

**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 OLD API WIND-DOWN LTD.**

Applicant

**MOTION RECORD OF THE APPLICANT
(Returnable March 28, 2019)
(Re Transfer of Intercompany Claims and Stay Extension)**

March 20, 2019

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Barristers & Solicitors
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I N D E X

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1.	Notice of Motion, returnable March 28, 2019
A.	Draft Order
2.	Affidavit of Christopher Freeland, sworn March 20, 2019
A.	Chart Delineating Intercompany Claims as of February 19, 2019

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF OLD API WIND-DOWN LTD.**

Applicant

**NOTICE OF MOTION
(Returnable March 28, 2019)
(Re Transfer of Intercompany Claims and Stay Extension)**

Old API Wind-down Ltd., formerly known as Aralez Pharmaceuticals Inc., ("**API**") will make a motion to the Justice presiding over the Commercial List on March 28, 2019 at 10:00 a.m. at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An order substantially in the form of the draft order attached as Schedule "A" to this Notice of Motion:
 - (a) Authorizing API to transfer and assign any intercompany claims existing between API and one or more of its affiliates to any of its affiliates;
 - (b) Extending the Stay Period (as defined in the Initial Order of the Honourable Mr. Justice Dunphy dated August 10, 2018, as amended and restated (the "**Initial Order**")) until July 31, 2019; and
2. Such further and other relief as the Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. API and Aralez Pharmaceuticals Canada Inc., (“**Aralez Canada**”, with API the “**CCAA Entities**”), together with Aralez Pharmaceuticals Management Inc., Aralez Pharmaceuticals R&D Inc., Aralez Pharmaceuticals U.S. Inc., POZEN Inc., Halton Laboratories LLC, Aralez Pharmaceuticals Holdings Limited, and Aralez Pharmaceuticals Trading DAC (collectively, the “**Chapter 11 Entities**”, and with the CCAA Entities, the “**Aralez Entities**”) were in the business of acquiring, developing, marketing and selling specialty pharmaceutical products, with a focus on cardiovascular health and pain management, in Canada, the U.S. and Ireland;

4. The Aralez Entities experienced financial difficulties, resulting in the Aralez Entities seeking protection from their creditors;

5. On August 10, 2018, the CCAA Entities sought and were granted creditor protection and related relief under the CCAA pursuant to the Initial Order;

6. On August 10, 2018, the Chapter 11 Entities filed voluntary petitions under chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York;

Claims Procedure

7. On October 10, 2018, the Court approved the Claims Procedure Order providing for the solicitation of Claims (as defined in the Claims Procedure Order);

8. The review and determination of filed Claims was to be established by further order of the Court. On December 7, 2018, the Court granted the Aralez Canada CCAA Termination Order, which set forth the procedure for determining Claims filed in respect of Aralez Canada;

Sales Process

9. Pursuant to a Court approved sales process, API entered into a stalking horse agreement contemplating the sale of all of the shares of Aralez Canada to Nuvo Pharmaceuticals Inc. (the “**Purchaser**”) for a purchase price of US\$62.5 million, subject to certain adjustments (the “**SPA Transaction**”);

10. On December 7, 2018, the Court approved the SPA Transaction, which closed on December 31, 2018;

11. Aralez Canada further entered into an asset purchase agreement with Intercept Pharmaceuticals, Inc. to sell certain contractual rights to develop and market products containing bezafibrate in the United States (the “**Bezafibrate APA**”);

12. On December 17, 2018, the Court approved the Bezafibrate APA, which closed on December 18, 2018;

Distribution Order

13. On December 17, 2018, the Court approved the Distribution Protocol Order providing for the orderly distribution of the proceeds generated from the SPA Transaction and the Bezafibrate APA and any other cash on hand in a manner that reflects the relative priorities of the CCAA Entities’ stakeholders, subject to the establishment of a reserve;

Windup of Aralez Entities

14. API and Aralez Canada have historically entered into intercompany transactions with their affiliates, including providing funding to, or payments on behalf of, one another;

15. The Aralez Entities are or will be taking the necessary steps to complete the windup of the remaining corporate entities, including API, the Chapter 11 Entities and certain foreign affiliates, in the most efficient manner available;

16. To facilitate such liquidation and, in certain cases, to determine the type of liquidation proceeding that a foreign affiliate may avail itself to under applicable foreign law, it is desirable that certain intercompany claims be netted off to the extent permitted under applicable law;

