in consultation with the Monitor and EDC based on the Cash Flow Forecast and were conditions of EDC not pursuing its receivership application at this time.

[20] I required minor amendments to be made to delete the restructuring provisions during the initial 10-day period. Counsel have sent me a revised order and I have now signed it. Order to go as signed by me and sent to counsel. This order is effective from today's date and is enforceable without the need for entry and filing.

[21] **The comeback hearing is scheduled before me on April 10, 2025 at 10 a.m. (by Zoom, confirmed with the Commercial List office).**

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.