

CANADA

SUPERIOR COURT
(COMMERCIAL DIVISION)

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

IN THE MATTER OF THE NOTICE OF INTENTION OF:

No. 500-11-056311-190

BIOMOD CONCEPTS INC.

Debtor

and

RICHTER CONSULTING GROUP INC.

Trustee

MOTION FOR A SECOND EXTENSION OF THE DELAY TO FILE A PROPOSAL
(Articles 50.4(9) of the *Bankruptcy and insolvency Act* ("**BIA**"))

TO ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTREAL, OR TO THE REGISTRAR OF THIS COURT, PETITIONER RESPECTFULLY SUBMITS AS FOLLOWS:

I. BACKGROUND

1. Biomod Concepts Inc. ("**Biomod**"), is a Canadian privately-owned company that has been in operation since 2009. It is involved in the research and development of an innovative advanced delivery system of active ingredients for the beauty and health industries. Biomod's delivery system also has many broader potential applications, such as in the medical and pharmaceutical industries;
2. That said, Biomod was faced with major liquidity problems such that it was no longer able to respect its obligations as they became due;
3. Accordingly, on April 8, 2019, Biomod filed a Notice of intention to make a proposal pursuant to the BIA, the whole as more fully appears from the court record;
4. Prior to the filing of the Notice of intention, Biomod had approximately forty-five (45) salaried employees in its service, in addition to various contractual employees;
5. Given the liquidity crisis it was facing, Biomod had no other choice but to temporarily layoff the vast majority of its employees and to put its operations on hold immediately following the filing the Notice of intention. Two key employees were retained to assist Biomod in its restructuring efforts;
6. On May 8, 2019, at the request of Biomod, Justice Brian Riordan issued an order essentially providing for the following:

- a) An extension of the delay to file a proposal to June 22, 2019;
- b) The appointment of the Trustee as interim receiver, namely so that it may control receipts and disbursements and begin a formal sales and investor solicitation process (the “**SISP**”);
- c) Interim (DIP) financing in the amount of \$400,000 (the “**Interim Financing**”) to enable Biomod to satisfy its post-filing obligations and to cover the costs and expenses related to the conduct of the SISP; and
- d) An administration charge in the amount of \$75,000 to guarantee the payment of professional fees;

the whole as appears from the court record;

II. THE SALE AND INVESTOR SOLICITATION PROCESS

- 7. The Interim Financing was intended to enable Biomod to satisfy its post-filing obligations and to cover the costs and expenses related to the conduct of a Sales and Investor Solicitation Process (“**SISP**”);
- 8. The SISP was formally launched by the Trustee, in its capacity as interim receiver, on May 15, 2019, when a “teaser” was sent to over 100 potentially interested parties located in North America, Europe and Asia;
- 9. In total, 12 parties demonstrated their interest and were provided with draft non-disclosure agreements and with the SISP conditions;
- 10. Of those 12, 7 executed the above-mentioned documents and were granted access to the virtual data room;
- 11. Parties have until 5:00 pm ET on June 25, 2019 to submit their offers;
- 12. Simultaneously with SISP, certain of Biomod’s shareholders have been making efforts to attract investments that would allow for the restructuring of the company and the filing of a viable proposal to creditors;

III. EXTENSION REQUIRED

- 13. The 45 day extension sought herein will allow for the completion of the SISP and will allow the Debtor to work toward presenting a viable proposal to its creditors;
- 14. The extension is in the best interest of all stakeholders. It will not prejudice any of Biomod’s creditors and is supported by the Trustee, the whole as more fully appears from the Trustee’s report filed in support hereof as **Exhibit R-1**;
- 15. In fact, thanks to the interim financing, Biomod’s limited operations have remained cash flow positive since the filing of the Notice of Intention and shall remain as such over the course of the extension period sought herein, the whole as more fully appears from Biomod’s cashflow statement filed in support hereof as **Exhibit R-2**;

16. Biomod has acted, and continues to act in good faith and with due diligence in the present proceedings;

17. The Trustee has informed Biomod that it is in favour of the extension sought herein;

IV. CONCLUSIONS

18. For the reasons set forth above, Biomod requests that the delay to file a proposal be extended up to and including August 6, 2019;


19. Biomod respectfully submits that the notice given of the presentation of this Motion is proper and sufficient and that this Motion should be granted in accordance with its conclusions;

20. The present Motion is well founded in fact and in law;

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present *Motion for a second extension of the delay to file a proposal*;
2. **REDUCE** the delays required for the presentation of the Motion;
3. **EXTEND** the delay granted to the Debtor to file its proposal with the Official Receiver to August 6, 2019;
4. **THE WHOLE WITHOUT COSTS**, except in the event of contestation.