17. As such, API is seeking authority to transfer some or all of its intercompany claims to its affiliates to be netted off;

Extension of Stay Period

18. On January 30, 2019, the Court extended the Stay Period until April 19, 2019;
19. API is actively engaged in the resolution of Claims filed in respect of Aralez Canada;
20. The SPA Transaction contemplates a working capital adjustment (the “**Adjustment Process**”). On March 15, 2019, the Purchaser delivered a statement setting forth its calculation of, among other things, the actual net working capital at the time the SPA Transaction closed. The remainder of the Adjustment Process is currently ongoing;
21. API continues to work with counsel to the Chapter 11 Entities to wind-down the Aralez Entities in an efficient, orderly manner;
22. The Applicant has acted and continues to act in good faith and with due diligence, and no creditor will suffer any material prejudice if the Stay Period is extended to July 31, 2019;
23. The extension of the Stay Period will provide the stability necessary for the Applicant to continue the CCAA Proceedings in an orderly and efficient manner;

GENERAL

24. The provisions of the CCAA, including sections 11 and 36 thereof, and the inherent and equitable jurisdiction of this Court;
25. Rules 1.04, 1.05, 2.03, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
26. Such further grounds as counsel may advise and this Court may see fit.

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

1. The Affidavit of Christopher Freeland, sworn March 20, 2019;
2. A report of the Monitor to be filed; and
3. Such further and other materials as counsel may advise and this Court may permit.

March 20, 2019

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TAB A

Schedule "A"

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**THE HONOURABLE M●
JUSTICE ●**

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**THURSDAY, THE 28TH
DAY OF MARCH, 2019**

**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 OLD API WIND-DOWN LTD.**

Applicant

ORDER

THIS MOTION, made by Old API Wind-down Ltd. ("**API**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order (a) authorizing API to transfer intercompany claims to one or more of its affiliates, and (b) extending the Stay Period until July 31, 2019 was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Christopher Freeland, sworn March 20, 2019, and the Eighth Report of Richter Advisory Group Inc., in its capacity as the Court-appointed Monitor (the "**Monitor**"), and on hearing the submissions of counsel for the Applicant, the Monitor, and counsel for those other parties appearing as indicated by the counsel sheet, no one else appearing although duly served, as appears from the affidavit of Shimshon E. Dukesz, sworn March ●, 2019 and filed:

SERVICE

1. **THIS COURT ORDERS** that the time and method of service and notice of this Motion is hereby abridged and validated and that this Motion is properly returnable today without further service or notice thereof.

TRANSFER OF INTERCOMPANY CLAIMS

2. **THIS COURT ORDERS** that, with the consent of Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. and the Monitor or further order of the Court, API is authorized to transfer and assign some or all of any intercompany claims existing between API and one or more of its affiliates to any of its affiliates for nominal consideration.

3. **THIS COURT ORDERS** that API is authorized to take all actions and execute all documents as may be necessary or desirable to effectuate the transfer and assignment of intercompany claims by and between API and its affiliates.

4. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") in respect of API and any order issued pursuant to any such applications; and
- (c) any application for a receivership order,

any transfer or assignment of intercompany claims by and between API and its affiliates pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of API and shall not be void or voidable by creditors of API, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

EXTENSION OF STAY PERIOD

5. **THIS COURT ORDERS AND DECLARES** that the Stay Period, as such term is defined in the Initial Order of the Honourable Mr. Justice Dunphy dated August 10, 2018, as amended and restated, be and is hereby extended until July 31, 2019.

GENERAL

6. **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 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 the Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

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

Court File No. CV-18-603054-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF OLD API WIND-DOWN LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at [Toronto](#)

ORDER

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

Court File No. CV-18-603054-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF OLD API WIND-DOWN LTD.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE MARCH 28, 2019)

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TAB 2

**ONTARIO
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OF OLD API WIND-DOWN LTD.

Applicant

AFFIDAVIT OF CHRISTOPHER FREELAND
(Sworn March 20, 2019)

I, Christopher Freeland, of the Town of Princeton, in the State of New Jersey, MAKE OATH AND SAY:

1. I am the General Counsel and Chief Operating Officer of the Applicant, Old API Wind-down Ltd. ("**API**"). As a result of my role with API, I have certain knowledge of the matters to which I hereinafter depose. I have also reviewed certain books and records of API and have spoken with and relied upon certain of the directors, officers, employees and/or advisors of API, as necessary and applicable. Where I have relied upon such information, I believe such information to be true.
2. This affidavit is sworn in support of a motion brought by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**") seeking:
 - (a) An order authorizing API to transfer intercompany claims to one or more of its affiliates for nominal consideration;
 - (b) An order extending the Stay Period (defined below) to July 31, 2019; and
 - (c) Such further and other relief as the Court deems just.

