ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: BK-26-03371910-0033 **DATE: July 7, 2026**

NO. ON LIST: 2

TITLE OF PROCEEDING: IN THE MATTER OF CYMI CANADA INC.

BEFORE: JUSTICE CAVANAGH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent, Responding Party:

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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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Bryan Tannenbaum Nisan Thurairatnam	Proposal Trustee – TDB Restructuring Limited	btannenbaum@tdbadvisory.ca nthurairatnam@tdbadvisory.ca

ENDORSEMENT OF JUSTICE CAVANAGH:

[1] The facts underlying CYMI's financial circumstances and need to seek creditor protection by filing an NOI are set out in the Affidavit of Oscar De la Fuente Tome affirmed June 5, 2026.

[2] On June 9, 2026, the Court granted the Initial Proposal Order which, among other things:

a. granted an initial stay up to and including July 8, 2026;

b. granted an Administration Charge up to $150,000 in respect of professional fees and disbursements incurred up to July 7, 2026; and

c. adjourned the balance of the June 9, 2026 Motion, including the approval of the DIP Term Sheet and granting of the DIP Charge, to the return of this Motion on July 7, 2026.

[3] Since the granting of the Initial Proposal Order, CYMI and the Proposal Trustee have continued collection efforts regarding an approximately $4.9 million receivable from Mosaic Transit Group (the "Mosaic Holdback"), including collecting and conducting a review of correspondence with Mosaic Transit Group representatives, reconciling account balances, reviewing back-up documentation, and assessing potential payment timing and contingencies.

[4] CYMI has also identified a material agreement which could be a potential source of realization for creditors which is referred hereto as the Redacted Agreement. The Redacted Agreement has a confidentiality clause which prohibits its disclosure and as such an order authorizing and directing the disclosure of same is sought on such terms as the court may determine to be appropriate. While that is being considered by this Honourable Court, an order sealing the Redacted Agreement and the references to it in the affidavit filed in support of this motion is sought.

[5] At this hearing, CYMI seeks an order for, among other things, the following:

a. extending the time for CYMI to file a proposal under section 50.4(9) of the Bankruptcy and Insolvency Act ("BIA") by 45 days to and including August 21, 2026 (the "Stay Period");

b. authorizing CYMI to enter into the interim financing term sheet (the "DIP Term Sheet") with Control y Montajes Industriales CYMI, S.A. ("CYMI Spain"), as interim lender, and granting super-priority charges over CYMI's property assets and undertaking ranking in the order they appear below:

    i. granting CYMI Spain a super priority charge (the "DIP Charge") in an amount not to exceed $500,000 plus interest, fees and expenses, against CYMI's property, assets and undertakings as security for all of CYMI's obligations to CYMI Spain under the DIP Term Sheet;

    ii. granting an order increasing the Administration Charge granted on June 9, 2026 (the "Administration Charge") by $350,000 (from $150,000 to $500,000);

c. granting an order directing disclosure of or about the Redacted Agreement or its economics on appropriate terms; and an order sealing certain paragraphs of the July 2, 2026 Affidavit of Oscar De la Fuente Tome and Exhibit "C" thereto, which contains the Redacted Agreement; and

d. approving the second report of the Proposal Trustee, to be filed separately with the Court (the "Second Report"), and the activities of the Proposal Trustee set out therein.

Should the DIP Term Sheet and DIP Charge be approved?

[6] The Court has authority under section 50.6(1) of the BIA to authorize the DIP Term Sheet and DIP Charge, subject to a consideration of the factors in section 50.6(5) of the BIA.

[7] I am satisfied that the DIP Term Sheet and the DIP Charge should be approved for the following reasons:

a. The Cash Flow suggests that CYMI could operate through the restructuring process with the projected receipts and disbursements. That said, the forecast leaves little room for error. Accordingly, out of prudence, CYMI is seeking approval of a DIP facility, which will be available if required to support working capital and develop a proposal;

b. The DIP Term Sheet is conditional on the Court granting an order, on terms acceptable to the DIP Lender, which, among other things, grants the DIP Charge on the property assets and undertaking of CYMI, which shall rank in priority to all other security, trusts (whether statutory or otherwise), encumbrances and claims on the property assets and undertaking of CYMI; and

c. CYMI believes that the terms of the DIP Term Sheet are reasonable in the circumstances and should be approved. In the absence of the DIP Loan, CYMI would be in too tight a cash flow situation given the Mosaic Holdback.

Should the granting of an increased administration charge be approved?

