

Questions for Catalyst Update

- Of Catalyst's five funds, only one has been cashed out (Fund I) in 2013. Fund II was supposed to have cashed out in 2015 but has been delayed. Fund III is scheduled to be paid out late next year. Why has there been delays in returning money to the limited partners?
- Is it because Catalyst's investments have not panned out as planned?
- **In 2016, Callidus extended a loan to Horizontal Well Drillers, an Oklahoma-based well drilling company, for in excess of \$200-million. This year, Callidus indicated it has written down \$170-million of the loan. We understand there was no collateral put up by Callidus prior to the loan being extended. We also understand the drilling contract was delayed. Where did the money end up?**
- This year, the OSC placed Callidus on its reflings and errors list for the next three years. What was the company's reaction to this development?
- Why did Callidus value Bluberi Group at \$200-million?
- Why has Catalyst had difficulty in selling off Therapure Biopharma Inc.?
- Gateway Casinos was awarded the operation of three regional casino bundles in Ontario. Where does Catalyst plan to find the money to finance these new casinos given Gateway's debt load?
- Is Catalyst worried about the performance of Advantage Car Rentals as compared to its competitors?
- Both Callidus and Black Cube have denied the Israeli firm was hired by Callidus (or was it Catalyst?). But Black said in court statements that it could not indicate who had hired them, citing "litigation privilege". Logically, this would suggest a law firm had hired Black Cube – and therefore most likely Lax O'Sullivan Lisus Gottlieb LLP. Is that the case?
- Bruce Langstaff, a former equity sales manager at Canaccord Genuity Corp., has sued Catalyst, claiming that pressure brought by Newton Glassman on the leadership of Canaccord was responsible for him being fired from his job last year. How does Catalyst respond?

- In 2011, Gabriel de Alba helped lead a restructuring of Satmex, a Mexican telecommunications company that his family had an ownership stake in. Satmex was eventually sold to a European telecommunications company called Eutelsat. Estimates suggest that de Alba and his family and other equity holders earned \$250-million in this sale. Catalyst or Callidus played no role or did not profit from this deal. However, the corporate opportunity doctrine and Catalyst's own marketing documents, say Catalyst directors cannot engage in business deals that do not profit Catalyst. In short, de Alba appears to have violated the corporate opportunity doctrine. How does the company respond?
- This past August, Callidus announced that Glassman would step down as head of Callidus. We have heard this may have occurred as a result from pressure from Catalyst's limited partners. Is this true and why did he step down?