A. BACKGROUND AND STATUS OF THE PROCEEDINGS

3. API and Aralez Pharmaceuticals Canada Inc. ("**Aralez Canada**" and together with API, the "**CCA Entities**") were two entities within a larger corporate structure that included Aralez

Pharmaceuticals Management Inc., Aralez Pharmaceuticals R&D Inc., Aralez Pharmaceuticals U.S. Inc., POZEN Inc., Halton Laboratories LLC, Aralez Pharmaceuticals Holdings Limited and Aralez Pharmaceuticals Trading DAC (collectively, the “**Chapter 11 Entities**”, and with the CCAA Entities, the “**Aralez Entities**”).

4. As described in greater detail in the affidavit sworn by Andrew I. Koven on August 9, 2018 (the “**Initial Affidavit**”), the Aralez Entities were in the business of acquiring, developing, marketing and selling specialty pharmaceutical products, with a focus on cardiovascular health and pain management, in Canada, the U.S. and Ireland.

5. API, a company incorporated under the laws of British Columbia, was the public holding company and ultimate parent of the other Aralez Entities. Prior to the events described below, Canadian operations of the Aralez Entities were largely conducted through Aralez Canada, which is incorporated under the laws of Ontario.

6. On August 10, 2018, the CCAA Entities sought and were granted creditor protection and related relief under the CCAA (the “**CCAA Proceedings**”) pursuant to the Initial Order of the Honourable Mr. Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”), as amended and restated (the “**Initial Order**”).

7. Also on August 10, 2018, the Chapter 11 Entities filed voluntary petitions under chapter 11 of title 11 of the United States Bankruptcy Code (the “**U.S. Proceedings**”) in the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Court**”).

8. Copies of each of the filings in the CCAA Proceedings are available on the Monitor’s website for these proceedings at: <http://insolvency.richter.ca/A/Aralez-Pharmaceuticals>.

9. Additional details regarding the background to these CCAA Proceedings are set out in the Initial Affidavit and, unless relevant to the present motion, are not repeated herein.

B. SALES PROCESS

10. An essential component of the Aralez Entities’ restructuring was a comprehensive, Court-approved marketing process followed by a series of going concern sales of substantially all of their assets.

CCAA Proceedings

11. Beginning in the spring of 2017, the CCAA Entities commenced negotiations with Intercept Pharmaceuticals, Inc. to sell certain contractual rights to develop and market products containing bezafibrate in the United States. The parties reached an acceptable agreement in principle on August 9, 2018, but were unable to complete the transaction ahead of the CCAA filing. Negotiations concluded during the CCAA Proceedings with the execution of an asset purchase agreement (the “**Bezafibrate APA**”). The transaction contemplated by the Bezafibrate APA was approved by the CCAA Court on December 17, 2018 and closed on December 18, 2018.

12. Pursuant to the sales process approved by the CCAA Court (the “**Sales Process**”), API entered into a sale transaction (the “**SPA Transaction**”) contemplated by a share purchase agreement (the “**Share Purchase Agreement**”) among API, as vendor, and Nuvo Pharmaceuticals Inc., as purchaser (the “**Purchaser**”) dated September 18, 2018. The Share Purchase Agreement, which acted as a stalking horse bid, contemplated the sale of all of the shares of Aralez Canada, which were held by API, to the Purchaser for the purchase price of US\$62.5 million, subject to certain adjustments (the “**Purchase Price**”). This Court approved the SPA Transaction on December 7, 2018 and the transaction subsequently closed on December 31, 2018.

13. The Share Purchase Agreement provided that immediately before the SPA Transaction closed API was to provide the Purchaser with an estimate (the “**Estimate**”) of the net working capital as of the time the SPA Transaction would close (the “**Closing**”).