[8] An administration charge of up to $150,000 was granted pursuant to the Initial Proposal Order for the period up to July 7, 2026. To ensure continued payment of the fees and expenses of each of CYMI's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel, CYMI requests an increase in the Administration Charge granted on June 9, 2026 (which ranks behind the DIP Charge) by the amount of $350,000 (from $150,000 to $500,000) to cover the fees of the professionals assisting CYMI, including the Proposal Trustee and its counsel, and CYMI's counsel for the period commencing July 8, 2026 onwards.

[9] The Administration Charge is to rank in priority to all security, trusts (whether statutory or otherwise), encumbrances and claims on the property assets and undertaking of CYMI excepting the DIP Charge.

[10] I am satisfied that the Administration Charge is reasonable in the circumstances. The continued services of the professionals will play an important role in CYMI's proposal proceedings, restructuring steps and asset realization. Without such charge, the foregoing professionals are unlikely to continue in their capacities in support of these NOI Proceedings.

Should an extension be granted to file a proposal?

[11] CYMI requires the Stay Period and other protections provided by the BIA so that it will have the breathing space to continue its efforts to develop a proposal to creditors. Absent an extension, CYMI would be deemed automatically bankrupt, to the prejudice of stakeholders.

[12] The Court has authority to grant such relief under section 50.4(9) of the BIA:

[13] I am satisfied that since the Initial Proposal Order, CYMI has, in good faith and with due diligence, consulted with the Proposal Trustee and key stakeholders to develop a viable proposal. The requirements in s. 50.4(9) are satisfied.

[14] I am satisfied that the requested extension should be granted.

Should an order be made (i) directing disclosure of the Redacted Agreement, and (ii) providing for a limited sealing order?

[15] The rights of CYMI under the Redacted Agreement may be a material asset of the estate that would materially affect the viability and economics of any proposal that may be advanced by the debtor. Section 8 of the Redacted Agreement prohibits CYMI from disclosing the economics and timing of the settlement and limits public disclosure to the fact that an "amicable settlement has been reached." Section 8 further requires CYMI to notify the counterparty of any court order directing disclosure. These are private contractual obligations. They do not create an absolute bar to disclosure where disclosure is required by law or by court order.

[16] Section 4.2(1) of the BIA imposes a statutory duty of good faith on "any interested person in any proceedings under this Act". That duty applies to a debtor seeking an extension of time under s. 50.4(9). The duty requires full and fair disclosure of material facts relevant to the restructuring process. A debtor cannot seek relief under the BIA while withholding information concerning material assets, liabilities, or transactions that are necessary for creditors and the Court to properly assess the merits of the requested relief.

[17] I am satisfied that the public interest in the fair and informed administration of this insolvency proceeding, including creditors' ability to assess extension requests and ultimately evaluate any proposal on a complete factual record, outweighs the contractual confidentiality interests engaged by the Redacted Agreement.

[18] Section 8 of the Redacted Agreement permits disclosure where required by law or by court order.

[19] CYMI seeks an order confirming that disclosure is required in this proceeding and directing such disclosure on appropriate terms.

[20] The Court may craft protective conditions that permit disclosure while minimizing any resulting prejudice. CYMI seeks an order:

a. sealing the unredacted affidavit filed in support of this motion, including Exhibit C, which contains the Redacted Agreement, pending determination of the disclosure issue;

b. authorizing disclosure of the Redacted Agreement and its material economic terms in this restructuring proceeding, subject to a 14-day comeback period for the counterparty after notice is provided to the counterparty by mail and email at its contact address specified in the draft order (the address on its parent company's website); and

c. permitting the counterparty to return to Court during that comeback period to show cause why the disclosure order should be varied or supplemented.

[21] I am satisfied that this approach appropriately balances the competing interests at stake. It respects the counterparty's contractual confidentiality interests, preserves the value of the Redacted Agreement for the benefit of the estate, and ensures that the Court and creditors are not deprived of material information necessary for the BIA process to operate fairly and effectively. The statutory duty of good faith under ss. 4.2 and 50.4 of the BIA, together with the jurisprudence governing disclosure and insolvency proceedings, requires disclosure of material information concerning the Redacted Agreement. Section 8 expressly permits disclosure where required by law or court order. A sealing order with a comeback mechanism is therefore the appropriate means of reconciling the debtor's disclosure obligations with the confidentiality provisions of the Redacted Agreement.

Disposition

[22] Order to issue in form of Order signed by me today.