

No. S-264685

Vancouver Registry

Estate Nos. 11-255181, 11-255180, 11-255179



IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF

**WRKOUT HOLDINGS LTD., 1145643 B.C. LTD. AND INNOVATIVE FITNESS
CANADA LTD.**

FIRST REPORT OF THE RECEIVER

AUGUST 6, 2026



FIRST REPORT OF THE RECEIVER

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INTRODUCTION

1. On July 16, 2026 (the “**Receivership Date**”), FTI Consulting Canada Inc. (“**FTI**” or the “**Receiver**”) was appointed as receiver and manager, without security, of all the assets, undertakings, and property of Wrkout Holdings Ltd. (“**Wrkout Holdings**”), 1145643 B.C. Ltd. (“**1145643 BC**”), and Innovative Fitness Canada Ltd. (“**IF Canada**” and collectively with Wrkout Holdings and 1145643 BC, “**Innovative Fitness**” or the “**Company**”), including all proceeds (collectively, the “**Property**”) in British Columbia Supreme Court, Vancouver Registry No. S-264685 (the “**Receivership Proceedings**”).
2. Innovative Fitness operates a network of premium fitness studios in British Columbia and Ontario (collectively, the “**Fitness Studios**”). The Fitness Studios provide personalized health, fitness, and wellness services to their clients. The business is conducted through one corporate-owned location and nine franchised locations, with the franchised locations being operated by independent franchisees pursuant to franchise agreements with IF Canada.
3. The senior secured lender in relation to Innovative Fitness is Lifespan Holdings Inc. (“**Lifespan**”). As at the Receivership Date, Innovative Fitness owed Lifespan approximately \$3.3 million relating to funds advanced to assist in the revitalization of the business and expand the Innovative Fitness franchise network.
4. The Bank of Montreal is also a secured creditor of 1145643 BC and was owed approximately \$2.4 million as at the Receivership Date. Pursuant to the Second Amended and Restated Priority, Subordination and Standstill Agreement dated July 31, 2025 between the Bank of Montreal (“**BMO**”), Lifespan and others, BMO’s security and repayment rights are subordinated to those of Lifespan.
5. The Receiver has prepared this First Report in connection with its application seeking, among other things, an order (the “**SISP Order**”) approving a sale and investment solicitation process (the “**SISP**”), including a stalking horse purchase agreement (the “**Stalking Horse Bid**”) dated August 6, 2026, among the Receiver and Lifespan Holdings Inc. (the “**Stalking Horse Bidder**”).

PURPOSE

6. The purpose of this report is to provide this Honourable Court and Innovative Fitness' stakeholders with information with respect to the following:
 - a. the activities of the Receiver;
 - b. a summary of the independent security opinion provided by the Receiver's counsel, Norton Rose Fulbright LLP ("**Norton Rose**");
 - c. the key commercial terms of the proposed Stalking Horse Bid;
 - d. the components and timelines of the proposed SISP; and
 - e. the Receiver's conclusions and recommendations.

TERMS OF REFERENCE

7. In preparing this report, the Receiver has relied upon certain information (the "**Information**") including the Company's unaudited financial information, books and records and discussions with senior management of Innovative Fitness (collectively, "**Management**").
8. Except as described in this report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
9. The Receiver has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

10. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.

RECEIVER'S ACTIVITIES

11. Since the Receivership Date, the Receiver's activities have included, among other things, the following:
- a. attending an initial meeting with representatives of Innovative Fitness to notify them of the receivership and explain the Receivership Order;
 - b. retaining Norton Rose to act as counsel to the Receiver;
 - c. attending daily meetings with Management to discuss the status of the operations of the business;
 - d. attending to various statutory notices pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, including mailing a Notice and Statement of Receiver to creditors identified in the books and records of Innovative Fitness and posting a copy of the notice on the Receiver's website;
 - e. freezing certain of Innovative Fitness' bank accounts and setting up an estate bank account;
 - f. reviewing and approving operating disbursements;
 - g. attending to SISP matters, including, among other things:
 - i. preparing the SISP;
 - ii. preparing materials for the data room; and
 - iii. reviewing and negotiating the terms of the Stalking Horse Bid; and
 - h. preparing this First Report.

SECURITY OPINION

12. Norton Rose has completed an independent review of the security held by Lifespan over the Property. Norton Rose has opined that the security held creates a valid and enforceable security interest in the Property, subject to the standard qualifications and assumptions.

STALKING HORSE BID

13. The SISP Order contemplates Court approval of the Stalking Horse Bid as the Stalking Horse Bidder under the SISP, which the Receiver believes will allow for a transparent, fair and efficient process that will result in the best price for the Company's assets. A copy of the Stalking Horse Bid is attached as Appendix "A" to this report.
14. The key commercial terms of the Stalking Horse Bid are as follows:
 - a. the consideration to be paid by the Stalking Horse Bidder (the "**Purchase Price**") is as follows:
 - i. a credit bid of \$2.0 million (the "**Credit Bid Amount**"); plus
 - ii. an amount equal to the priority payables outstanding on the Closing Date (as subsequently defined) plus any cure costs up to a maximum amount of \$50,000 associated with assumed contracts that are not paid by the Stalking Horse Bidder on the Closing Date;
 - b. the assets (the "**Assets**") to be purchased by the Stalking Horse Bidder, include:
 - i. all of the issued and outstanding common and other equity interests and shares of Wrkout Media Ltd.;
 - ii. all of the issued and outstanding common and other equity interests and shares of IF Canada;
 - iii. all intellectual property rights of Innovative Fitness;

- iv. all inventory;
 - v. the assumed contracts as outlined in Schedule “E” to the Stalking Horse Bid;
 - vi. the franchise agreements and rights of Innovative Fitness;
 - vii. the software and technology license agreements;
 - viii. all of the Innovative Fitness’ cash on hand on the Closing Date;
 - ix. all of the Innovative Fitness’s receivables, accounts receivable, and actions; and,
 - x. all other property of the Innovative Fitness as set out in Schedule “F” to the Stalking Horse Bid, an amended list of which may be delivered by the Stalking Horse Bidder, to the Receiver, no later than five business days before the sale approval application;
- c. the Stalking Horse Bid is subject to being declared the Successful Bid (as defined in the SISP) and the Court granting the Approval and Vesting Order with respect to the Stalking Horse Bid;
 - d. the Stalking Horse Bidder is acquiring the assets on an “as is, where is” basis subject to certain covenants and agreements included in the Stalking Horse Bid;
 - e. during the period between execution of the Stalking Horse Bid and closing, the Receiver, as the vendor, is required to preserve the Assets in the ordinary course and, subject to certain limited exceptions, may not undertake material actions without the Stalking Horse Bidder’s prior written consent, which consent may not be unreasonably withheld, delayed or conditioned. Such restricted actions include, among other things:
 - i. disposing of or encumbering the Assets;
 - ii. transferring or abandoning material assets or intellectual property; and

- iii. entering into, amending or terminating material contracts, or taking other actions that could materially affect the value or operation of the business;
 - f. all employees shall be terminated by the Receiver prior to closing. The Stalking Horse Bidder is required to offer employment to the employees identified in the Stalking Horse Bid no later than two business days prior to closing. The offers are to be effective upon closing and provide substantially the same or better terms and conditions of employment, with prior service recognized as continuous employment for all purposes;
 - g. the Stalking Horse Bidder will assume responsibility for all employment-related liabilities arising from and after closing for employees who accept such offers, while all wages, vacation pay, source deductions and other employment-related obligations accrued prior to closing shall be subject to and dealt with in the Receivership Proceedings. The Stalking Horse Bidder will have no liability in respect of employees who do not accept an offer of employment; and
 - h. the outside date is September 30, 2026 (the “**Closing Date**”).
15. The Receiver’s comments with respect to the Stalking Horse Bid are as follows:
- a. the Stalking Horse Bid supports a going concern transaction, which is expected to preserve the value of Innovative Fitness’ franchise system, intellectual property, customer relationships and other business assets;
 - b. the Stalking Horse Bid provides a committed purchaser, reducing execution risk should a superior transaction not emerge;
 - c. the Stalking Horse Bid will provide a level of assurance to stakeholder groups (including franchisees, vendors, employees and other creditors) that a transaction that preserves Innovative Fitness’ business as a going concern may proceed;

- d. while the Stalking Horse Bid would not result in any recovery to unsecured creditors of Innovative Fitness, it sets a baseline price that may encourage superior bids under the SISP;
 - e. the Stalking Horse Bidder has spent considerable time, resources and legal costs in performing diligence on the potential transaction and preparing the Stalking Horse Bid, providing confidence to interested parties that an informed buyer has valued the Assets at the Purchase Price; and
 - f. based on the Receiver's experience with distressed, development stage companies similar to Innovative Fitness, the Purchase Price represents a reasonable price to act as a baseline for potential superior bids.
16. Overall, the Stalking Horse Bid provides for a going concern restructuring transaction and sets price expectations for prospective bidders, which will assist with the efficiency of the SISP. The Receiver is of the view that the Stalking Horse Bid is reasonable in the circumstances and is expected to enhance the effectiveness of the SISP by establishing a baseline transaction against which competing bids may be evaluated.

SALE AND INVESTMENT SOLICITATION PROCESS

17. The Receiver is seeking the SISP Order to approve the SISP and authorize the Receiver to carry out the SISP Procedures described therein. A copy of the SISP is attached to this report as Appendix "B".
18. The SISP is intended to solicit interest in all or substantially all of the Property and/or the Business (as defined in the SISP), or an investment in Innovative Fitness, and assess if the Stalking Horse Bid is the best available transaction.
19. The key components of the SISP are as follows:
- a. the SISP will be implemented by the Receiver;
 - b. the Receiver will prepare a list of potential bidders (the "**Potential Bidders**") who may have an interest in the assets of Innovative Fitness;

- c. the Receiver will prepare a process summary (the “**Teaser Letter**”) outlining the opportunity to Potential Bidders;
- d. the Receiver will prepare a draft form of non-disclosure agreement (a “**NDA**”);
- e. the Receiver will prepare a confidential virtual data room (the “**VDR**”) and make the information available to Potential Bidders who have an executed NDA;
- f. a copy of the Stalking Horse Bid will be made available in the VDR and shall be used as the basis for any Phase 2 Qualified Bid (as subsequently defined);
- g. Phase 1 of the SISP requires the Potential Bidder to submit a non-binding letter of intent (“**LOI**”) to the Receiver by no later than 12:00 p.m. Vancouver time on September 14, 2026 (the “**Phase 1 Bid Deadline**”);
- h. the Receiver may waive or amend the Phase 1 Bid Deadline with respect to any Potential Bidders (the applicable Potential Bidders shall be deemed a “**Phase 1 Bidder**”) in its sole discretion;
- i. following the Phase 1 Bid Deadline, the Receiver shall determine which LOIs satisfy the SISP criteria (a “**Phase 1 Qualified Bid**”) and the applicable Potential Bidders shall be deemed a “**Phase 2 Bidder**” and invited to participate in Phase 2 of the SISP;
- j. an LOI submitted by a Phase 1 Bidder will only be considered a Phase 1 Qualified Bid if the LOI includes, among other things:
 - i. an offer to: (a) acquire all, substantially all, or a portion of the Property or Business, whether through an asset purchase, a share purchase, a share subscription, or a combination thereof; or (b) to make an investment in, recapitalize, restructure or refinance Innovative Fitness and/or the Business (an “**Investment Proposal**”);

- ii. the LOI provides for net cash proceeds on closing that are greater than the Minimum Cash Purchase Price (as defined in the SISP) and the payment, in full, of the Credit Bid Amount (as defined in the Stalking Horse Bid);
 - iii. a description of the liabilities and obligations which the Phase 1 Bidder intends to assume, and those it does not intend to assume and will be excluded from the transaction; and
 - iv. a description of the structure of any transaction in respect of an Investment Proposal, including, among other things, the aggregate amount of the equity and debt investment and the consideration to be allocated to the stakeholders of Innovative Fitness;
- k. in the event that the Receiver determines that a Phase 1 Qualified Bid, either alone or in combination with other Phase 1 Qualified Bids, is a Superior Offer (as defined in the SISP), then the Receiver shall notify each Phase 1 Bidder, in writing, as to whether such Phase 1 Bidder has been determined to be permitted to proceed to Phase 2 by no later than September 16, 2026;
- l. if by no later than September 16, 2026, the Receiver has determined that it has received no Phase 1 Qualified Bids, or the Phase 1 Qualified Bids are not capable of constituting a Superior Offer, then the Stalking Horse Bid shall be deemed the Successful Bid, and the Receiver will seek Court approval of the transaction contemplated by the Stalking Horse Bid;
- m. Phase 2 Bidders will be permitted to perform additional due diligence including meetings with Management;
- n. any party interested in making a bid under the SISP that wishes to engage, discuss or communicate with any party having an existing contractual relationship with Innovative Fitness in relation to the SISP or the business or the assets of

Innovative Fitness may only do so after advising the Receiver and obtaining the Receiver's consent;

- o. Phase 2 Bidders may submit a "**Phase 2 Bid**" to the Receiver by no later than September 28, 2026 at 12:00 p.m. PST (the "**Phase 2 Bid Deadline**"). Such final bids that satisfy the SISP criteria as set out in paragraph 26 of the SISP will be deemed "**Phase 2 Qualified Bids**";
- p. all Phase 2 Bids must be accompanied by a non-refundable, good-faith cash deposit equal to 10% of the total cash component of the purchase price contemplated by such a Phase 2 Bid to be paid to the Receiver in trust until the earlier of (a) the closing of the Successful Bid or Back-Up Bid (as defined in the SISP) and (b) the rejection of the Phase 2 Bid;
- q. the Receiver may waive or amend the Phase 2 Bid Deadline with respect to any Phase 2 Bidder in its sole discretion;
- r. the Receiver will review all Phase 2 Qualified Bids to determine the highest and best Phase 2 Qualified Bid (the "**Successful Bid**"), considering, among other things, the purchase price and net value and levels of conditionality and timeline to closing of any bid;
- s. in the event that no Phase 2 Qualified Bid is received or the Receiver determines that the Phase 2 Qualified Bids received by the Phase 2 Bid Deadline are not capable of constituting a Superior Offer, then the Stalking Horse Bid shall be deemed the Successful Bid, and the Receiver will seek Court approval of the transactions contemplated by the Stalking Horse Bid;
- t. in the event that the Receiver determines that a Phase 2 Qualified Bid, either alone or in combination with other Phase 2 Qualified Bids, is a Superior Offer, then the Receiver shall proceed with an auction to determine the Successful Bid;

u. the SISP Procedures (as defined in the SISP Order) may be modified, amended, varied or supplemented by the Receiver provided that the changes do not materially prejudice the rights of all bidders; and

v. the transaction closing is to occur no later than October 30, 2026.

20. For ease of reference, the key dates in the SISP are summarized as follows:

Event	Date
Notice of SISP	No later than August 14, 2026
Access to VDR	Commencing August 14, 2026
Phase 1 Bid Deadline	September 14, 2026 at 12:00 p.m. (Pacific Time)
Notification of Phase 1 Qualified Bid or selection of Stalking Horse Bid if no Phase 1 Qualified Bids	No later than September 16, 2026 at 12:00pm (Pacific Time)
Hearing of Approval Motion	No later than September 25, 2026
Closing of Stalking Horse Bid	September 30, 2026
Phase 2 Bid Deadline	No later than September 28, 2026 at 12:00 p.m. (Pacific Time)
Auction (if needed)	October 2, 2026
Definitive Documentation Deadline	No later than October 9, 2026
Approval Motion	No later than October 19, 2026
Outside Closing Date	No later than October 30, 2026

21. The Receiver's comments on the SISP are as follows:

- a. Lifespan and Innovative Fitness, as key stakeholders, have been consulted in respect of the SISP;
- b. the timeframes to solicit purchasers or investors in the business are reasonable and appropriate in the circumstances, in light of the following:

- i. the funding requirements of the operations of the business;
 - ii. the need to advance the restructuring process on a timely basis in order to minimize administration costs and preserve the value of the business, given Innovative Fitness' liquidity constraints; and
 - iii. the SISP provides a reasonable amount of time for any party to perform appropriate due diligence, submit a bid and participate in the auction, if applicable, particularly as there is a Stalking Horse Bidder;
 - c. the Stalking Horse Bid is intended to either result in enhanced bid values or, in the event there are no LOIs received prior to the Phase 1 Bid Deadline, facilitate the expedited conclusion of a restructuring transaction with the Stalking Horse Bidder; and
 - d. the SISP is a fair and transparent marketing process designed to identify the highest and best offers for Innovative Fitness' assets and to maximize recoveries for the stakeholders of Innovative Fitness.
22. Overall, it is the Receiver's view that the SISP terms and timelines and approval of the Stalking Horse Bid are reasonable in the circumstances and afford the Receiver with the opportunity to achieve a successful restructuring transaction.