14. The Share Purchase Agreement further provided that, within 75 days of Closing, the Purchaser will prepare and deliver a statement setting forth its calculation of, among other things, the actual net working capital (the “**Closing Date Statement**”). To the extent the actual net working capital (as ultimately determined) differs from the Estimate, the Share Purchase Agreement contemplates a post-facto adjustment of the Purchase Price to reflect those variations (the “**Adjustment Process**”).

15. The Purchaser delivered the Closing Date Statement on March 15, 2019. The Adjustment Process is ongoing.

U.S. Proceedings

16. In the U.S. Proceedings, the Chapter 11 Entities obtained court approval of two stalking horse agreements on October 10, 2018. The Vimovo sale closed on December 31, 2018. The Toprol sale closed on March 6, 2019.

C. DISTRIBUTIONS

17. Pursuant to an order of this Court dated December 17, 2018 (the “**Distribution Order**”), API and the Monitor, in consultation with Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. (“**Deerfield**”) established a reserve (the “**Reserve**”) in the amount of US\$10.5 million from the proceeds of the SPA Transaction and the Bezafibrate APA (the “**Sale Proceeds**”) to secure and/or satisfy various obligations, including certain Court-approved charges, professional expenses, post-filing expenses, priority obligations and amounts that the Monitor reasonably estimated to be potentially owing to the Purchaser under the Adjustment Process.

18. Pursuant to the Distribution Order, API and the Monitor were authorized and directed to distribute the remainder of the Sale Proceeds to Deerfield up to the maximum amount of the obligations owed to them under the Canadian DIP Credit Agreement and the pre-filing Facility Agreement. Pursuant to an offset of debt amounts owing under the Facility Agreement, API distributed US\$55.1 million to Deerfield.

19. API and the Monitor distributed a further US\$2.3M to Deerfield on March 6, 2019.

D. THE CLAIMS PROCESS

20. On October 10, 2018, this Court approved a claims process (the “**Claims Process**”) pursuant to which the CCAA Entities solicited claims against themselves and their directors and officers (the “**Claims Procedure Order**”).

21. The Claims Procedure Order provided that any party that did not file a Proof of Claim (as defined in the Claims Procedure Order) by the applicable deadline was not entitled to receive any distribution in respect of such claim and was barred from making or enforcing such claim against the CCAA Entities and their directors and officers.

22. The CCAA Entities received 39 claims against Aralez Canada and 34 claims against API in the total amounts of US\$66.7 million and US\$136.9 million, respectively, by the Claims Bar Date of November 29, 2018 (the “**Claims**”). Many of these Claims are duplicates of one another, in that the claimant filed a Claim against both API and Aralez Canada. Of the 73 Claims filed, 46 were placeholder Claims for unspecified amounts relating to indemnification for directors and officers and intercompany debt obligations.

23. Pursuant to an Order of this Court dated December 7, 2018, issued in conjunction with the SPA Transaction, API retained the authority to address and resolve Claims filed against Aralez Canada following the Closing of the SPA Transaction.

24. Following discussions with the Purchaser and the Monitor, the CCAA Entities concluded that given the small number of Claims in dispute, the parties may not require a claims resolution officer or formal claims resolution process to resolve the Claims. The CCAA Entities resolved to address the Claims directly, in consultation with the Monitor, the Purchaser and Deerfield.

E. TRANSFER OF INTERCOMPANY CLAIMS

25. Prior to the CCAA proceedings, in the ordinary course of their business, API and Aralez Canada entered into intercompany transactions with their affiliates, including providing funding to, or payments on behalf of, one another. These intercompany transactions created intercompany claims owing by and/or among API and Aralez Canada and their affiliates, including the Chapter 11 Entities, Aralez Luxembourg Finance S.á r.l. (“**Aralez Luxembourg**”) and Tribute Pharmaceuticals International Inc. (“**Aralez Barbados**”).

26. Attached hereto as **Exhibit “A”** is a chart setting forth the intercompany claims existing among API and its affiliates as of February 19, 2019 (the “**Intercompany Claims**”).