Montréal, June 18, 2019


GOWLING WLG (CANADA) LLP
Attorneys for Petitioner/Debtor
BIOMOD CONCEPTS INC.

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No. 500-11-056311-190

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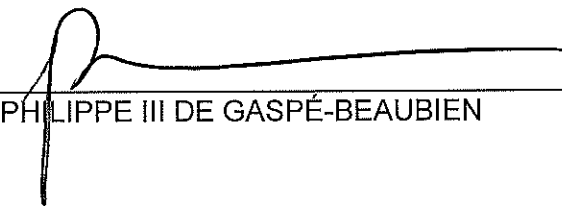
Trustee

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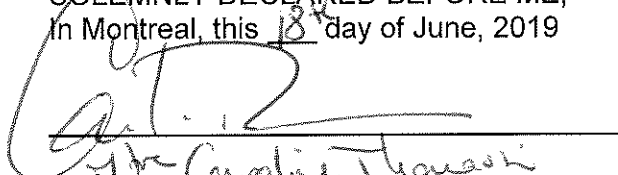
I, the undersigned, Philippe III de Gaspé-Beaubien, President of the Board of Directors of Biomod Concepts Inc., having a place of business at 999 de Maisonneuve West, 10th Floor, Montréal, province of Québec, H3A 3L4, solemnly declare that:

1. I am a duly authorized representative of the Debtor;
2. All the facts alleged in the present ***Motion for a second extension of the delay to file a proposal*** are true to the best of my knowledge.

AND I HAVE SIGNED:


PHILIPPE III DE GASPÉ-BEAUBIEN

SOLEMNLY DECLARED BEFORE ME,
In Montreal, this 18th day of June, 2019


Caroline Thureau
Quebec Bar 198633-3

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No. 500-11-056311-190

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(COMMERCIAL DIVISION)

IN THE MATTER OF THE NOTICE OF INTENTION OF:

BIOMOD CONCEPTS INC.

PETITIONER/Debtor

and

RICHTER CONSULTING GROUP INC.

IMPLEADED PARTY/Trustee

NOTICE OF PRESENTATION

TO: RICHTER CONSULTING GROUP INC.

Attn: Mr. Gilles Robillard, CPA, Ca, CIRP, LIT (grobillard@richter.ca)

Trustee

INVESTISSEMENT QUÉBEC

Attn: Mr. Mathieu Marcil, (mathieu.marcil@invest-quebec.com)

BORDEN LADNER GERVAIS

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Me Ouassim Tadlaoui (otadlaoui@blg.com)

Attorneys for Quantius Inc.

SYLVESTRE & ASSOCIÉS SENCRL

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Attorneys for Centre d'aide aux entreprises de la Rive-Sud Inc.

KUGLER, KANDESTIN LLP.

Attn: Me Gérald F. Kandestin (gkandestin@kklex.com)

Attorneys for Majal Family Holdings Inc. and Michael Rubenstein

LANGLOIS AVOCATS

Attn: Me Guillaume Pierre Michaud (guillaume.michaud@langlois.ca)

Attorneys for 9307-0274 Québec Inc.

TAKE NOTICE that the *Motion for a second extension of the delay to file a proposal* will be presented before one of the honourable judges of the Superior Court or a registrar, sitting in commercial division, in and for the District of Montreal, at the Montreal Courthouse in room 16.10, on **June 21, 2019 at 8:45 a.m.** or as soon as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, June 18, 2019


GOWLING WLG (CANADA) LLP
Attorneys for Petitioner/Debtor
BIOMOD CONCEPTS INC.

No. 500-11-056311-190

SUPERIOR COURT
(COMMERCIAL DIVISION)
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE NOTICE OF
INTENTION OF:

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PETITIONER/Debtor

and

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BL0052

**MOTION FOR AN EXTENSION OF THE
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(Articles 50.4(9) of the *Bankruptcy and
insolvency Act* ("BIA"))

ORIGINAL

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c/o 4127