CONCLUSIONS AND RECOMMENDATIONS

23. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the SISP Order.

All of which is respectfully submitted this August 6, 2026.

FTI Consulting Canada Inc.

in its capacity as Receiver of Innovative Fitness



Tom Powell
Senior Managing Director



for Mike Clark
Managing Director

Appendix A

Stalking Horse Bid

ASSET PURCHASE AGREEMENT

BETWEEN

**FTI CONSULTING CANADA INC.,
in its capacity as Court-appointed receiver and manager of WRKOUT HOLDINGS LTD.,
1145643 B.C. LTD., and INNOVATIVE FITNESS CANADA LTD.**

(the "Vendor")

- AND -

LIFESPAN HOLDINGS INC.

(the "Purchaser")

Dated as of the 6th day of August, 2026

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 6th day of August, 2026

BETWEEN:

FTI Consulting Canada Inc., in its capacity as Court-appointed receiver and manager of Wrkout Holdings Ltd., 1145643 B.C. Ltd., and Innovative Fitness Canada Ltd., and not in its personal or corporate capacity (the "**Vendor**")

- and -

Lifespan Holdings Inc., a corporation incorporated pursuant to the laws of the Province of British Columbia (the "**Purchaser**")

WHEREAS by order of the Supreme Court of British Columbia (the "**Court**") granted on July 16, 2026 (the "**Receivership Order**"), FTI Consulting Canada Inc. was appointed as the receiver and manager (the "**Receiver**") of all of the Property of Wrkout Holdings Ltd., 1145643 B.C. Ltd., and Innovative Fitness Canada Ltd. (collectively, the "**Debtors**");

AND WHEREAS on or around August 13, 2026, the Receiver intends to seek the SISP Order (as defined herein) from the Court, *inter alia*, approving the SISP (as defined herein) and this Agreement as the Stalking Horse Bid;

AND WHEREAS subject to the terms and conditions contained herein, the Purchaser has agreed to make this "Stalking Horse Bid" to purchase the Assets (as defined herein), such that in the absence of the Receiver accepting a bid that constitutes a Superior Offer (as defined herein) under the SISP, as determined by the Receiver and in accordance with the SISP, the Purchaser has agreed to purchase the Debtors' right, title, and interest in and to the Assets on and subject to the terms set out in this Agreement;

AND WHEREAS the Vendor wishes to sell the Assets to the Purchaser, and the Purchaser wishes to purchase the Assets, subject to and in accordance with the terms and conditions of this Agreement, the SISP Order, and the SISP.

NOW THEREFORE in consideration of the mutual promises made in this Agreement and for other good and valuable consideration, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Action**" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation, of any nature, civil, criminal, administrative, regulatory or otherwise,

whether at law or in equity, including, among others, any by or before any Governmental Authority.

- (b) **"Agreement"** means this Asset Purchase Agreement, including all Schedules hereto.
- (c) **"Applicable Law"** means, in relation to any Person, property or circumstance, all laws and statutes, including regulations, rules, by-laws, ordinances and other statutory instruments enacted thereunder; all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdiction; all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority; and, all terms and conditions of any permits, that are in effect as of the relevant time and are applicable to such Person, property or circumstance.
- (d) **"Approval and Vesting Order"** means an Order of the Court, in form and substance acceptable to the Purchaser, and which provides for, *inter alia*: (i) approval of the Transaction and this Agreement by the Court; (ii) the vesting of the Assets in the name of the Purchaser, free and clear of all Claims, Liabilities, and Encumbrances (including, for greater certainty, any Claims, Liabilities, and Encumbrances in favour of Employees), other than any Permitted Encumbrances; and (iii) a permanent stay in respect of the Assumed Contracts and the Franchise Agreement and Rights, *inter alia*, restraining and enjoining any counterparty to any Assumed Contracts and any Franchise Agreements and Rights from terminating same on the basis of the Debtors' insolvency, the commencement of the Receivership Proceedings, or any non-monetary defaults committed by the Debtors under any Assumed Contract or any Franchise Agreements and Rights prior to Closing. The Approval and Vesting Order shall be substantially in the form attached as Schedule C to this Agreement, with such modifications or amendments as may be acceptable to the Purchaser and the Vendor.
- (e) **"Assets"** means any and all of the present and after acquired interest, property, rights, assets, entitlements, and undertakings of the Debtors, in and to:
 - (i) all of the issued and outstanding common and other equity interests and shares of Wrkout Media Ltd.;
 - (ii) all of the issued and outstanding common and other equity interests and shares of Innovative Fitness Canada Ltd.;
 - (iii) all Intellectual Property Rights of the Debtors, including, but not limited to, the Intellectual Property Rights listed in Schedule D hereto;
 - (iv) all Inventory;
 - (v) the Assumed Contracts;
 - (vi) the Franchise Agreements and Rights, provided that nothing in this Agreement shall require the assignment, assumption, or transfer of any Franchise Agreements and Rights held by Innovative Fitness Canada Ltd. to the Purchaser or any other Person, and all such Franchise Agreements

and Rights shall, from and after Closing, continue to be held by Innovative Fitness Canada Ltd.;

- (vii) the Software and Technology License Agreements;
 - (viii) all of the Debtors' cash on hand at Closing;
 - (ix) all of the Debtors' receivables, accounts receivable, and Actions (excluding, unless otherwise specified herein, any Actions against another Debtor); and,
 - (x) all other Property of the Debtors as set out in Schedule F hereto, an amended list of which may be delivered by the Purchaser, to the Vendor, no later than five (5) Business Days before the Sale Approval Application.
- (f) **"Assumed Contracts"** means the Contracts as more particularly set out in Schedule E hereto, an amended list of which may be delivered by the Purchaser, to the Vendor, no later than five (5) Business Days before the Sale Approval Application.
- (g) **"BIA"** means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3, as may be subsequently amended, supplemented or restated from time to time.
- (h) **"Business"** means the business and operations carried on by the Debtors as at the date of this Agreement and as at the date of Closing.
- (i) **"Business Day"** means a day, other than a Saturday, a Sunday, or a statutory holiday in Vancouver, British Columbia, on which banks are open in Vancouver, British Columbia.
- (j) **"Cash Portion of the Purchase Price"** means an amount equal to: (i) the Priority Payables outstanding or accrued and unpaid on the Closing Date, *plus* (ii) any Cure Costs not paid by the Purchaser on the Closing Date.
- (k) **"Claim"** includes any right, claim or Encumbrance of any Person that may be asserted or made in whole or in part against the Debtors or the Assets, whether or not asserted or made, in connection with any indebtedness, liability, obligation of any kind, whatsoever, or any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety, or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect

to any matter, Action, cause or chose in action whether existing at present or commenced in the future.

- (l) **"Closing"** means the completion and closing of the Transaction.
- (m) **"Closing Date"** means September 29, 2026, or such later date as the Parties may agree to in writing.
- (n) **"Contracts"** means all contracts, agreements, deeds, licenses, leases, obligations, purchase orders, commitments, promises, undertakings, engagements, understandings, or arrangements, to which any Debtor is a party to or is bound by or under which the Debtors, or any of them, have, or will have at Closing, any right, interest, or liability or contingent right, interest, or liability (in each case, whether written or oral, express or implied).
- (o) **"Court"** has the meaning ascribed to it in the Recitals and, for greater certainty, includes any court sitting in appeal therefrom, as may be applicable.
- (p) **"Credit Bid Amount"** means \$2,000,000 (Two Million Canadian Dollars), of the Credit Bid Debt, that will be applied to satisfy the Purchase Price on Closing of the Transaction.
- (q) **"Credit Bid Debt"** means the liabilities, indebtedness, and obligations of the Debtors owing to the Purchaser, pursuant to, *inter alia*: (i) the Second Amended and Restated Loan Agreement, dated July 31, 2025, between Wrkout Holdings Ltd., Wrkout Media Ltd., Can Excel Enterprises Inc., 1053775 B.C. Ltd., Innovative Fitness Consultants Inc., Innovative Fitness Franchise Corp., Innovative Fitness Direct Inc., Shoung Fitness Enterprises Inc., 1145643 B.C. Ltd., and 1147278 B.C. Ltd. (collectively, the **"Borrowers"**), as borrowers, and TMH Capital Corp., 1191862 B.C. Ltd. and SIL Enterprises Inc. (collectively, the **"Original Lenders"**), as lenders; (ii) the Joinder Agreement, dated June 12, 2026 (the **"Joinder Agreement"**), between Lifespan Holdings Inc. and Innovative Fitness Canada Ltd.; and, (iii) the Assignment of Debt and Security, dated June 12, 2026, between the Original Lenders, as assignors, Lifespan Holdings Inc., as assignee, and certain Borrowers, as borrowers; totaling \$3,295,718.26, as of June 12, 2026, plus any and all accruing interest, fees (including legal fees, as between a solicitor and their own client, on a full indemnity basis), costs, and expenses thereunder.
- (r) **"Cure Costs"** means the amount of all monetary defaults in relation to the Assumed Contracts, as at the date of Closing, other than those arising by reason of the Debtors' insolvency, the commencement of the Receivership Proceedings, or the Debtors' failure to perform a non-monetary obligation, up to a maximum amount of \$50,000.
- (s) **"Debtors"** has the meaning ascribed to it in the Recitals;
- (t) **"Employees"** means all individuals who, as of the Closing Time, are employed by 1145643 B.C. Ltd., whether on a full-time or part-time basis, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired;

- (u) **"Encumbrances"** means all Claims, registrations, Liabilities (direct, indirect, absolute, or contingent), obligations, prior Claims, right of retention, liens, security interests, charges, hypothecs, trusts (including, without limiting the generality of the foregoing, express trusts, Quistclose trusts, bare trusts, oral trusts, and any Claim, Liability, or Action in relation to any form of trust, whether or not asserted or known as at Closing), deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, royalties, privileges, assignments, levies, taxes, notices of sale, contractual rights (including reservations of ownership, rights of pre-emption, purchase options, rights of first refusal, rights of first offer, or any other pre-emptive contractual rights), ownership Claims, and any other similar encumbrances or interests, whether or not they have been registered, published or filed, whether attached or unattached, whether perfected or unperfected, secured, unsecured, statutory, or otherwise, whether contingent, liquidated, unliquidated, future, or present, and whether financial, monetary, contractual, statutory, equitable, legal, or otherwise.
- (v) **"Excise Tax Act"** means the *Excise Tax Act* (Canada), together with all regulations and rules promulgated thereunder.
- (w) **"Excluded Assets"** means any and all of the present and after acquired Property, rights, entitlements, and undertakings of the Debtors, other than the Assets.
- (x) **"Excluded Contracts"** means all Contracts held by or for the benefit of the Debtors, or any one of them, or in which the Debtors, or any one of them, has any interest, in, to, or against, other than the Assumed Contracts.
- (y) **"Franchise Agreements and Rights"** means, collectively: (i) all Contracts to which the Debtors or any of them are parties, which provide for franchising in connection with the Innovative Fitness brand or any related Property; and, (ii) all corresponding rights, claims, interests, Actions, and related Property, including any applicable statutory rights under the *Franchises Act* (British Columbia) and any other applicable legislation with respect to the regulation of franchises in Canada or elsewhere. Without limiting the generality of the foregoing, the Franchise Agreement and Rights include, among others, the following Contracts and all corresponding rights, claims, interests, Actions, and related Property:
 - (i) the Master License Agreement, made effective October 1, 2011, between No Excuses Inc. and Innovative Fitness Franchise Corp. ("IFFC"), as amended by the Addendum to Master License Agreement, made effective January 1, 2017, between No Excuse Inc. and IFFC;
 - (ii) the Assignment, Assumption and Consent Agreement (Master Rights Agreement Interest and Franchise Agreements), dated as of January 1, 2026, between IFFC, 1570797 B.C. Ltd., and 1145643 B.C. Ltd.
 - (iii) the Franchise Agreement, dated February 15, 2020, between IFFC and 0869782 B.C. Ltd.;
 - (iv) the Franchise Agreement, dated August 15, 2019 and amended August 14, 2024, between IFFC and 1 More Rep Enterprises Inc.;

- (v) the Franchise Agreement, dated May 1, 2021, between IFFC and 1055944 B.C. Ltd.;
 - (vi) the Franchise Agreement, dated August 1, 2021, between IFFC and 5 More Reps Enterprises Inc.;
 - (vii) the Franchise Agreement, dated August 31, 2021, between IFFC and 1080196 B.C. Ltd.;
 - (viii) the Franchise Agreement, dated May 25, 2023, between IFFC and Infinite Health Strategies Inc.; and
 - (ix) the Franchise Agreement, dated September 9, 2025 (the "**1546 BC Franchise Agreement**"), between IFFC and 1546134 B.C. Ltd. ("**1546 BC**"), as amended by the Addendum to Franchise Agreement, dated September 9, 2025, between IFFC and 1546 BC, and a letter from IFFC to 1546 BC dated September 9, 2025, waiving certain terms in the 1546 BC Franchise Agreement.
- (z) "**Governmental Authority**" means any: (i) governmental entity or authority of any nature, including any governmental ministry, agency, branch, department, or official, and any court, regulatory board, stock exchange or other tribunal; or (ii) individual or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature, having or purporting to exercise jurisdiction or power over any Person, property, operation, transaction or other matter or circumstance.
- (aa) "**GST**" means the goods and services tax prescribed by Part IX of the Excise Tax Act.
- (bb) "**Intellectual Property Rights**" means (a) any and all worldwide proprietary rights or interests provided under (i) patent law, (ii) copyright law, (iii) trade-mark law, (iv) design patent or industrial design law, or (v) any other applicable statutory provision or common law principle, including trade secrets, that may provide a right in ideas, formulae, algorithms, concepts, inventions, works, or know-how, or the expression or use thereof, and including all past, present, and future causes of action, rights of recovery, interests, and claims for damages, accounting for profits, royalties, or other relief relating, referring, or pertaining to any of the foregoing; and, (b) any and all applications, registrations, licenses, sublicenses, agreements, or any other evidence of a right in any of the foregoing.
- (cc) "**Inventory**" means all inventory owned by the Debtors, or which the Debtors have any interest in, to, or against, or which is used in the Business, and includes, without limitation, all goods held by the Debtors for sale or lease, all goods that are to be furnished by the Debtors or have been furnished by the Debtors under a contract of service, all raw materials and work in progress, and all other materials or property used or consumed in the Business.
- (dd) "**Liabilities**" means, with respect to any Person, any liability, indebtedness, debt, or obligation, of such Person, of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or

undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable, contingent, or otherwise, and whether or not same is required to be accrued on the financial statements of such Person.

- (ee) **"Offers of Employment"** has the meaning ascribed to such term in Section 6.2.
- (ff) **"Other Taxes"** means all sales, value-added or similar taxes or other transfer taxes, fees and charges, other than GST, imposed or levied by any Governmental Authority on or in respect of the sale or supply of goods or services.
- (gg) **"Outside Date"** means September 30, 2026, or such later date as agreed to by the Parties.
- (hh) **"Party"** means a party to this Agreement, and **"Parties"** means all of them.
- (ii) **"Permitted Encumbrances"** means, solely: (i) rights reserved to or vested in any municipality or Governmental Authority to control or regulate any of the Assets, in any manner, and all applicable laws, rules and orders of any governmental authority; and (ii) those Encumbrances which are expressly identified in Schedule A hereto.
- (jj) **"Person"** will be broadly interpreted and includes: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and, (iii) a Governmental Authority.
- (kk) **"Pre-Closing Period"** means the period from the date of this Agreement to the Closing Date.
- (ll) **"Priority Payables"** means, collectively, any and all amounts owing pursuant to: (i) the Receiver's Charge; (ii) the Receiver's Borrowings Charge; and, (iii) any Claims with respect to the Assets that have priority over the Credit Bid Debt.
- (mm) **"Property"** has the same meaning as ascribed to such term in the Receivership Order.
- (nn) **"Purchase Price"** has the meaning ascribed to that term in Section 2.2.
- (oo) **"Receiver"** has the meaning ascribed to it in the Recitals.
- (pp) **"Receivership Order"** has the meaning ascribed to it in the Recitals and, for greater certainty, includes the Receivership Order as may be subsequently amended, modified, supplemented, or restated, from time to time.