27. Having substantially completed the Sales Process, the Aralez Entities are in the process of winding down. On February 5, 2019, each of the Chapter 11 Entities, other than Aralez Pharmaceuticals Trading DAC (“**Trading DAC**”), filed the *Joint Liquidating Plan of Certain of the Debtors Under Chapter 11 of the Bankruptcy Code* (the “**U.S. Plan**”) and related disclosure statement. It is anticipated that Trading DAC, Aralez Luxembourg and Aralez Barbados will be liquidated pursuant to their applicable foreign law.

28. To facilitate such liquidation and, in certain cases to determine the type of liquidation proceeding that the entity may avail itself under applicable foreign law, it is desirable that certain Intercompany Claims be netted off to the extent permitted under applicable law and the applicable entities' respective balance sheets be updated to reflect the actual amounts due and owing after such setoff. To this end, the U.S. Plan contemplates, among other things, the extinguishment and/or cancellation of all claims held by one Chapter 11 Entity against another Chapter 11 Entity or API, and permits the Chapter 11 Entities to take such steps as are necessary or required to do so. API is seeking this Court's authority to transfer and assign some or all of the Intercompany Claims to its affiliates.

29. Deerfield stands to suffer a shortfall on its recovery against the assets of the Aralez Entities. None of API's affiliates have any unencumbered funds or assets to satisfy the Intercompany Claims. The transfer and setting off of Intercompany Claims would be done solely to facilitate each entities' ability to wind up in the most efficient manner available. No cash will leave API.

30. Providing for the liquidation of the Aralez Entities and their foreign affiliates in the most efficient manner will minimize the cost of winding up the Aralez Entities and therefore is in the best interests of API's stakeholders, including Deerfield. The draft order expressly provides that any transfer of Intercompany Claims be done with the consent of Deerfield and the Monitor or further order of the Court.

F. STAY EXTENSION

31. The Initial Order granted a stay of proceedings up to and including September 7, 2018 (the "**Stay Period**"). The Stay Period was previously extended four times to November 14, 2018, December 7, 2018, February 1, 2019 and April 19, 2019. The Applicant is seeking to extend the Stay Period to July 31, 2019.

32. This extension is required to allow API to:

- (a) Address any post-closing matters ancillary to the SPA Transaction, including finalization of the Adjustment Process;
- (b) Review and address the remaining Claims;

- (c) Distribute the Sale Proceeds to stakeholders; and
- (d) Address any other issues as they arise in the CCAA Proceedings.

33. It is my understanding that the Monitor will be filing a report in support of the extension of the Stay Period to July 31, 2019 and that Deerfield does not oppose the extension.

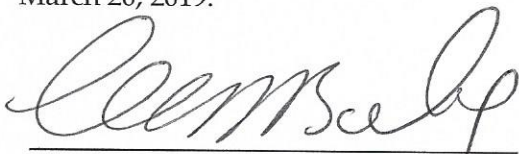
34. The extension of the Stay Period will provide the stability necessary for the Applicant to advance the CCAA Proceedings in an orderly and efficient matter.

35. The Applicant has acted and continues to act in good faith and with due diligence. I do not believe that any creditor will suffer any material prejudice if the Stay Period is extended to July 31, 2019.

G. CONCLUSION

36. It is my belief that granting the relief sought herein is an appropriate next step in the CCAA Proceedings and will provide a pathway for completing the restructuring of the Aralez Entities in a manner that will maximize value for stakeholders.

SWORN BEFORE ME in the Town of
Princeton, in the State of New Jersey, on
March 20, 2019.



Commissioner for Taking Affidavits



CHRISTOPHER FREELAND

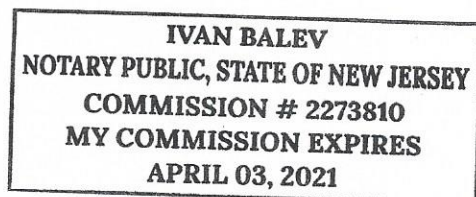
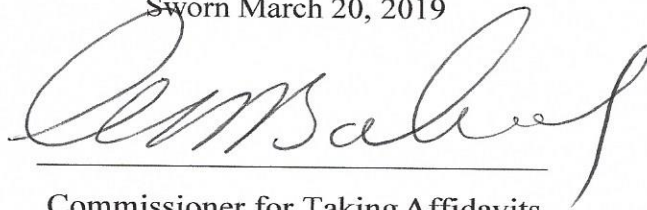


EXHIBIT "A"

referred to in the Affidavit of

CHRISTOPHER FREELAND

Sworn March 20, 2019

A handwritten signature in cursive script, appearing to read 'Ivan Balev', written over a horizontal line.

Commissioner for Taking Affidavits

IVAN BALEV
NOTARY PUBLIC, STATE OF NEW JERSEY
COMMISSION # 2273810
MY COMMISSION EXPIRES
APRIL 03, 2021

Intercompany Balances of the Aralez Entities as of February 19, 2019

	Related Party	Aralez Pharmaceuticals Inc	Aralez Pharmaceuticals Canada Inc	Medical Futures Inc (Aralez Pharmaceuticals Canada Inc)	Aralez Pharmaceuticals Holdings Limited	Aralez Pharmaceuticals Trading DAC	Aralez Luxembourg Finance	Aralez Pharmaceuticals Management Inc	POZEN Inc	Aralez Pharmaceuticals US Inc	Halton Laboratories LLC	Aralez Pharmaceuticals R&D Inc	Tribute Pharmaceuticals International Inc	Aralez Eliminations Company	Grand Total
Aralez Pharmaceuticals Inc.	- 117 ^{1,2}	NIL	- 1,372,472	846,684	NIL	- 5,457,886	119,107,727	7,522,824	131,712	8,970,199	-3,859	487,224	-19	NIL	130,232,018
Aralez Pharmaceuticals Canada Inc.	-746,319	1,359,973	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-516,703	3,859	NIL	NIL	NIL	100,810
Medical Futures Inc. (Aralez Pharmaceuticals Canada Inc)	-756,713	- 843,270	1,503,032	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-3,859	NIL	NIL	NIL	-100,810
Aralez Pharmaceuticals Holdings Limited	NIL	NIL	NIL	NIL	NIL	- 2,845.76	247,750,000	NIL	- 2,094,653	NIL	NIL	NIL	NIL	NIL	245,652,502
Aralez Pharmaceuticals Trading DAC	-136,236	5,760,831	- 483,486	NIL	2,841	NIL	- 253,746,467	356,173	-234,233	-714,369	2,281,111	-5,254,297	-673,731	NIL	-252,841,863
Aralez Luxembourg Finance	NIL	- 119,107,727	NIL	NIL	-247,750,000	253,746,467	NIL	NIL	129,729,001	NIL	NIL	NIL	NIL	NIL	16,617,740
Aralez Pharmaceutical Management Inc.	0.89	- 7,522,825	NIL	NIL	NIL	- 356,174	NIL	NIL	- 849,050	-40,090	-730,450	NIL	NIL	NIL	-9,498,588
POZEN Inc.	NIL	- 131,712	NIL	NIL	2,094,653	234,234	- 129,729,001	849,050	NIL	68,611,812	45,432,675	1,912,546	-45,894	NIL	-10,771,637
Aralez Pharmaceuticals US Inc.	8,138	- 8,438,498	2	NIL	NIL	713,855	NIL	40,090	- 68,611,812	NIL	-10,384,213	-2,463,358	1,000	-0.97	-89,134,796
Halton Laboratories LLC	NIL	0.27	NIL	3,863	NIL	- 2,281,111	NIL	730,450	- 45,432,675	10,369,971	NIL	327,413	-1,885,849	NIL	-38,167,937
Aralez Pharmaceuticals R&D Inc.	NIL	- 477,573	- 3,505	NIL	NIL	5,254,298	NIL	NIL	- 1,912,546	2,461,772	-327,413	NIL	NIL	NIL	4,995,032
Tribute Pharmaceuticals International Inc	0.12	14,729	- 9,541	NIL	NIL	673,730	NIL	NIL	45,894	-1,000	1,813,755	NIL	NIL	NIL	2,537,568
Aralez Eliminations Company	- 6,508	28,262	- 34,410	NIL	NIL	8,272	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-4,384

¹ All numbers in USD

² Positive number indicates a receivable; negative number indicates a payable

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

Court File No. CV-18-603054-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD API WIND-DOWN LTD.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF CHRISTOPHER FREELAND
SWORN ON MARCH 20, 2019

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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(COMMERCIAL LIST)**
Proceeding Commenced at Toronto

**MOTION RECORD OF THE APPLICANT
(Returnable March 28, 2019)
(Re Transfer of Intercompany Claims
and Stay Extension)**

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