- (qq) **"Receiver's Borrowings Charge"** has the same meaning as ascribed to such term in the Receivership Order.
- (rr) **"Receiver's Closing Certificate"** means a certificate, substantially in the form to be attached to the Approval and Vesting Order, pursuant to which, among other things: (i) the Receiver will confirm that Closing has occurred; and, (ii) upon the filing of such Receiver's Closing Certificate, the Assets shall be vested in the Purchaser, free and clear of all Claims, Liabilities, and Encumbrances, other than the Permitted Encumbrances.
- (ss) **"Receiver's Charge"** has the same meaning as ascribed to such term in the Receivership Order.
- (tt) **"Receivership Proceedings"** means the proceedings before the Court and identified as Court File No. S-264685.
- (uu) **"Sale Approval Application"** means an application by the Receiver seeking, *inter alia*, the Approval and Vesting Order.
- (vv) **"SISP"** means the Sale and Investment Solicitation Procedures to be attached as Schedule "B" to the SISP Order, in form and substance acceptable to the Purchaser, which shall be substantially in the form attached to this Agreement as Schedule B hereto, with such amendments as may be acceptable to the Purchaser.
- (ww) **"SISP Order"** means an order of the Court, substantially in the form attached as Schedule G hereto (the **"SISP Order"**), and in any event in form and substance acceptable to the Purchaser, among other things: (i) approving the SISP in respect of the Property and Business of the Debtors; and, (ii) approving this Agreement as the "Stalking Horse Bid" (as defined in the SISP) under and pursuant to the SISP, provided that the transfer and vesting of the Assets or any other Property will be dealt with and subject to further order of the Court, as such order may be subsequently amended, modified, supplemented, or restated, from time to time.
- (xx) **"Successful Bid"** has the same meaning as ascribed to such term in the SISP.
- (yy) **"Successful Bidder"** has the same meaning as ascribed to such term in the SISP.
- (zz) **"Superior Offer"** has the same meaning as ascribed to such term in the SISP.
- (aaa) **"Software and Technology License Agreements"** means, collectively, all Contracts pursuant to which the Debtors (or any of them) are granted any license, sublicense, right of use, access right, subscription, hosting arrangement, service right, data right, API or integration right, or other authorization to use, access, host, support, maintain or otherwise exploit any software, platform, database, data set, algorithm, application, cloud or infrastructure service, or other Technology used or held for use in connection with the Business that is not owned by the Debtors, including all software license agreements (enterprise, OEM, embedded and open source), SaaS, PaaS and IaaS agreements, cloud hosting and managed services agreements, data license agreements, and maintenance and support agreements.

- (bbb) **"Tax"** means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority.
- (ccc) **"Technology"** means technology and information of whatever nature or kind, in all cases whether or not subject to any Intellectual Property Rights and whether or not fixed in any medium or reduced to practice, including (i) software, source code and source materials; (ii) business names, trade names, domain names, social media accounts, trading styles, logos, trade secrets, industrial designs and copyrights; (iii) know-how, trade secrets, research and technical data; and, (iv) studies, findings, algorithms, instructions, guides, manuals and designs.
- (ddd) **"Transaction"** means the sale by Vendor, of the Assets, to the Purchaser, on, subject to and in accordance with the terms and conditions of this Agreement, and everything else contained herein.
- (eee) **"Transaction Taxes"** is defined in Section 2.5(a).

1.2 Schedules

Appended to this Agreement are the following Schedules:

- Schedule A – Permitted Encumbrances
- Schedule B – SISP
- Schedule C – Approval and Vesting Order
- Schedule D – Intellectual Property Rights
- Schedule E – Contracts
- Schedule F – Additional Property
- Schedule G – SISP Order
- Schedule H – Employees

These Schedules are incorporated into and form part of this Agreement. If any term or condition of any such Schedule conflicts or is inconsistent with any term or condition in the main body of this Agreement, the term or condition in the main body of this Agreement shall prevail to the extent of the conflict or inconsistency.

1.3 Interpretation

In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) use of the masculine, feminine or neuter gender includes all genders;

- (d) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended, restated or modified and in effect from time to time in accordance with the terms thereof;
- (e) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or re-enactment of such section or other provision;
- (f) reference in this Agreement to any Article, Clause, Section, Appendix, Schedule or Exhibit means the specified Article, Clause, Section, Appendix, Schedule or Exhibit to that agreement;
- (g) "Agreement", "this Agreement", "herein", "hereunder", "hereof", "hereto" and words of similar import are references to the applicable agreement, document or instrument in which it is used as a whole and not, unless a particular section or other part thereof is referred to, to any particular section or other part;
- (h) "including" (and, with correlative meaning, "include") means including without limiting the generality of any description preceding or succeeding such term;
- (i) the division of this Agreement and the recitals, table of contents and headings, if any, in it are for convenience of reference only and do not affect the construction or interpretation of it;
- (j) unless otherwise indicated, all references to currency, dollars or \$ are deemed to mean Canadian dollars; and,
- (k) references to time of day or date means the local time or date in Vancouver, British Columbia.

ARTICLE 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

The Vendor hereby agrees to sell, assign, transfer and convey, the Assets, to the Purchaser, and the Purchaser hereby agrees to purchase and receive the Assets, from Vendor, on, subject to and in accordance with the terms of this Agreement.

2.2 Purchase Price

The consideration to be paid by Purchaser to Vendor for the Assets, shall be the following:

- (a) a credit bid, of the Credit Bid Amount; *plus*,
- (b) the Cash Portion of the Purchase Price,

(collectively, the "**Purchase Price**"), plus, for greater certainty, any GST and Other Taxes payable.

2.3 Closing Statement

Not less than three (3) Business Days before the Closing Date, the Vendor will deliver to the Purchaser a statement which will itemize good faith estimates of the following, as at the Closing Date:

- (a) the accrued and unpaid Priority Payables, if any;
- (b) the amount of the Cure Costs, if any; and,
- (c) the necessary Cash Portion of the Purchase Price required under Section 2.2(b) of this Agreement,

(such statement being the "**Closing Statement**").

The Closing Statement shall also be accompanied by a copy of the working papers of the Vendor used in its preparation, together with any other evidence supporting the amounts specified in the Closing Statement as the Purchaser may reasonably request.

2.4 Allocation of Purchase Price

The Parties agree that Purchase Price will be allocated among the Assets in the manner specified by the Purchaser in a written notice to the Vendor at least three (3) Business Days prior to Closing, acting reasonably. The Purchaser and the Vendor will cooperate in the filing of all elections under Tax Laws as required to give effect to that allocation for Tax purposes. The Purchaser and the Vendor will prepare and file their respective Tax returns in a manner consistent with that allocation and those elections and will take no position inconsistent with such allocations for any Tax purpose (including in any audit, judicial or administrative proceeding).

2.5 Taxes and Tax Elections

With respect to the purchase of the Assets, and subject to the implementations of the allocation of the Purchase Price in accordance with Section 2.4 of this Agreement:

- (a) all sales, use, GST, value-added and similar Other Taxes arising in connection with the transfer of the Assets, including all recording and filing fees (collectively, "**Transaction Taxes**"), that are imposed by reason of the Transaction or the sale, transfer, assignment and delivery of the Assets, will be borne by the Purchaser. The Purchaser and the Vendor will cooperate to (a) determine the amount of Transaction Taxes payable in connection with the Transaction, (b) provide all requisite exemption certificates, and (c) prepare and file any and all required tax returns for or with respect to such Transaction Taxes with any and all appropriate taxing Governmental Authorities;
- (b) if applicable, at the Closing, the Vendor and the Purchaser will execute jointly an election under section 167 of the ETA to have the purchase and sale of the Assets take place on a goods and services tax-free basis under the ETA. The Purchaser

will file the elections in the manner and within the time prescribed by the relevant Tax Laws; and,

- (c) if requested by the Purchaser, the Vendor will cooperate and take all actions to the best of the Vendor's ability to effect such reorganization of the Debtors' operations, subsidiaries (if any) and assets or the structure of the Transaction before closing as the Purchaser may reasonably request and to allow the Purchaser to maximize the value of the proposed acquisition to the Purchaser ("**Pre-Closing Reorganization**"), provided no such Pre-Closing Reorganization will result in any substantial reduction in the overall economic value of the consideration paid by the Purchaser to the Vendor contemplated by the Transaction, to be determined by the Vendor in its sole discretion.

2.6 Closing

- (a) Subject to all other provisions of this Agreement, Closing shall take place on the Closing Date.
- (b) Possession of, title to, and beneficial ownership of, the Assets sold, assigned, transferred and conveyed hereunder shall pass from the Vendor to the Purchaser, upon Closing (provided, for greater certainty, that the Franchise Agreements and Rights shall continue to be held by Innovative Fitness Canada Ltd. as at and after Closing).

2.7 Delivery of Title and Operating Documents and Other Documents

At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such other agreements and documents to which the Assets are subject and the original copies of those contracts, agreements, records, books, documents, licences, reports and data relating to the Assets which are in its possession and control. Notwithstanding the foregoing, to the extent that there are any pending or threatened Claims, audits or other matters involving or relating to such Assets that pertain to the period prior to Closing, the Vendor, at their own cost, may make and retain copies of the relevant portions of such materials.

ARTICLE 3 CONDITIONS OF CLOSING

3.1 The Purchaser's Conditions

- (a) The obligation of the Purchaser to complete the Transaction is subject to the following conditions precedent, which are inserted into and made part of this Agreement for the exclusive benefit of the Purchaser and may be waived, only by the Purchaser:
 - (i) the representations and warranties of the Vendor set forth in Section 5.1 shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date;
 - (ii) all material obligations and covenants of the Vendor in this Agreement that are to be performed or complied with prior to or at the Closing Date shall have been performed or complied with in all material respects;

- (iii) at the Closing Date, the Vendor shall have delivered all agreements, certificates, and other instruments and documents and taken the actions required pursuant to Section 4.1;
 - (iv) no suit, Action or other proceeding, including by a Governmental Authority, shall have been initiated or threatened, and no Governmental Authority shall have issued an order, decree or ruling or taken any other action, restraining, enjoining or otherwise prohibiting the completion of the Transaction, which has not been vacated or dismissed prior to the Closing Date;
 - (v) all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions;
 - (vi) the Approval and Vesting Order, in form and substance acceptable to the Purchaser, shall have been granted by the Court and such Approval and Vesting Order will not have been stayed, varied, or vacated;
 - (vii) the Purchaser shall have been declared to be the "Successful Bidder", and this Agreement shall have been declared to be the "Successful Bid" (or one of the Successful Bids, if additional Successful Bids are declared for any Property other than the Assets), under the SISF; and,
 - (viii) all Franchise Agreements and Rights shall remain in full force and effect and shall be valid and enforceable as of the Closing Date.
- (b) The conditions precedent set forth in Section 3.1(a) are for the sole benefit of the Purchaser and may be waived, by the Purchaser, in writing, in the sole and unfettered discretion of the Purchaser. If any of the conditions precedent in Section 3.1(a) have not been satisfied or complied with at or before the Closing Date and have not been waived by the Purchaser at or before the Closing Date, without limiting any rights or remedies that the Purchaser may have at law or in equity, the Purchaser may terminate this Agreement by written notice to the Vendor, immediately prior to the Closing Date.
- (c) If the Purchaser terminates this Agreement in accordance with Section 3.1(b), the Parties shall be released and discharged from the further performance of any duties or obligations under this Agreement.

3.2 The Vendor's Conditions

- (a) The obligation of the Vendor to complete the Transaction is subject to the following conditions precedent, which are inserted into and made part of this Agreement for the exclusive benefit of the Vendor and may be waived, only by the Vendor:
 - (i) the representations and warranties of the Purchaser set forth in Section 5.4 shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date;

- (ii) all material obligations and covenants of the Purchaser in this Agreement that are to be performed or complied with prior to or at the Closing Date shall have been performed or complied with in all material respects;
 - (iii) at the Closing Date, the Purchaser shall have duly tendered the Purchase Price, and delivered the agreements, certificates and other instruments and documents and taken the actions required pursuant to Section 4.2;
 - (iv) the Approval and Vesting Order shall have been granted by the Court and such Approval and Vesting Order will not have been stayed, varied, or vacated;
 - (v) the Purchaser shall have been declared to be the Successful Bidder, and this Agreement shall have been declared to be the Successful Bid (or one of the Successful Bids, if additional Successful Bids are declared for any Property other than the Assets), under the SISP; and,
 - (vi) no suit, Action or other proceeding, including by a Governmental Authority, shall have been initiated or threatened and no Governmental Authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the completion of the Transaction which has not been vacated or dismissed prior to the Closing Date.
- (b) The conditions precedent set forth in Section 3.2(a) are for the sole benefit of the Vendor and may be waived, by the Vendor, in writing, in the sole and unfettered discretion of the Vendor. If any of conditions precedent set forth in Section 3.2(a) have not been satisfied or complied with at or before the Closing Date and have not been waived by the Vendor at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser immediately prior to the Closing Date.
- (c) If the Vendor terminates this Agreement as provided in Section 3.2(b), the Parties shall be released and discharged from the further performance of any duties or obligations under this Agreement.

3.3 Efforts to Fulfil Conditions Precedent

Each Party shall proceed diligently and in good faith and use its commercially reasonable efforts to satisfy and comply with the conditions precedent in Sections 3.1(a) and 3.2(a), prior to the Closing Date, and shall provide the other Parties with any reasonable assistance in the satisfaction of and compliance with the conditions precedent in Sections 3.1(a) and 3.2(a) that another Party may reasonably request. Notwithstanding anything else in this Agreement, the conditions precedent concerning the Approval and Vesting Order set forth in Sections 3.1(a)(vi) and 3.2(a)(iv) may not be waived by either Party.

ARTICLE 4 CLOSING DELIVERIES

4.1 Deliveries by the Vendor at Closing

At the Closing Date, the Vendor shall deliver, cause to be delivered or execute, as applicable:

- (a) a filed certified copy of the Approval and Vesting Order;
- (b) an executed copy of the Receiver's Closing Certificate;
- (c) one or more share certificates duly executed by the Vendor, or other satisfactory evidence, such as a notice of uncertified securities, representing one hundred percent (100%) of the outstanding shares and equity interests, in aggregate, of Wrkout Media Ltd., registered in the name of the Purchaser or its nominee as may be directed by the Purchaser, in writing;
- (d) one or more share certificates duly executed by the Vendor, or other satisfactory evidence, such as a notice of uncertified securities, representing one hundred percent (100%) of the outstanding shares and equity interests, in aggregate, of Innovative Fitness Canada Ltd., registered in the name of the Purchaser or its nominee as may be directed by the Purchaser, in writing;
- (e) evidence, satisfactory to the Purchaser acting reasonably, of the termination of all Employees; and
- (f) all such other assurances, consents, agreements, documents, and instruments as may be reasonably required by the Purchaser to complete the Transaction.

4.2 Deliveries and Actions by Purchaser at Closing

At the Closing Date, the Purchaser shall deliver, cause to be delivered, or execute as applicable:

- (a) the Cash Portion of the Purchase Price, payable to the Vendor; and,
- (b) such other items as may be specifically required hereunder.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor

Subject to Section 5.2, the Vendor makes the following representations and warranties to and in favour of the Purchaser as of the date of this Agreement and such representations and warranties shall be deemed to be repeated as of the Closing Date, provided that the Receivership Order and the Approval and Vesting Order are granted and all requirements thereunder for the completion of the Transaction are satisfied:

- (a) the Vendor has been appointed by the Court as receiver and manager of the Assets and such appointment is valid and subsists; and,

- (b) the Vendor has good right, full power, and absolute authority to sell, assign, transfer, convey, and set over the interest of the Vendor, in and to the Assets, subject to the terms and conditions of the Receivership Order and the Approval and Vesting Order.

5.2 Stalking Horse, SISP Order, and Approval and Vesting Order

The Vendor and the Purchaser acknowledge that:

- (a) this Agreement is subject to Court approval and the granting of the SISP Order;
- (b) closing the Transaction is subject to: (i) this Agreement being determined by the Receiver to be the Successful Bid (as defined in the SISP); and (ii) the issuance of the Approval and Vesting Order by the Court; and,
- (c) if this Agreement is determined to be the Successful Bid, pursuant to the SISP, the Receiver shall use its best efforts to promptly thereafter file and serve the documents in relation to the Sale Approval Application.

5.3 "As Is, Where Is" Basis

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees, and confirms that:

- (a) except for the representations and warranties of the Vendor set forth in Section 5.1, and subject to the other covenants and agreements set forth herein, the Purchaser is entering into this Agreement and acquiring the Assets, on an "as is, where is" basis, as they exist as at Closing, and will accept the Assets in their state, condition and location as at Closing, except as expressly set forth in this Agreement, and the sale of the Assets is made without legal warranty and at the risk of the Purchaser; and,
- (b) except for the representations and warranties of the Vendor set forth in Section 5.1, neither the Vendor nor the Receiver or their representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Assets or the Vendor's right, title or interest in or to the Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, title, description, use, environmental condition, existence of any parts or components, latent defects, quality, quantity or any other thing affecting any of the Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser.

5.4 Representations and Warranties of the Purchaser

The Purchaser hereby makes the following representations and warranties to and in favour of the Vendor as of the date of this Agreement and such representations and warranties shall be deemed to be repeated as of the Closing Date:

- (a) the Purchaser is a corporation incorporated pursuant to the laws of British Columbia, and is registered to carry on business in the Province of British Columbia;
- (b) the execution, delivery and performance of this Agreement by the Purchaser has been duly and validly authorized by any and all requisite action on the part of its directors, officers, shareholders or partners, as the case may be, and will not result in any violation of, be in conflict with, or constitute a default under, the constating documents of the Purchaser;
- (c) the Purchaser has all requisite power, authority and capacity to enter into and perform this Agreement and to purchase and accept the Assets to be sold, transferred and conveyed hereunder in accordance with the provisions of this Agreement;
- (d) the execution, delivery and performance of this Agreement by the Purchaser will not result in any violation of, be in conflict with or constitute a default under: (i) any term or provision of any agreement or instrument to which the Purchaser is party or by which the Purchaser is bound, or (ii) any Applicable Law that is specifically applicable to the Purchaser, except, in either case, where such conflict or default would not adversely affect the ability of the Purchaser to complete the Transaction in all material respects as contemplated in this Agreement;
- (e) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Purchaser of this Agreement, other than authorizations, approvals or exemptions previously obtained and currently in force or to be obtained as and when required during the Pre-Closing Period and any customary post-closing consents; and
- (f) the Purchaser is a registrant under the *Excise Tax Act* for the purposes of GST and its registration number will be provided to the Vendor on or before the Closing Date.

5.5 Survival of Representations and Warranties

The respective representations and warranties set forth in Sections 5.1 and 5.4, together with the qualifications thereof in Section 5.3, shall survive Closing only for the 3-month period immediately following Closing. For greater certainty, Section 5.3 shall be deemed incorporated by reference in all Closing documents and deliveries.

ARTICLE 6 PRE-CLOSING PERIOD

6.1 Pre-Closing Period

During the Pre-Closing Period, the Vendor shall not, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, delayed or conditioned by the Purchaser:

- (a) enter into any transaction outside of the ordinary course of business, involving the Debtors, or their Property, or the Business, except as expressly contemplated by the SISP, in the event that a Superior Offer is obtained under the SISP;
- (b) transmit, transfer, provide, or deliver, to any other Person, any of the Assets;
- (c) surrender or abandon the Assets or any part thereof;
- (d) sell, assign, transfer, convey, pledge, grant any Encumbrance on, lease to any person, abandon or otherwise dispose of any Assets;
- (e) sell, assign, transfer, convey, pledge, grant any Encumbrance on, license to any person (other than a non-exclusive license to a customer, reseller or distributor for the purpose of using, reselling or distributing the products of the Debtors, in each case, granted in the ordinary course of Business), or otherwise dispose of any Intellectual Property Rights, or abandon, cancel, fail to renew or maintain, fail to continue to prosecute or defend, or otherwise allow to lapse any material Intellectual Property Rights;
- (f) terminate, release or waive any non-competition, non-solicitation, no-hire, non-disclosure, confidentiality, non-disparagement, or other restrictive covenant agreement or obligation of any Employee, director or individual service provider of the Debtors or any former director, officer, Employee, director, or individual service provider of the Debtors;
- (g) enter into, extend, renew or terminate any material Contract, or amend, modify, accelerate, cancel, repudiate, terminate, or waive any material right under any material Contract;
- (h) amend or terminate or agree to any amendment to or termination of any other agreement or document to which the Assets are subject, or enter into any new agreement or commitment relating to the Assets other than in the ordinary course of business; or,
- (i) sell, encumber or otherwise dispose of the Assets or any part thereof.

6.2 Employees

All Employees shall be terminated, by the Debtors, prior to Closing.

Notwithstanding anything else contained in this Agreement, the Vendor acknowledges and agrees that the Purchaser may amend Schedule H to this Agreement, in the Purchaser's sole discretion, including following the granting of the Approval and Vesting Order, up to the date that is no less than two (2) Business Days prior to the Closing Date.

Provided that the Approval and Vesting Order is granted, the Purchaser shall deliver, or cause an affiliate or nominee of the Purchaser to deliver, offers of continuous employment to all Employees listed in Schedule H (collectively, "**Offers of Employment**"), as may be amended, which Offers of Employment shall be delivered by the Purchaser (or the Purchaser's affiliate or nominee, as applicable), no later than two (2) Business Days prior to the Closing Date. All such

Offers of Employment shall be effective and conditional upon Closing and shall be on terms acceptable to the Purchaser, acting reasonably.

All Offers of Employment shall provide the Employee with substantially the same or better terms and conditions of employment as he/she had immediately prior to the Closing, including, without limitation: (i) the same position with substantially the same duties and responsibilities; (ii) the same salary or base rate of pay, and (iii) the same employee benefits. Each Offer of Employment shall provide that the employment of the Employee prior to the Closing shall be deemed continuous employment with the Purchaser and the periods of employment of any such Employee prior to the Closing shall be taken into account for all purposes as if such periods of employment had been with the Purchaser. On the Closing, the Purchaser will assume liability and responsibility, as employer, for the period from and after the Closing, for each Employee who accepts the Purchaser's Offer of Employment. The Purchaser shall have no responsibility or liability with respect to any Employee who does not accept the Purchaser's Offer of Employment.

For greater certainty, all wages, vacation pay, source deductions and other amounts accrued or relating to the period prior to Closing, shall be subject to and dealt with in the Receivership Proceedings, and all such amounts shall be vested from and discharged as against the Assets and the Debtors, on Closing, as contemplated by the Approval and Vesting Order. The Purchaser shall be responsible for all Liabilities relating to each Employee who accepts employment with the Purchaser that arise from and after Closing, including all obligations in respect of continued employment, post-Closing termination, payroll, benefits and compliance with employment standards legislation.

ARTICLE 7 TERMINATION

7.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written agreement of each of the Vendor and the Purchaser;
- (b) automatically and without any action or further notice by either the Receiver to the Purchaser, or the Purchaser to the Receiver, immediately upon the Receiver providing notice to the Purchaser of the determination, by the Receiver, that a Superior Offer has been received and this Agreement is not the Successful Bid;
- (c) automatically and without any action or notice by either the Receiver or the Purchaser if Closing has not occurred on or before the Outside Date;
- (d) by the Receiver, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 3.2 and such violation or breach has not been waived, by the Receiver, or cured, unless the Receiver is in material breach of its obligations under this Agreement; and,
- (e) by the Purchaser, if there has been a material violation or breach by the Receiver of any agreement, covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 3.1 and such violation or breach

has not been waived, by the Purchaser, or cured, unless the Purchaser is in material breach of its obligations under this Agreement.

7.2 Effect of Termination

If this Agreement is terminated as permitted by Section 7.1 or otherwise in accordance with the terms of this Agreement, each of the Vendor and the Purchaser shall be released from all of their obligations to each other hereunder.

ARTICLE 8 GENERAL

8.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

8.2 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto, shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter of this Agreement and expresses the entire agreement of the Parties with respect to the subject matter of this Agreement.

8.3 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of British Columbia, excluding any conflict of laws rules or principles embodied therein that would permit or require the application of the laws of another jurisdiction, and shall, in every regard, be treated as a contract made in the Province of British Columbia.

8.4 Assignment; Enurement

This Agreement may not be assigned by a Party without the prior written consent of each other Party, which consent shall be within the discretion of each Party. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

8.5 Time of Essence

Time shall be of the essence in this Agreement.

8.6 Notices

- (a) The Parties' respective initial addresses and email addresses for the delivery of notices, communications and statements required, permitted or contemplated in this Agreement shall be as follows:

To Vendor:

FTI Consulting Canada Inc.
701 West Georgia Street, Suite 1450
PO Box 10089
Vancouver, BC V7Y 1B6

Attention: Mike Clark / Tom Powell
Email: mike.clark@fticonsulting.com /
tom.powell@fticonsulting.com

With a copy to:

Norton Rose Fulbright Canada LLP
510 West Georgia Street, Suite 1800
Vancouver, BC V6B 0M3

Attention: Katie Mak / Ada Ang
Email: katie.mak@nortonrosefulbright.com /
ada.ang@nortonrosefulbright.com

To Purchaser:

Lifespan Holdings Inc.
2900 – 550 Burrard Street
Vancouver, BC V6C 0A3

Attention: Rupert Cosulich / Mya Siemens
Email: rupert@innovativefitness.com /
msiemens@krystalgp.com

With a copy to:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Pantelis Kyriakakis / Nathan Stewart /
Samantha Arbor
Email: pkiriakakis@mccarthy.ca /
nstewart@mccarthy.ca / sarbor@mccarthy.ca

- (b) All notices, communications and statements required, permitted or contemplated in this Agreement shall be in writing, and shall be delivered as follows:
- (i) by personal delivery or courier service delivery to a Party at the address of the Party for the delivery of notices, communication and statements hereunder, in which case the item so delivered shall be deemed to have been received on the date of delivery, but only if such delivery takes place prior to 5:00 p.m. (Vancouver time) on a Business Day. If the actual delivery

of such item occurs after 5:00 p.m. (Vancouver time) on a Business Day or on a day that is not a Business Day, then such item shall be deemed to have been received on the first Business Day following the date on which such actual delivery was made; or

- (ii) by email to a Party at the email of the Party for the delivery of notices, communications and statements hereunder, in which case the item so transmitted shall be deemed to have been received when it has been received in its entirety in a legible form, but only if such transmission and receipt are completed prior to 4:30 p.m. (Vancouver time) on a Business Day. If such transmission and receipt are completed after 4:30 p.m. (Vancouver time) on a Business Day or on a day that is not a Business Day, then such item shall be deemed to have been received on the first Business Day following the date on which such transmission and receipt were completed.
- (c) A Party may from time to time change its address, contact person(s), or its email(s) for the delivery of notices, communications and statements hereunder, by giving written notice of such change to each other Party.

8.7 Invalidity of Provisions

If any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby.

8.8 Waiver

No failure on the part of any Party in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by other Applicable Law or otherwise conferred. No waiver of any provision of this Agreement, including this Section 8.8, shall be effective otherwise than by an instrument in writing dated subsequent to the date of this Agreement, executed by a duly authorized representative of the Party making such waiver, and any such waiver shall be effective only with respect to the event, circumstances, right, or remedy specified therein, and shall not constitute a waiver of any other event, circumstances, right, or remedy, whether or not similar to the matter specified in such waiver.

8.9 No Merger

The respective representations, warranties, covenants and indemnities of the Parties contained in this Agreement, including all qualifications thereof and limitations thereon, shall not be merged in any assignments, conveyances, transfers and other documents provided for under this Agreement and shall survive Closing to the extent provided in the respective terms thereof.

8.10 Amendment

This Agreement shall not be varied or amended in any respect other than by an instrument in writing dated subsequent to the date of this Agreement, and executed by a duly authorized representative of each Party.

8.11 No Third Party Beneficiaries

This Agreement is made for the benefit of the Parties and their respective successors and permitted assigns and, except as expressly provided herein, is not intended to benefit, or be enforceable by, anyone that is not a Party. The Parties expressly exclude any provision of any Applicable Law that would confer rights or benefits under this Agreement to a Person that is not a Party or otherwise permit any Person that is not a Party to enforce any provision of this Agreement, other than the Parties' respective successors or permitted assigns, as the case may be.

8.12 Counterpart Execution

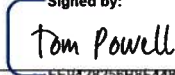
This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document. All such counterparts shall together constitute and be construed as one instrument. For avoidance of doubt, a signed counterpart provided by way of facsimile transmission or other electronic means shall be as binding upon the Parties as an originally signed counterpart.

[Signature page to follow]

- 1 -

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

FTI CONSULTING CANADA INC., in its capacity as Court-appointed receiver and manager of WRKOUT HOLDINGS LTD., 1145643 B.C. LTD., and INNOVATIVE FITNESS CANADA LTD., and not in its personal or corporate capacity

Signed by:

Per: _____
Name: Tom Powell
Title: Senior Managing Director

LIFESPAN HOLDINGS INC.

Per: _____
Name: Terry Holland
Title: Director

- 1 -

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

FTI CONSULTING CANADA INC., in its capacity as Court-appointed receiver and manager of WRKOUT HOLDINGS LTD., 1145643 B.C. LTD., and INNOVATIVE FITNESS CANADA LTD., and not in its personal or corporate capacity

Per: _____

Name: Tom Powell

Title: Senior Managing Director

LIFESPAN HOLDINGS INC.

Per: _____

Signed by:

Terry Holland

Name: Terry Holland

Title: Director

A-1

SCHEDULE A
PERMITTED ENCUMBRANCES

Nil.

B-1

SCHEDULE B
SISP

[See attached]

Schedule "B"

SALE AND INVESTMENT SOLICITATION PROCESS

Procedures for the Sale and Investment Solicitation Process

Preamble

By Order of the Honourable Justice Sigurdson of the Supreme Court of British Columbia (the "**Court**") dated July 16, 2026, (the "**Receivership Order**"), FTI Consulting Canada Inc. was appointed receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings, and properties, including all proceeds (collectively, the "**Property**"), of Wrkout Holdings Ltd. ("**Wrkout Holdings**"), 1145643 B.C. Ltd. ("**1145643 BC**") and Innovative Fitness Canada Ltd. ("**IF Canada**", and together with Wrkout Holdings and 1145643 BC, collectively, the "**Debtors**"), pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**") and s. 39(1) of the *Law and Equity Act*, R.S.B.C. 1996, c. 253 ("**LEA**") (the proceedings commenced by the Receivership Order, the "**Receivership Proceedings**").

On August 13, 2026, the Court granted an Order (the "**SISP Order**") approving the sale and investment solicitation procedures (the "**SISP**") set forth herein (the "**SISP Procedures**") together with a purchase agreement between Lifespan Holdings Inc. (the "**Stalking Horse Bidder**") and the Receiver, dated August 6, 2026 (the "**Stalking Horse Agreement**" and the transactions outlined therein, the "**Stalking Horse Bid**"), defining the terms of a "stalking horse" bid by the Stalking Horse Bidder to purchase the "**Purchased Assets**" (as defined in the Stalking Horse Agreement, which definition is incorporated herein), for the Minimum Cash Purchase Price (as defined below), subject to certain conditions and other terms defined therein.

The SISP Order and these SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of all, substantially all, or a portion of the Property or Shares of the Debtors.

Stalking Horse Agreement

The Stalking Horse Agreement has been approved as the stalking horse bid under paragraph 5 of the SISP Order.

Defined Terms

1. Capitalized terms used in these SISP Procedures and not otherwise defined herein have the meanings given to them in **Appendix "A"** hereto.

SISP Procedures

Opportunity

2. The SISP is intended to solicit interest in, and opportunities for, a sale of all, substantially all, or part of the Property and/or the Business, or an investment in the Business, or a combination thereof (collectively, the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization, or other form of reorganization of the Business and affairs of the Debtors, as a going concern, or a sale of all, substantially all, or one or more components of the Debtors' Property, as a going concern or otherwise.

General

3. The SISP Procedures describe:
 - (a) the manner in which prospective bidders may (i) gain access to due diligence materials concerning the Debtors, the Business and the Property, and (ii) participate in the SISP;
 - (b) the requirements, receipt and negotiation of Bids received;
 - (c) the requirements for a Bid to be deemed a Superior Offer; and
 - (d) the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith.
4. The Receiver shall administer these SISP Procedures. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have jurisdiction to hear and resolve such dispute.
5. The Receiver may modify, amend, vary or supplement the SISP Procedures without the need to obtain a further order of the Court or providing notice to any bidder, subject to the consultation, consent, and other rights in favour of the Stalking Horse Bidder as described herein. Any such modification, amendment, variation or supplement is expressly limited to: (a) changes in the date of any Milestones (as defined below), or (b) changes that do not materially prejudice the rights of all bidders (including the Stalking Horse Bidder) and, in each case, that are necessary or useful in order to give effect to the substance of the SISP, the SISP Procedures and the SISP Order.
6. To the extent that any parties interested in making a bid under the SISP wish to engage, discuss, or communicate with any party with an existing contractual relationship with the Debtors in relation to this SISP or the Business or Property, such parties may only do so after obtaining the Receiver's consent. In considering any specific request, the Receiver shall impose such restrictions as they deem appropriate, acting reasonably. For greater certainty, nothing herein shall prevent the Stalking Horse Bidder or its representatives and agents from engaging in any discussions or communications with the Debtors, any creditor of the Debtors, or any other party in the ordinary course of the Debtors' and the Stalking Horse Bidder's respective businesses.
7. The Stalking Horse Agreement constitutes and shall be deemed to constitute a Phase 1 Qualified Bid and a Phase 2 Qualified Bid (each as defined below) by the Stalking Horse Bidder (which constitutes a Phase 1 Qualified Bidder and a Phase 2 Qualified Bidder (each as defined below)) for all purposes and at all times under this SISP and will serve as the Stalking Horse Bid for purposes of this SISP and the SISP Procedures. The Stalking Horse Bidder shall have the right to participate in the Auction (as defined below), if any. Notwithstanding the Stalking Horse Agreement and the structure of the proposed Stalking Horse Bid thereunder, all interested parties are encouraged to submit Bids based on any form of Opportunity that they may elect to advance pursuant to the SISP, including as a Sale Proposal (as defined below) or an Investment Proposal (as defined below). A copy of the Stalking Horse Agreement will be made available to all Qualified Bidders and a form of purchase agreement will be uploaded to the VDR (as defined below) and shall be used as the basis for any Sale Proposal Phase 2 Qualified Bid made in the SISP (the "**Phase 2 Template Agreement**").

Timeline

8. The following table sets out the key milestones (the "**Milestones**") under this SISP:

Event	Timing
Notice Receiver to publish a notice of the SISP on the Receiver's Website Receiver to distribute Teaser Letter and NDA to potentially interested parties.	No later than August 14, 2026
<u>Phase 1</u>	
Phase 1 - Access to VDR Phase 1 Bidders provided access to the VDR, subject to execution of appropriate NDAs	Commencing August 14, 2026
Phase 1 - Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs in accordance with the requirements of Section 16.	No later than September 14, 2026 at 12:00pm (Pacific Time)
Notification of Phase 1 Qualified Bid Deadline to notify a Phase 1 Bidder whether it has been designated as a Phase 2 Bidder and invited to participate in Phase 2	No later than September 16, 2026 at 12:00pm (Pacific Time)
<u>If no Phase 1 Qualified Bids are received which constitute a Superior Offer</u>	
Selection of Stalking Horse Bid as Successful Bid	September 16, 2026 at 12:00pm (Pacific Time)
Hearing of Approval Application (as defined below) (subject to Court availability)	No later than September 25, 2026
Closing of Stalking Horse Bid	No later than September 30, 2026
<u>If Phase 1 Qualified Bids are received, in addition to the Stalking Horse Bid, which constitute a Superior Offer</u>	
<u>Phase 2</u>	
Phase 2 - Bid Deadline Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Bidders in accordance with the requirements of Section 27)	No later than September 28, 2026 at 12:00pm (Pacific Time)
Auction (if needed)	October 2, 2026
Selection of Successful Bid and Back-Up Bid	By no later than October 2, 2026 at 5:00pm (Pacific Time) or such later date immediately thereafter if the Auction is not completed in one day.

Definitive Documentation Deadline for completion of definitive documentation in respect of a Successful Bid and Back-Up Bid	No later than October 9, 2026
Approval Application Hearing of Approval Application in respect of Successful Bid (subject to Court availability)	No later than October 19, 2026
Outside Date - Closing Outside Date by which the Successful Bid must close (the " Outside Date ")	No later than October 30, 2026

9. The Milestones and any other dates set out in the SISP may be extended by the Receiver, in its sole discretion, unless otherwise indicated. Any changes to the Outside Date, or which may reasonably be expected to affect the ability to complete the Stalking Horse Bid on or before the Outside Date, shall only be made with the consent and approval of the Stalking Horse Bidder, acting reasonably.

Solicitation of Interest

10. As soon as reasonably practicable but in any event by no later than August 14, 2026:
- (a) the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Receiver indicating an interest in the Opportunity, (ii) parties suggested by the Debtors' creditors or their advisors, (iii) strategic and financial parties who the Receiver believes may be interested in the Opportunity; and (iv) parties that showed an interest in the Debtors and/or its Property or Business prior to the date of the SISP Order (collectively, the "**Potential Bidders**");
 - (b) a notice of the SISP and any other relevant information that the Receiver considers appropriate, will be published by the Receiver on the Receiver's Website;
 - (c) a notice of the SISP and any other relevant information that the Receiver considers appropriate, will be published by the Receiver in one or more publications as may be considered appropriate by the Receiver; and
 - (d) the Receiver will prepare a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP;
 - (e) the Receiver will prepare a form of non-disclosure agreement (an "**NDA**"). The Receiver will provide a copy of the NDA to any Potential Bidder that requests a copy of it; and
 - (f) the Receiver will cause the Teaser Letter to be sent to each Potential Bidder and to any other party who requests a copy of the Teaser Letter or who is identified to the Receiver as a potential bidder after such request or identification, as applicable.

Phase 1: Non-Binding LOIs

Phase 1 Due Diligence

11. To participate in the SISP, and prior to the distribution of any confidential information, a Potential Bidder (a **"Phase 1 Bidder"**) must deliver to the Receiver an executed NDA. An executed NDA may contain such amendments requested by a Potential Bidder as may be consented to by the Receiver.
12. Notwithstanding any other provision of this SISP, prior to the execution of an NDA, the Receiver may require a Potential Bidder to disclose details of its ownership and/or investors.
13. The Receiver will make a confidential virtual data room (the **"VDR"**) in relation to the Opportunity available to Phase 1 Bidders that have executed an NDA in accordance with Section 11, as soon as practicable following such execution. Additional information may be added to the VDR to enable Phase 1 Bidders to complete any confirmatory due diligence in respect of the Opportunity.
14. The Receiver, the Debtors, and their respective employees, officers, directors, agents, legal counsel, other representatives and their respective advisors make no representation, warranty, condition or guarantee of any kind, nature or description as to the information contained in the VDR or made available in connection with the SISP. All Phase 1 Bidders must rely solely on their own independent review, investigation and/or inspection of all information, the Property and Business in connection with their participation in the SISP.

Communication Protocol

15. Each Phase 1 Bidder is prohibited from communicating with any Potential Bidder or another Phase 1 Bidder and their respective affiliates, legal and financial advisors regarding the Opportunity during the term of the SISP, without the written consent of the Receiver. Notwithstanding the terms of any NDA entered into by a Phase 1 Bidder, all Phase 1 Bidders shall comply with these SISP Procedures.

Phase 1 Bids

16. If a Phase 1 Bidder wishes to submit a bid in respect of the Opportunity (a **"Bid"**), it must deliver a non-binding letter of intent by email (a **"LOI"**), and each such LOI, in accordance with Section 17 below, a **"Phase 1 Qualified Bid"**) to the Receiver so as to be received by it not later than September 14, 2026 at 12:00 p.m. (Pacific Time) or such other date or time as may be determined in accordance with Section 5 hereof (the **"Phase 1 Bid Deadline"**).
17. An LOI submitted by a Phase 1 Bidder will only be considered a Phase 1 Qualified Bid if the LOI complies at a minimum with the following:
 - (a) it has been duly executed by all required parties;
 - (b) it is received by the Phase 1 Bid Deadline;
 - (c) it is an offer to: (i) acquire all, substantially all, or a portion of the Property or Business, whether through an asset purchase, a share purchase, a share subscription, or a combination thereof (any of these, a **"Sale Proposal"**); or (ii) make an investment in, recapitalize, restructure or refinance the Debtors and/or the Business (an **"Investment Proposal"**);
 - (d) in the case of a Bid for all or substantially all of the Property or Shares, the LOI provides for: (A) net cash proceeds on closing that are greater than the "Cash Portion of the

Purchase Price" (as defined in the Stalking Horse Agreement) (the "**Minimum Cash Purchase Price**"); and (B) the payment, in full, of the Credit Bid Amount (as defined in the Stalking Horse Agreement) (together with the Minimum Cash Purchase Price, the "**Minimum Consideration**");

(e) the LOI includes:

- (i) details regarding any consideration beyond the Minimum Consideration;
- (ii) any contemplated purchase price adjustment;
- (iii) a specific indication of the expected structure and financing of the transaction (including, but not limited to the sources of financing);
- (iv) a description of the Property that is subject to the transaction and any of the Property expected to be excluded;
- (v) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Bidder intends to assume and those liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- (vi) a specific indication of the structure and means by which the Phase 1 Bidder intends to satisfy any assumed liabilities, if applicable;
- (vii) information sufficient for the Receiver to determine that the Phase 1 Bidder has sufficient financial ability to complete the transaction contemplated by the Sale Proposal or Investment Proposal;
- (viii) a description of the Phase 1 Bidder's intentions for the Business, including any plans or conditions related to the Debtors' management and employees;
- (ix) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
- (x) any other terms or conditions of the Sale Proposal or Investment Proposal that the Phase 1 Bidder believes are material to the transaction; and
- (xi) in addition, in the case of Investment Proposals only:
 - (A) an outline of the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property, or affairs of the Debtors;
 - (B) the aggregate amount of the equity and debt investment, including liabilities to be assumed;
 - (C) the underlying assumptions regarding the *pro forma* capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
 - (D) anticipated tax planning, if any; and

- (E) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Debtors.

Assessment of Phase 1 Bids and Selection of Phase 2 Bidders

18. Following the Phase 1 Bid Deadline, the Receiver will assess the LOIs received by the Phase 1 Bid Deadline, following which the Receiver will determine whether such LOIs constitute Phase 1 Qualified Bids.
19. The Receiver may, following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI, request and/or negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid.
20. The Receiver may (a) waive compliance with any one or more of the requirements specified in Section 17 above and deem such non-compliant bid to be a Phase 1 Qualified Bid; or (b) reject any LOI if it is determined that such LOI does not constitute a Phase 1 Qualified Bid or is not capable of constituting a Superior Offer, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of the Debtors' creditors and other stakeholders. Notwithstanding anything else herein, any such rejected LOI will be deemed not to be a Phase 1 Qualified Bid.
21. In the event that any Phase 1 Qualified Bids are received by the Phase 1 Bid Deadline, the Receiver shall, in consultation with its legal advisors, assess the Phase 1 Qualified Bids to determine whether any Phase 1 Bidders have submitted an LOI that has the potential, either alone or in combination with other LOIs, to be a Superior Offer. For greater certainty, the Receiver may choose to aggregate separate LOIs received from unaffiliated Phase 1 Bidders to create a single bid if such aggregated bid would constitute a Superior Offer. Following such assessment:
 - (a) If the Receiver determines that the Phase 1 Qualified Bids received by the Phase 1 Bid Deadline are not capable of constituting a Superior Offer, the Receiver shall terminate the SISF, declare the Stalking Horse Bid to be the Successful Bid, and seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein; and,
 - (b) If the Receiver determines that one or more of the Phase 1 Qualified Bids received by the Phase 1 Bid Deadline are capable of constituting a Superior Offer, the Receiver shall permit the corresponding Phase 1 Bidder(s) to proceed to Phase 2.
22. The Receiver shall notify each Phase 1 Bidder in writing as to whether such Phase 1 Bidder has been determined to be permitted to proceed to Phase 2 (each a "Phase 2 Bidder") by no later than September 16, 2026 at 12:00pm (Pacific Time).

Phase 2 - Formal Binding Offers

Phase 2 Due Diligence

23. The Receiver shall allow each Phase 2 Bidder such further access to due diligence materials and information relating to the Debtors, the Property and the Business, as the Receiver deems appropriate in its reasonable business judgment, and subject to competitive and other business considerations.
24. Phase 2 Bidders shall have the opportunity (if requested by such party) to meet with the Receiver. Such discussions shall remain confidential and shall not be disclosed without the consent of the parties to the discussion.
25. Each Phase 2 Bidder will be prohibited from communicating with any other Phase 2 Bidder and their respective affiliates and legal and financial advisors regarding the Opportunity during the term

of the SISP, unless the Receiver provides such consent. Such communications shall only occur on such terms as the Receiver may determine.

Phase 2 Bids

26. A Phase 2 Bidder that wishes to make a definitive transaction proposal (a "**Phase 2 Bid**") shall submit a binding offer that complies with the following requirements to the Receiver so as to be received by the Receiver not later than September 28, 2026 at 12:00 p.m. (Pacific Time) (the "**Phase 2 Bid Deadline**"). Such Phase 2 Bid shall be a "**Phase 2 Qualified Bid**", and the person submitting such Phase 2 Qualified Bid shall be a "**Phase 2 Qualified Bidder**", if the Phase 2 Bid meets the following criteria:
- (a) it is received by the Phase 2 Bid Deadline;
 - (b) the Phase 2 Bid complies with all of the requirements set forth in respect of Phase 1 Qualified Bids, unless the Receiver consents otherwise;
 - (c) the Phase 2 Bid is binding and includes a letter confirming that the Phase 2 Bid is irrevocable until the selection of the Successful Bidder and the Back-Up Bidder, if any, provided that if such Phase 2 Bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer shall remain irrevocable until the earlier of (i) completion of the transaction with the Successful Bidder, and (ii) October 30, 2026 (the "**Back-Up Bid Outside Date**"), subject to further extensions as may be agreed to under the applicable transaction agreement(s), with the consent of the Receiver;
 - (d) the Phase 2 Bid is in the form of duly authorized and executed transaction agreements, and if the Phase 2 Bid is a sale transaction, it includes an executed share or asset purchase agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Receiver) together with a comparison to the Phase 2 Template Agreement;
 - (e) the Phase 2 Bid includes written evidence of a firm commitment for financing or other evidence of ability to consummate the proposed transaction satisfactory to the Receiver;
 - (f) the Phase 2 Bid is not subject to the outcome of unperformed due diligence, internal approval(s) or contingency financing;
 - (g) any conditions to closing or required approvals, the anticipated time frame, and any anticipated impediments for obtaining such approvals, are set forth in detail such that the Receiver can assess the risk to closing associated with any such conditions or approvals;
 - (h) the Phase 2 Bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of equity and/or debt in connection with such Bid) or that is sponsoring, participating or benefiting from such Phase 2 Bid, and such disclosure shall include, without limitation (i) in the case of a Phase 2 Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Bidder and the terms and participation percentage of such equity holder's interest in such Phase 2 Bid; and (ii) the identity of each entity that has or will receive a benefit from such Phase 2 Bid from or through the Phase 2 Bidder or any of its equity holders and the terms of such benefit;
 - (i) the Phase 2 Bid provides a detailed timeline to closing with critical milestones;

- (j) the Phase 2 Bid is accompanied by a non-refundable good faith cash deposit (the "**Deposit**") equal to 10% of the total cash component of the purchase price contemplated under the Phase 2 Bid, which shall be paid to the Receiver and held in trust pursuant to Section 35 hereof until the earlier of (i) closing of the Successful Bid or Back-Up Bid, as applicable; and (ii) rejection of the Phase 2 Bid pursuant to Section 30; and
- (k) the Phase 2 Bid includes acknowledgements and representations of the Phase 2 Bidder that: (i) it had an opportunity to conduct any and all due diligence desired regarding the Property, Business and the Debtors prior to making its Phase 2 Bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Phase 2 Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property or the Debtors or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive transaction agreement executed by the Receiver.

Assessment of Phase 2 Bids

- 27. Following the Phase 2 Bid Deadline, the Receiver will assess the Phase 2 Bids received by the Phase 2 Bid Deadline and will determine whether such Phase 2 Bids constitute Phase 2 Qualified Bids.
- 28. The Receiver may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Phase 2 Bid to be a Phase 2 Qualified Bid.
- 29. Phase 2 Bids may not be modified, amended or withdrawn after the Phase 2 Bid Deadline without the written consent of the Receiver, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Phase 2 Bid for the Debtors' creditors and other stakeholders.
- 30. The Receiver may reject any Phase 2 Bid if it is determined that such Phase 2 Bid does not constitute a Phase 2 Qualified Bid, is otherwise inadequate or insufficient or is otherwise contrary to the best interests of the Debtors' creditors and other stakeholders. Notwithstanding anything else herein, any such rejected Bid will be deemed not to be a Phase 2 Qualified Bid.

Evaluation of Qualified Bids and Subsequent Actions

- 31. In the event that no Phase 2 Qualified Bid is received (other than the Stalking Horse Bid) then the Stalking Horse Bid shall be deemed the Successful Bid, the Receiver shall terminate the SISP, and the Receiver will seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein.
- 32. In the event that any Phase 2 Qualified Bids (other than the Stalking Horse Bid) are received by the Phase 2 Bid Deadline, the Receiver shall, in consultation with its legal advisors, assess the Phase 2 Qualified Bids to determine whether any Phase 2 Bidders have submitted a Phase 2 Qualified Bid that is, either alone or in combination with other Phase 2 Qualified Bids, a Superior Offer. For greater certainty, the Receiver may choose to aggregate separate Phase 2 Qualified Bids received from unaffiliated Phase 2 Bidders to create a single bid if such aggregated bid would constitute a Superior Offer, provided that the applicable Phase 2 Qualified Bids are capable of closing concurrently and contemplate the acquisition of different portions of the Property or Business. Following such assessment:
 - (a) If the Receiver determines that the Phase 2 Qualified Bids received by the Phase 2 Bid Deadline are not capable of constituting a Superior Offer, the Receiver shall terminate the

SISP, declare the Stalking Horse Bid to be the Successful Bid, and seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein; and,

- (b) If the Receiver determines that one or more of the Phase 2 Qualified Bids received by the Phase 2 Bid Deadline are, individually or in the aggregate, a Superior Offer, the Receiver shall proceed with an auction, in accordance with the procedure set out below, to determine the Successful Bid.

33. If an auction (the "**Auction**") is required in accordance with the terms of these SISP Procedures, it will be conducted in accordance with the procedures set forth in this Section:

- (a) the Receiver shall designate all Phase 2 Qualified Bidders (in addition to the Stalking Horse Bidder) whose Phase 2 Qualified Bids are, individually or in the aggregate, determined by the Receiver to be a Superior Offer, as eligible to participate in the Auction (with all such bidders being referred to as "**Auction Bidders**");
- (b) the Auction will commence at a time to be designated by the Receiver on October 2, 2026 and may, in the discretion of the Receiver, be held virtually via videoconference, teleconference or such other reasonable means as the Receiver deems appropriate. The Receiver will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Receiver may postpone, adjourn, or reschedule the Auction;
- (c) except as otherwise permitted in the Receiver's discretion, only the Receiver and the Auction Bidders, and, in both cases, their respective professionals and representatives, will be permitted to attend the Auction;
- (d) each Auction Bidder shall designate a single individual to be its representative and spokesperson for the purposes of the Auction, and shall participate in the Auction through such duly authorized representative;
- (e) except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are:
 - (i) not inconsistent with the Receivership Order, the SISP, the SISP Procedures or any order of the Court issued in connection with the Receivership Proceedings;
 - (ii) disclosed to each Auction Bidder; and
 - (iii) designed by the Receiver in its reasonable judgment to result in the highest and otherwise best offer;
- (f) each Auction Bidder participating in the Auction must confirm on the record at the commencement of the Auction and again at the conclusion of the Auction that it has not engaged in any collusion with the Debtors or any other person regarding the SISP. For greater certainty, communications between the Stalking Horse Bidder and either the Debtors or the Receiver with respect to and in preparation of the Stalking Horse Agreement, the SISP and the SISP Procedures, or in relation to ordinary course operational or business matters, will not represent collusion nor communications prohibited by this paragraph;
- (g) prior to the Auction, the Receiver will identify the highest and best of the Phase 2 Qualified Bids received, which for greater certainty may be a combination of Phase 2 Qualified Bids which collectively form a Superior Offer, and such Phase 2 Qualified Bid(s) will constitute

the opening bid for the purposes of the first Round (as defined below) in the Auction (the opening bid in each Round is referred to as, the "**Opening Bid**"). In performing such review and assessment, the Receiver may evaluate the following non-exhaustive list of considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Phase 2 Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid(s) in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction; (g) planned treatment of stakeholders, including employees; (h) the assets included or excluded from the Bid(s); (i) any restructuring costs that would arise from the Bid(s); (j) the likelihood and timing of consummating the transaction; (k) the capital sufficient to implement post-closing measures and transactions; and (l) any other factors that the Receiver may deem relevant each in their sole discretion;

- (h) subsequent bidding will continue in rounds (each a "**Round**"), with bids in minimum increments valued at not less than \$100,000 cash in excess of the then-current Opening Bid (each an "**Overbid**"). Each Auction Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price if required by the Receiver. The highest or best Overbid at the conclusion of each Round shall form the Opening Bid for the subsequent Round;
 - (i) all Auction Bidders will have the right, at any time, to request that the Receiver announce, and subject to any potential new bids, the then current highest and best bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Receiver's announcement of the then current highest and best bid;
 - (j) each Auction Bidder will be given reasonable opportunity in each Round to submit an Overbid with respect to the applicable Opening Bid. The Auction will continue until the bidding has concluded without a further Overbid being submitted in any Round and there is one remaining Auction Bidder. The Receiver shall determine which Auction Bidder has submitted (i) the highest and best Overbid (the "**Successful Bid**", and the bidder making such Successful Bid, the "**Successful Bidder**"), and (ii) the next highest and otherwise second-best Overbid (the "**Back-Up Bid**", and the bidder making such Back-Up Bid, the "**Back-Up Bidder**");
 - (k) any bids submitted after the conclusion of the Auction will not be considered; and
 - (l) the Receiver shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.
34. A Successful Bid and Back-Up Bid, if any, will be selected by no later than 5:00 p.m. (Pacific Time) on October 2, 2026 (or such later date immediately thereafter if the Auction is conducted and not completed in one day), and the completion and execution of definitive documentation in respect of such Successful Bid and Back-Up Bid, as applicable, must be finalized and executed as soon as possible after the close of the Auction, and in any event no later than October 9, 2026. If the transactions contemplated by the applicable Successful Bid have not closed by the Outside Date, or the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Receiver may elect to seek to complete the transactions contemplated by the applicable Back-Up Bid and will promptly seek to close the transaction contemplated by such Back-Up Bid, which will be deemed to be a Successful Bid.
35. All Deposits will be retained by the Receiver and deposited in an interest-bearing trust account. The Deposits paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Application will be applied to the purchase price to be paid by the Successful Bidder and/or Back-Up Bidder, as applicable, upon closing of the approved transaction and will be non-

refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits of Qualified Bidders not selected as the Successful Bidder or Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder, or any earlier date as may be determined by the Receiver. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after closing of the transaction contemplated by the Successful Bid.

36. If a Successful Bidder or Back-Up Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited as liquidated damages and not as a penalty, without limiting any other claims or actions that the Receiver may have against such Successful Bidder or Back-Up Bidder and/or their affiliates.

Approval Application

37. Prior to the Approval Application, the Receiver shall provide a report to the Court providing information on the process and including its recommendation in connection with the relief sought at the Approval Application. At the Approval Application, the Receiver shall seek the Approval Order.
38. The consummation of the transaction contemplated by the Successful Bid, or the Back-Up Bid if the Successful Bid does not close, will not occur unless and until the Approval Order is granted.
39. For greater certainty, the Receiver shall not be required to select a Back-Up Bid in the event that the SISP is terminated as a result of the Receiver's determination that no Superior Offer has been submitted, or that no Qualified Phase 1 Bid or Qualified Phase 2 Bid, as applicable, has been received, pursuant to Section 21(a), Section 31, or Section 32(a). In any such case, the Stalking Horse Bid shall be deemed, for all purposes, to constitute the Successful Bid.

"As Is, Where Is"

40. Any sale of, or investment in, the Business and/or Property will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, or its advisors or agents, except to the extent otherwise provided under any definitive sale agreement with the Successful Bidder executed by the Receiver. Neither the Receiver, the Debtors, nor their respective advisors or agents make any representation or warranty as to the information contained in the Teaser Letter, any management presentation or the VDR, except to the extent otherwise provided under any definitive sale agreement with the Successful Bidder executed by the Receiver. Each Phase 2 Bidder is deemed to acknowledge and represent that: (a) it has had an opportunity to conduct any and all due diligence regarding the Debtors, the Business and Property prior to making its Phase 2 Bid; (b) it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Debtors, the Business and Property in making its Bid; and (c) it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Debtors, the Business, the Property, or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive sale agreement executed by the Receiver. In the event of a sale, all of the right, title, and interest of the Debtors in and to the Property to be acquired, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon, to the extent that the Court deems it appropriate to grant such relief.

No Entitlement to Other Amounts

41. Phase 1 Bidders and Phase 2 Bidders shall not be entitled to any breakup fee, termination fee, expense reimbursement, or similar type of payment or reimbursement.

Jurisdiction

42. Upon submitting an LOI or a Phase 2 Bid, the Phase 1 Bidder or the Phase 2 Bidder, as applicable, shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to all matters relating to the SISP and the terms and conditions of these SISP Procedures, any Sale Proposal or Investment Proposal.
43. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or as otherwise required at law to implement a Successful Bid.
44. Neither the Debtors, the Stalking Horse Bidder nor the Receiver shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.
45. The Receiver shall supervise the SISP as outlined herein. In the event that there is disagreement, or clarification is required, as to the interpretation or application of this SISP, or the responsibilities of the Receiver hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Receiver or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

APPENDIX A

DEFINED TERMS

- (a) **"1145643 BC"** shall have the meaning attributed to it in the preamble;
- (b) **"Approval Application"** means the motion seeking approval by the Court of the Successful Bid with the Successful Bidder, and if applicable, any Back-Up Bid if the Successful Bid is not consummated.
- (c) **"Approval Order"** means an order of the Court approving, among other things, if applicable, the Successful Bid and the consummation thereof, and if applicable, any Back-Up Bid if the Successful Bid is not consummated;
- (d) **"Auction"** shall have the meaning attributed to it in Section 33;
- (e) **"Auction Bidder"** shall have the meaning attributed to it in Section 33(a);
- (f) **"Back-Up Bid"** shall have the meaning attributed to it in Section 33(j);
- (g) **"Back-Up Bidder"** shall have the meaning attributed to it in Section 33(j);
- (h) **"Back-Up Bid Outside Date"** shall have the meaning attributed to it in Section 26(c);
- (i) **"BIA"** shall have the meaning attributed to it in the preamble;
- (j) **"Bid"** shall have the meaning attributed to it in Section 16;
- (k) **"Business"** means the business of the Debtors;
- (l) **"Business Day"** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia;
- (m) **"Court"** shall have the meaning attributed to it in the preamble;
- (n) **"Credit Bid Amount"** shall have the meaning attributed to it in Section 17(d);
- (o) **"Debtors"** shall have the meaning attributed to it in the preamble;
- (p) **"Deposit"** shall have the meaning attributed to it in Section 26(j);
- (q) **"IF Canada"** shall have the meaning attributed to it in the preamble;
- (r) **"Investment Proposal"** shall have the meaning given to it in Section 17(c);
- (s) **"LEA"** shall have the meaning attributed to it in the preamble;
- (t) **"LOI"** shall have the meaning attributed to it in Section 16;
- (u) **"Milestones"** shall have the meaning attributed to it in Section 8;
- (v) **"Minimum Cash Purchase Price"** shall have the meaning attributed to it in Section 17(d);
- (w) **"Minimum Consideration"** shall have the meaning attributed to it in Section 17(d);

- (x) **"NDA"** shall have the meaning attributed to it in Section 10(e);
- (y) **"Opening Bid"** shall have the meaning attributed to it in Section 33(g);
- (z) **"Opportunity"** shall have the meaning attributed to it in Section 2;
- (aa) **"Outside Date"** shall have the meaning attributed to it in Section 8;
- (bb) **"Overbid"** shall have the meaning attributed to it in Section 33(h);
- (cc) **"Phase 1"** shall have the meaning attributed to it in Section 8;
- (dd) **"Phase 1 Bid Deadline"** shall have the meaning attributed to it in Section 16;
- (ee) **"Phase 1 Bidder"** shall have the meaning attributed to it in Section 11;
- (ff) **"Phase 1 Qualified Bid"** shall have the meaning attributed to it in Section 16;
- (gg) **"Phase 2"** shall have the meaning attributed to it in Section 8;
- (hh) **"Phase 2 Bid"** shall have the meaning attributed to it in Section 26;
- (ii) **"Phase 2 Bid Deadline"** shall have the meaning attributed to it in Section 26;
- (jj) **"Phase 2 Bidder"** shall have the meaning attributed to it in Section 22;
- (kk) **"Phase 2 Template Agreement"** shall have the meaning attributed to it in Section 7;
- (ll) **"Phase 2 Qualified Bid"** shall have the meaning attributed to it in Section 26;
- (mm) **"Phase 2 Qualified Bidder"** shall have the meaning attributed to it in Section 26;
- (nn) **"Potential Bidder"** shall have the meaning attributed to it in Section 10(a);
- (oo) **"Property"** shall have the meaning attributed to it in the preamble;
- (pp) **"Qualified Bid"** means a Phase 1 Qualified Bid or a Phase 2 Qualified Bid, as applicable;
- (qq) **"Qualified Bidder"** means a person who has submitted a Qualified Bid;
- (rr) **"Receiver"** shall have the meaning attributed to it in the preamble;
- (ss) **"Receivership Order"** shall have the meaning attributed to it in the preamble;
- (tt) **"Receivership Proceedings"** shall have the meaning attributed to it in the preamble;
- (uu) **"Receiver's Website"** means <https://cfcanada.fticonsulting.com/IF/default.htm>;
- (vv) **"Round"** shall have the meaning attributed to it in Section 33(h);
- (ww) **"Sale Proposal"** shall have the meaning attributed to it in Section 17(c);
- (xx) **"Shares"** means the issued and outstanding shares in the capital of any of the Debtors;
- (yy) **"SISP"** shall have the meaning attributed to it in the preamble;

- (zz) **"SISP Order"** shall have the meaning attributed to it in the preamble;
- (aaa) **"SISP Procedures"** shall have the meaning attributed to it in the preamble;
- (bbb) **"Stalking Horse Agreement"** shall have the meaning attributed to it in the preamble;
- (ccc) **"Stalking Horse Bid"** shall have the meaning attributed to it in the preamble;
- (ddd) **"Stalking Horse Bidder"** shall have the meaning attributed to it in the preamble;
- (eee) **"Successful Bid"** shall have the meaning attributed to it in Section 33(j);
- (fff) **"Successful Bidder"** shall have the meaning attributed to it in Section 33(j);
- (ggg) **"Superior Offer"** means a credible, reasonably certain, and financially viable Qualified Bid, that meets the requirements of the SISP, made by a Qualified Bidder, that alone or in combination with other bids for different assets: (i) provides for consideration in excess of the aggregate of the consideration contemplated by the Stalking Horse Bid (including, but not limited to, the Minimum Consideration); and, (ii) is determined by the Receiver, with the assistance of its legal advisors, to offer better overall terms than the Stalking Horse Bid.
- (hhh) **"Teaser Letter"** shall have the meaning attributed to it in Section 10(d);
- (iii) **"VDR"** shall have the meaning attributed to it in Section 13; and,
- (jjj) **"Wrkout Holdings"** shall have the meaning attributed to it in the preamble.

C-1

SCHEDULE C
APPROVAL AND VESTING ORDER

[See attached]

No. S-264685
Vancouver Registry
Estate No. 11-255181, 11-255180, 11-255179

In the Supreme Court of British Columbia

Between

LIFESPAN HOLDINGS INC.

Petitioner

and

WRKOUT HOLDINGS LTD., 1145643 B.C. LTD. and
INNOVATIVE FITNESS CANADA LTD.

Respondents

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

)
)
)

[●], 2026

ON THE APPLICATION of FTI Consulting Canada Inc. ("FTI"), in its capacity as Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and property including all proceeds (collectively, the "**Property**"), of Wrkout Holdings Ltd. ("**Wrkout Holdings**"), 1145643 B.C. Ltd. ("**1145643 BC**"), and Innovative Fitness Canada Ltd. ("**IF Canada**"), and together with Wrkout Holdings and 1145643 BC, collectively, the "**Debtors**") coming on for hearing at Vancouver, British Columbia, on the [●] day of [●], 2026;

AND ON HEARING Katie Mak and Ada Ang, counsel for the Receiver, and those other counsel listed on "**Schedule A**" hereto, and no one appearing, although duly served;

AND UPON READING the material filed, including the Report of the Receiver dated [●], 2026 (the "**Report**")

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated August [●], 2026 (the "**Sale Agreement**") between the Receiver and Lifespan Holdings Inc. (the "**Purchaser**"), a copy of which is attached as **Appendix "A"** to the Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is

hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the Purchased Assets as defined and described in the Sale Agreement (the "**Purchased Assets**").

2. Any capitalized term(s) used herein and not otherwise defined shall have the same meaning(s) as ascribed to such terms in the Sale Agreement.
3. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as "**Schedule B**" hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court in these proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system, and (iii) those Claims listed on "**Schedule C**" hereto (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
5. The Receiver is to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof.
6. As soon as is reasonably practicable following the filing of the Receiver's Certificate, the Receiver shall pay the Cure Costs in respect of the Assumed Contracts (as described in Schedule "**E**" to the Sale Agreement), to the counterparties to the Assumed Contracts (each a "**Counterparty**" and collectively, the "**Counterparties**"), in the amounts and to the Counterparties set out in "**Schedule D**" hereto.

7. The assignment, vesting, and transfer of any Assumed Contract(s) shall be valid and binding upon all of the respective Counterparties, notwithstanding any restriction or prohibition contained in such Assumed Contract(s) relating to the assignment thereof, including, but not limited to, any provision requiring the consent of any party to the transfer, conveyance, or assignment of any Assumed Contract. For greater certainty, nothing in this Order shall cause or be deemed to cause an assignment or transfer of any Assumed Contract which, pursuant to the Sale Agreement, is contemplated to be retained by the applicable Debtor(s) party thereto.
8. No Counterparty, nor any other person, upon the assignment and transfer to, or assumption by, the Purchaser, or retention by the Debtor(s), as applicable, shall make or pursue any demand, Claim, action, or suit, or exercise any right or remedy (including any termination rights), under any Assigned Contract, against the Purchaser or any Debtor, as applicable, relating to:
 - (a) the Debtors' insolvency;
 - (b) the commencement of the within proceedings or the appointment of the Receiver; or
 - (c) any failure by the Debtors to perform a non-monetary obligation thereunder prior to Closing,

and all such Counterparties and persons shall be forever barred, stayed, enjoined, and estopped from taking such action, and shall be deemed to waive any and all defaults or events of default relating thereto, and any and all notices, demands, or steps or proceedings commenced in connection therewith shall be deemed to be rescinded and of no further force or effect. For greater certainty, nothing herein shall limit or exempt the Purchaser or any Debtor, as applicable, in respect of obligations accruing, arising, or continuing after Closing, under any Assigned Contract, other than in respect of items (a) – (c), above.

9. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtors' past and current employees, including personal information of those employees listed in **Schedule "H"** to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.
10. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date (as defined in the Sale Agreement) to such later date as those parties

may agree without the necessity of a further Order of this Court provided that the Closing Date occurs within 30 days of the date of this Order.

11. Notwithstanding:

- (a) these proceedings;
- (b) any applications for a bankruptcy order in respect of the Debtors now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made by or in respect of the Debtors,

the execution of the Sale Agreement, the implementation of the Transaction, and the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

13. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order, including, without limitation, in respect of any Assumed Contracts.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Katie Mak / Ada Ang
Lawyer for FTI Consulting Canada Inc.
in its capacity as Receiver

BY THE COURT

REGISTRAR

**Schedule A
Appearance List**

Counsel Name	Party Represented

**Schedule B
Form of Receiver's Certificate**

**No. S-264685
Vancouver Registry**

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

LIFESPAN HOLDINGS INC.

Petitioner

and

WRKOUT HOLDINGS LTD., 1145643 B.C. LTD. and
INNOVATIVE FITNESS CANADA LTD.

Respondents

RECEIVER'S CERTIFICATE

A. Pursuant to the order of the Honourable Justice Sigurdson of the Supreme Court of British Columbia (the "**Court**") made July 16, 2026, FTI Consulting Canada Inc. was appointed court-appointed receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and property, including all proceeds, of Wrkout Holdings Ltd., 1145643 B.C. Ltd. and Innovative Fitness Canada Ltd. (collectively, the "**Debtors**").

B. Pursuant to an Order of the Court dated [●], 2026, the Court, among other things, approved the Asset Purchase Agreement dated August [●], 2026 (the "**Sale Agreement**"), between the Receiver and Lifespan Holdings Inc. (the "**Purchaser**"), a copy of which is attached as Appendix [●] to the [Second] Report to the Court dated [●], 2026, and the transactions contemplated thereby, and provided for the vesting in the Purchaser of the right, title and interest of the Debtors in the Assets, which vesting is to be effective with respect to the Assets upon delivery by the Receiver to the Purchaser of a certificate confirming that the (i) conditions to completion have been satisfied and/or waived by the Receiver and the Purchaser (as applicable), and (ii) transaction contemplated by the Sale Agreement with respect to the Assets has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, the capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The conditions to completion have been satisfied and/or waived by the Receiver and the Purchaser, as applicable;

Schedule C Encumbrances

Wrkout Holdings Ltd.

- (a) A financing statement in favour of Lifespan Holdings Inc., registered against Wrkout Holdings Ltd., pursuant to the BC PPSA on July 31, 2024, as base registration no. 544550Q, in respect of all present and after-acquired personal property of the debtors, and an uncrystallized floating charge on land.

1145643 B.C. Ltd.

- (a) A financing statement in favour of Bank of Montreal, registered against 1145643 B.C. Ltd., pursuant to the BC PPSA on December 18, 2019, as base registration no. 960597L, in respect of all of each debtor's present and after acquired personal property.
- (b) A financing statement in favour of Lifespan Holdings Inc., registered against 1145643 B.C. Ltd., pursuant to the BC PPSA on July 31, 2024, as base registration no. 544550Q, in respect of all present and after-acquired personal property of the debtors, and an uncrystallized floating charge on land.
- (c) A financing statement in favour of Receivables Management Office – Xueqin (Julie) Xiong, registered against 1145643 B.C. Ltd., pursuant to the BC PPSA on June 30, 2026, as base registration no. 171779S, in respect of all the debtor's present and after acquired personal property.

Innovative Fitness Canada Ltd.

- (a) A financing statement in favour of Lifespan Holdings Inc., registered against Innovative Fitness Canada Ltd., pursuant to the BC PPSA on July 31, 2024, as base registration no. 544550Q, in respect of all present and after-acquired personal property of the debtors, and an uncrystallized floating charge on land.

Schedule D Cure Costs

[NTD: To be completed prior to sale approval application.]

SCHEDULE D
INTELLECTUAL PROPERTY RIGHTS

All Intellectual Property Rights, including, but not limited to, the following:

<u>Name of Trademarks</u>	<u>Registration/Application No.</u>
INNOVATIVE FITNESS	TMA707472
"IF" & DESIGN 	TMA732415
INNOVATIVE FITNESS HIGH PERFORMANCE	TMA872345
WHAT IF YOU COULD?	TMA702205
CHALLENGE ADVERSITY VICTORY	TMA702206
TRAIN THE TRAINER	TMA1355854

SCHEDULE E
ASSUMED CONTRACTS

1. Master License Agreement, between 1145643 B.C. Ltd. and Innovative Fitness Canada Ltd.;
2. Services Agreement dated May 1, 2025 between The Ritz-Carlton Hotel Company of Canada, Ltd. and Innovative Fitness Franchise Corp. as assigned to 1145643 B.C. Ltd. on January 1, 2026;
3. Joint Participation Agreement dated May 1, 2025 between Scott Hayden and Innovative Fitness Direct Inc. as assigned to 1145643 B.C. Ltd. on January 1, 2026;
4. Addendum to the Joint Participation Agreement dated November 21, 2025 between Scott Hayden and Innovative Fitness Direct Inc. (as assigned to 1145643 BC Ltd.);
5. The independent contractor agreement, between 1145643 B.C. Ltd. and 0869097 B.C. Ltd. dated August 1, 2024 with addendum dated March 23, 2026; and
6. The independent contractor agreement, between 1145643 B.C. Ltd. and Robert Jacoby, CPA dated September 1, 2025.

SCHEDULE F
ADDITIONAL PROPERTY

1. Intercompany receivable, owed to Wrkout Holdings Ltd., from Wrkout Media Ltd., totaling \$9,873,157.17 as at May 31, 2026; and
2. Intercompany receivable, owed to 1145643 B.C. Ltd., from Innovative Fitness Canada Ltd., totaling \$127,161.79 as at May 31, 2026.

G-5

SCHEDULE G
SISP ORDER

[See attached]

In the Supreme Court of British Columbia

Between

LIFESPAN HOLDINGS INC.

Petitioner

and

WRKOUT HOLDINGS LTD., 1145643 B.C. LTD. and
INNOVATIVE FITNESS CANADA LTD.

Respondents

ORDER MADE AFTER APPLICATION

**(Approval of Sale and Investment Solicitation
Process and Stalking Horse Bid)**

BEFORE THE HONOURABLE

)
)
) August 13, 2026
)
)

ON THE APPLICATION of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and property including all proceeds (collectively, the "**Property**"), of Wrkout Holdings Ltd. ("**Wrkout Holdings**"), 1145643 B.C. Ltd. ("**1145643 BC**"), and Innovative Fitness Canada Ltd. ("**IF Canada**"), and together with Wrkout Holdings and 1145643 BC, collectively, the "**Debtors**"), coming on for hearing this day at Vancouver, British Columbia; AND ON HEARING Katie Mak and Ada Ang, counsel for the Receiver and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the materials filed, including the First Report of the Receiver dated August 6, 2026 (the "**Report**");

THIS COURT ORDERS AND DECLARES that:**SERVICE**

1. The time for service of the Notice of Application and Report is hereby abridged and the Notice of Application is properly returnable on today's date.

APPROVAL OF SISP

2. The sale and investment solicitation process substantially in the form set out in the attached **Schedule "B"** to this Order (the "**SISP**") is hereby approved and the Receiver is hereby authorized and directed to carry out the SISP in accordance with its terms and the terms of this Order, and to take such steps and execute such documentation as the Receiver considers to be necessary or desirable in carrying out each of its obligations thereunder.
3. Capitalized terms in this Order shall have the meaning given to them in the SISP, unless otherwise defined.
4. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under the authority of either Act, the Receiver may disclose to Potential Bidders and their advisors, in connection with the SISP, personal information of identifiable individuals, including records pertaining to the Debtors' past and current employees, but only to the extent required to carry out the SISP. Each Potential Bidder and their respective advisors to whom any such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information solely to its evaluation of a transaction in respect of the Debtors, the Property and the Business, and if it does not complete such a transaction, shall return all such information to the Receiver, or in the alternative destroy all such information. The Successful Bidder, or the Back-Up Bidder if the Successful Bid does not close in accordance with the SISP, shall be entitled to continue to use the personal information provided to it in a manner that is in all

material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver.

STALKING HORSE AGREEMENT

5. The stalking horse agreement (the “**Stalking Horse Agreement**”) between the Receiver, as vendor, and Lifespan Holdings Inc. (the “**Stalking Horse Bidder**”), in the form attached as **Appendix “A”** to the Report, is hereby approved and accepted, solely for the purpose of being a “Stalking Horse Bid” under the SISP; provided that nothing in this Order approves the transaction contemplated by the Stalking Horse Agreement, which approval shall be considered by the Court on a subsequent application to be made in the event that the Stalking Horse Bid is determined to be the Successful Bid pursuant to the SISP.

GENERAL

6. The Receiver may from time to time apply for such further or other directions as may be necessary or desirable to give effect to this Order, including, without limitation, advice and directions regarding the SISP, the discharge of its powers and duties under the SISP, or any matter in connection therewith
7. Endorsement of this Order by counsel appearing on this application other than counsel for the Receiver is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Katie Mak / Ada Ang
Lawyer for the Receiver

By the Court.

Registrar

**SCHEDULE H
EMPLOYEES**

No.	Name	Position	Annual Salary / Hourly Wage	FT/PT	Start Date	Employer's Monthly Cost of Medical Benefits	Accrued Vacation to July 18, 2026
1.	Hirsch, Martie	Director, Operations	\$73,237.50	80% FT	July 4, 2023	\$256.07-	\$(144.85)
2.	Hanson, Brittany	Marketing Lead	\$85,000.00	FT	July 7, 2025	\$268.57-	\$1,242.31
3.	Scott, Briana	Marketing Manager	\$77,250.00	FT*	January 19, 2024	\$38.55-	-
4.	Petty, Kieran	Beyond Nutrition Lead Coach	\$40.75 / hr	PT	December 19, 2023	\$40.01-	-
5.	Hayden, Scott	Studio Manager	\$90,000.00	FT	May 5, 2025	-	\$(1,841.53)
6.	Buksa, Brianne	Professional Training Coach	\$45.00 / hr	PT	May 5, 2025	-	\$1,104.26
7.	Clinton, Meredith	Professional Training Coach	\$87.00 / hr	PT	May 5, 2025	\$155.83-	-
8.	Haskins, Crispin	Professional Training Coach	\$50.00 / hr	PT	May 5, 2025	\$125.35-	\$1,592.80
9.	Perreault, Luc	Professional Training Coach	\$35.00 / hr	PT	May 12, 2025	-	\$1,071.48
10.	Millar, Jason	Professional Training Coach	\$55.00 / hr	PT	May 5, 2025	\$125.35-	\$1,250.15
11.	Williams, Christina	Professional Training Coach	\$50.00 / hr	PT	May 5, 2025	\$125.35-	\$868.98
12.	Zaraineh, Aileen	Professional Training Coach	\$50.00 / hr	PT	January 26, 2026	-	\$12.00

Martie Hirsch, Briana Scott and Scott Hayden are entitled to 6% annual vacation, with all other employees entitled to 4% annual vacation. All employees are subject to written employment agreements.

All employees are eligible for participation in the company medical benefits plan after 3 months of employment.

Martie Hirsch has a bonus plan for up to \$6,000 annually, based upon the number of franchises sold and franchise studio sales growth.

*Briana Scott, is on approved statutory leave of absence for maternity, with no amounts payable by the company, estimated return date September 1, 2026 on a mutually-agreed reduced work schedule.

Appendix B

Sale and Investment Solicitation Process

SALE AND INVESTMENT SOLICITATION PROCESS

Procedures for the Sale and Investment Solicitation Process

Preamble

By Order of the Honourable Justice Sigurdson of the Supreme Court of British Columbia (the "**Court**") dated July 16, 2026, (the "**Receivership Order**"), FTI Consulting Canada Inc. was appointed receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings, and properties, including all proceeds (collectively, the "**Property**"), of Wrkout Holdings Ltd. ("**Wrkout Holdings**"), 1145643 B.C. Ltd. ("**1145643 BC**") and Innovative Fitness Canada Ltd. ("**IF Canada**"), and together with Wrkout Holdings and 1145643 BC, collectively, the "**Debtors**"), pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**") and s. 39(1) of the *Law and Equity Act*, R.S.B.C. 1996, c. 253 ("**LEA**") (the proceedings commenced by the Receivership Order, the "**Receivership Proceedings**").

On August 13, 2026, the Court granted an Order (the "**SISP Order**") approving the sale and investment solicitation procedures (the "**SISP**") set forth herein (the "**SISP Procedures**") together with a purchase agreement between Lifespan Holdings Inc. (the "**Stalking Horse Bidder**") and the Receiver, dated August 6, 2026 (the "**Stalking Horse Agreement**" and the transactions outlined therein, the "**Stalking Horse Bid**"), defining the terms of a "stalking horse" bid by the Stalking Horse Bidder to purchase the "**Purchased Assets**" (as defined in the Stalking Horse Agreement, which definition is incorporated herein), for the Minimum Cash Purchase Price (as defined below), subject to certain conditions and other terms defined therein.

The SISP Order and these SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of all, substantially all, or a portion of the Property or Shares of the Debtors.

Stalking Horse Agreement

The Stalking Horse Agreement has been approved as the stalking horse bid under paragraph 5 of the SISP Order.

Defined Terms

1. Capitalized terms used in these SISP Procedures and not otherwise defined herein have the meanings given to them in **Appendix "A"** hereto.

SISP Procedures

Opportunity

2. The SISP is intended to solicit interest in, and opportunities for, a sale of all, substantially all, or part of the Property and/or the Business, or an investment in the Business, or a combination thereof (collectively, the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization, or other form of reorganization of the Business and affairs of the Debtors, as a going concern, or a sale of all, substantially all, or one or more components of the Debtors' Property, as a going concern or otherwise.

General

3. The SISP Procedures describe:
 - (a) the manner in which prospective bidders may (i) gain access to due diligence materials concerning the Debtors, the Business and the Property, and (ii) participate in the SISP;

- (b) the requirements, receipt and negotiation of Bids received;
 - (c) the requirements for a Bid to be deemed a Superior Offer; and
 - (d) the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith.
4. The Receiver shall administer these SISP Procedures. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have jurisdiction to hear and resolve such dispute.
 5. The Receiver may modify, amend, vary or supplement the SISP Procedures without the need to obtain a further order of the Court or providing notice to any bidder, subject to the consultation, consent, and other rights in favour of the Stalking Horse Bidder as described herein. Any such modification, amendment, variation or supplement is expressly limited to: (a) changes in the date of any Milestones (as defined below), or (b) changes that do not materially prejudice the rights of all bidders (including the Stalking Horse Bidder) and, in each case, that are necessary or useful in order to give effect to the substance of the SISP, the SISP Procedures and the SISP Order.
 6. To the extent that any parties interested in making a bid under the SISP wish to engage, discuss, or communicate with any party with an existing contractual relationship with the Debtors in relation to this SISP or the Business or Property, such parties may only do so after obtaining the Receiver's consent. In considering any specific request, the Receiver shall impose such restrictions as they deem appropriate, acting reasonably. For greater certainty, nothing herein shall prevent the Stalking Horse Bidder or its representatives and agents from engaging in any discussions or communications with the Debtors, any creditor of the Debtors, or any other party in the ordinary course of the Debtors' and the Stalking Horse Bidder's respective businesses.
 7. The Stalking Horse Agreement constitutes and shall be deemed to constitute a Phase 1 Qualified Bid and a Phase 2 Qualified Bid (each as defined below) by the Stalking Horse Bidder (which constitutes a Phase 1 Qualified Bidder and a Phase 2 Qualified Bidder (each as defined below)) for all purposes and at all times under this SISP and will serve as the Stalking Horse Bid for purposes of this SISP and the SISP Procedures. The Stalking Horse Bidder shall have the right to participate in the Auction (as defined below), if any. Notwithstanding the Stalking Horse Agreement and the structure of the proposed Stalking Horse Bid thereunder, all interested parties are encouraged to submit Bids based on any form of Opportunity that they may elect to advance pursuant to the SISP, including as a Sale Proposal (as defined below) or an Investment Proposal (as defined below). A copy of the Stalking Horse Agreement will be made available to all Qualified Bidders and a form of purchase agreement will be uploaded to the VDR (as defined below) and shall be used as the basis for any Sale Proposal Phase 2 Qualified Bid made in the SISP (the "**Phase 2 Template Agreement**").

Timeline

8. The following table sets out the key milestones (the "**Milestones**") under this SISP:

Event	Timing
Notice Receiver to publish a notice of the SISP on the Receiver's Website Receiver to distribute Teaser Letter and NDA to potentially interested parties.	No later than August 14, 2026

<u>Phase 1</u>	
Phase 1 - Access to VDR Phase 1 Bidders provided access to the VDR, subject to execution of appropriate NDAs	Commencing August 14, 2026
Phase 1 - Bid Deadline Deadline for Phase 1 Bidders to submit non-binding LOIs in accordance with the requirements of Section 16.	No later than September 14, 2026 at 12:00pm (Pacific Time)
Notification of Phase 1 Qualified Bid Deadline to notify a Phase 1 Bidder whether it has been designated as a Phase 2 Bidder and invited to participate in Phase 2	No later than September 16, 2026 at 12:00pm (Pacific Time)
<u>If no Phase 1 Qualified Bids are received which constitute a Superior Offer</u>	
Selection of Stalking Horse Bid as Successful Bid	September 16, 2026 at 12:00pm (Pacific Time)
Hearing of Approval Application (as defined below) (subject to Court availability)	No later than September 25, 2026
Closing of Stalking Horse Bid	No later than September 30, 2026
<u>If Phase 1 Qualified Bids are received, in addition to the Stalking Horse Bid, which constitute a Superior Offer</u>	
<u>Phase 2</u>	
Phase 2 - Bid Deadline Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Bidders in accordance with the requirements of Section 27)	No later than September 28, 2026 at 12:00pm (Pacific Time)
Auction (if needed)	October 2, 2026
Selection of Successful Bid and Back-Up Bid	By no later than October 2, 2026 at 5:00pm (Pacific Time) or such later date immediately thereafter if the Auction is not completed in one day.
Definitive Documentation Deadline for completion of definitive documentation in respect of a Successful Bid and Back-Up Bid	No later than October 9, 2026
Approval Application	No later than October 19, 2026

Hearing of Approval Application in respect of Successful Bid (subject to Court availability)	
Outside Date - Closing Outside Date by which the Successful Bid must close (the " Outside Date ")	No later than October 30, 2026

9. The Milestones and any other dates set out in the SISP may be extended by the Receiver, in its sole discretion, unless otherwise indicated. Any changes to the Outside Date, or which may reasonably be expected to affect the ability to complete the Stalking Horse Bid on or before the Outside Date, shall only be made with the consent and approval of the Stalking Horse Bidder, acting reasonably.

Solicitation of Interest

10. As soon as reasonably practicable but in any event by no later than August 14, 2026:
- (a) the Receiver will prepare a list of potential bidders, including (i) parties that have approached the Receiver indicating an interest in the Opportunity, (ii) parties suggested by the Debtors' creditors or their advisors, (iii) strategic and financial parties who the Receiver believes may be interested in the Opportunity; and (iv) parties that showed an interest in the Debtors and/or its Property or Business prior to the date of the SISP Order (collectively, the "**Potential Bidders**");
 - (b) a notice of the SISP and any other relevant information that the Receiver considers appropriate, will be published by the Receiver on the Receiver's Website;
 - (c) a notice of the SISP and any other relevant information that the Receiver considers appropriate, will be published by the Receiver in one or more publications as may be considered appropriate by the Receiver; and
 - (d) the Receiver will prepare a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP;
 - (e) the Receiver will prepare a form of non-disclosure agreement (an "**NDA**"). The Receiver will provide a copy of the NDA to any Potential Bidder that requests a copy of it; and
 - (f) the Receiver will cause the Teaser Letter to be sent to each Potential Bidder and to any other party who requests a copy of the Teaser Letter or who is identified to the Receiver as a potential bidder after such request or identification, as applicable.

Phase 1: Non-Binding LOIs

Phase 1 Due Diligence

11. To participate in the SISP, and prior to the distribution of any confidential information, a Potential Bidder (a "**Phase 1 Bidder**") must deliver to the Receiver an executed NDA. An executed NDA may contain such amendments requested by a Potential Bidder as may be consented to by the Receiver.
12. Notwithstanding any other provision of this SISP, prior to the execution of an NDA, the Receiver may require a Potential Bidder to disclose details of its ownership and/or investors.

13. The Receiver will make a confidential virtual data room (the "**VDR**") in relation to the Opportunity available to Phase 1 Bidders that have executed an NDA in accordance with Section 11, as soon as practicable following such execution. Additional information may be added to the VDR to enable Phase 1 Bidders to complete any confirmatory due diligence in respect of the Opportunity.
14. The Receiver, the Debtors, and their respective employees, officers, directors, agents, legal counsel, other representatives and their respective advisors make no representation, warranty, condition or guarantee of any kind, nature or description as to the information contained in the VDR or made available in connection with the SISP. All Phase 1 Bidders must rely solely on their own independent review, investigation and/or inspection of all information, the Property and Business in connection with their participation in the SISP.

Communication Protocol

15. Each Phase 1 Bidder is prohibited from communicating with any Potential Bidder or another Phase 1 Bidder and their respective affiliates, legal and financial advisors regarding the Opportunity during the term of the SISP, without the written consent of the Receiver. Notwithstanding the terms of any NDA entered into by a Phase 1 Bidder, all Phase 1 Bidders shall comply with these SISP Procedures.

Phase 1 Bids

16. If a Phase 1 Bidder wishes to submit a bid in respect of the Opportunity (a "**Bid**"), it must deliver a non-binding letter of intent by email (a "**LOI**", and each such LOI, in accordance with Section 17 below, a "**Phase 1 Qualified Bid**") to the Receiver so as to be received by it not later than September 14, 2026 at 12:00 p.m. (Pacific Time) or such other date or time as may be determined in accordance with Section 5 hereof (the "**Phase 1 Bid Deadline**").
17. An LOI submitted by a Phase 1 Bidder will only be considered a Phase 1 Qualified Bid if the LOI complies at a minimum with the following:
 - (a) it has been duly executed by all required parties;
 - (b) it is received by the Phase 1 Bid Deadline;
 - (c) it is an offer to: (i) acquire all, substantially all, or a portion of the Property or Business, whether through an asset purchase, a share purchase, a share subscription, or a combination thereof (any of these, a "**Sale Proposal**"); or (ii) make an investment in, recapitalize, restructure or refinance the Debtors and/or the Business (an "**Investment Proposal**");
 - (d) in the case of a Bid for all or substantially all of the Property or Shares, the LOI provides for: (A) net cash proceeds on closing that are greater than the "Cash Portion of the Purchase Price" (as defined in the Stalking Horse Agreement) (the "**Minimum Cash Purchase Price**"); and (B) the payment, in full, of the Credit Bid Amount (as defined in the Stalking Horse Agreement) (together with the Minimum Cash Purchase Price, the "**Minimum Consideration**");
 - (e) the LOI includes:
 - (i) details regarding any consideration beyond the Minimum Consideration;
 - (ii) any contemplated purchase price adjustment;

- (iii) a specific indication of the expected structure and financing of the transaction (including, but not limited to the sources of financing);
- (iv) a description of the Property that is subject to the transaction and any of the Property expected to be excluded;
- (v) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Bidder intends to assume and those liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
- (vi) a specific indication of the structure and means by which the Phase 1 Bidder intends to satisfy any assumed liabilities, if applicable;
- (vii) information sufficient for the Receiver to determine that the Phase 1 Bidder has sufficient financial ability to complete the transaction contemplated by the Sale Proposal or Investment Proposal;
- (viii) a description of the Phase 1 Bidder's intentions for the Business, including any plans or conditions related to the Debtors' management and employees;
- (ix) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
- (x) any other terms or conditions of the Sale Proposal or Investment Proposal that the Phase 1 Bidder believes are material to the transaction; and
- (xi) in addition, in the case of Investment Proposals only:
 - (A) an outline of the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property, or affairs of the Debtors;
 - (B) the aggregate amount of the equity and debt investment, including liabilities to be assumed;
 - (C) the underlying assumptions regarding the *pro forma* capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
 - (D) anticipated tax planning, if any; and
 - (E) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Debtors.

Assessment of Phase 1 Bids and Selection of Phase 2 Bidders

18. Following the Phase 1 Bid Deadline, the Receiver will assess the LOIs received by the Phase 1 Bid Deadline, following which the Receiver will determine whether such LOIs constitute Phase 1 Qualified Bids.

19. The Receiver may, following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI, request and/or negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid.
20. The Receiver may (a) waive compliance with any one or more of the requirements specified in Section 17 above and deem such non-compliant bid to be a Phase 1 Qualified Bid; or (b) reject any LOI if it is determined that such LOI does not constitute a Phase 1 Qualified Bid or is not capable of constituting a Superior Offer, is otherwise inadequate or insufficient, or is otherwise contrary to the best interests of the Debtors' creditors and other stakeholders. Notwithstanding anything else herein, any such rejected LOI will be deemed not to be a Phase 1 Qualified Bid.
21. In the event that any Phase 1 Qualified Bids are received by the Phase 1 Bid Deadline, the Receiver shall, in consultation with its legal advisors, assess the Phase 1 Qualified Bids to determine whether any Phase 1 Bidders have submitted an LOI that has the potential, either alone or in combination with other LOIs, to be a Superior Offer. For greater certainty, the Receiver may choose to aggregate separate LOIs received from unaffiliated Phase 1 Bidders to create a single bid if such aggregated bid would constitute a Superior Offer. Following such assessment:
 - (a) If the Receiver determines that the Phase 1 Qualified Bids received by the Phase 1 Bid Deadline are not capable of constituting a Superior Offer, the Receiver shall terminate the SISP, declare the Stalking Horse Bid to be the Successful Bid, and seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein; and,
 - (b) If the Receiver determines that one or more of the Phase 1 Qualified Bids received by the Phase 1 Bid Deadline are capable of constituting a Superior Offer, the Receiver shall permit the corresponding Phase 1 Bidder(s) to proceed to Phase 2.
22. The Receiver shall notify each Phase 1 Bidder in writing as to whether such Phase 1 Bidder has been determined to be permitted to proceed to Phase 2 (each a "**Phase 2 Bidder**") by no later than September 16, 2026 at 12:00pm (Pacific Time).

Phase 2 - Formal Binding Offers

Phase 2 Due Diligence

23. The Receiver shall allow each Phase 2 Bidder such further access to due diligence materials and information relating to the Debtors, the Property and the Business, as the Receiver deems appropriate in its reasonable business judgment, and subject to competitive and other business considerations.
24. Phase 2 Bidders shall have the opportunity (if requested by such party) to meet with the Receiver. Such discussions shall remain confidential and shall not be disclosed without the consent of the parties to the discussion.
25. Each Phase 2 Bidder will be prohibited from communicating with any other Phase 2 Bidder and their respective affiliates and legal and financial advisors regarding the Opportunity during the term of the SISP, unless the Receiver provides such consent. Such communications shall only occur on such terms as the Receiver may determine.

Phase 2 Bids

26. A Phase 2 Bidder that wishes to make a definitive transaction proposal (a "**Phase 2 Bid**") shall submit a binding offer that complies with the following requirements to the Receiver so as to be received by the Receiver not later than September 28, 2026 at 12:00 p.m. (Pacific Time) (the "**Phase 2 Bid Deadline**"). Such Phase 2 Bid shall be a "**Phase 2 Qualified Bid**", and the person

submitting such Phase 2 Qualified Bid shall be a **"Phase 2 Qualified Bidder"**, if the Phase 2 Bid meets the following criteria:

- (a) it is received by the Phase 2 Bid Deadline;
- (b) the Phase 2 Bid complies with all of the requirements set forth in respect of Phase 1 Qualified Bids, unless the Receiver consents otherwise;
- (c) the Phase 2 Bid is binding and includes a letter confirming that the Phase 2 Bid is irrevocable until the selection of the Successful Bidder and the Back-Up Bidder, if any, provided that if such Phase 2 Bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer shall remain irrevocable until the earlier of (i) completion of the transaction with the Successful Bidder, and (ii) October 30, 2026 (the **"Back-Up Bid Outside Date"**), subject to further extensions as may be agreed to under the applicable transaction agreement(s), with the consent of the Receiver;
- (d) the Phase 2 Bid is in the form of duly authorized and executed transaction agreements, and if the Phase 2 Bid is a sale transaction, it includes an executed share or asset purchase agreement, including all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Receiver) together with a comparison to the Phase 2 Template Agreement;
- (e) the Phase 2 Bid includes written evidence of a firm commitment for financing or other evidence of ability to consummate the proposed transaction satisfactory to the Receiver;
- (f) the Phase 2 Bid is not subject to the outcome of unperformed due diligence, internal approval(s) or contingency financing;
- (g) any conditions to closing or required approvals, the anticipated time frame, and any anticipated impediments for obtaining such approvals, are set forth in detail such that the Receiver can assess the risk to closing associated with any such conditions or approvals;
- (h) the Phase 2 Bid fully discloses the identity of each entity that will be entering into the transaction or the financing (including through the issuance of equity and/or debt in connection with such Bid) or that is sponsoring, participating or benefiting from such Phase 2 Bid, and such disclosure shall include, without limitation (i) in the case of a Phase 2 Bidder formed for the purposes of entering into the proposed transaction, the identity of each of the actual or proposed direct or indirect equity holders of such Phase 2 Bidder and the terms and participation percentage of such equity holder's interest in such Phase 2 Bid; and (ii) the identity of each entity that has or will receive a benefit from such Phase 2 Bid from or through the Phase 2 Bidder or any of its equity holders and the terms of such benefit;
- (i) the Phase 2 Bid provides a detailed timeline to closing with critical milestones;
- (j) the Phase 2 Bid is accompanied by a non-refundable good faith cash deposit (the **"Deposit"**) equal to 10% of the total cash component of the purchase price contemplated under the Phase 2 Bid, which shall be paid to the Receiver and held in trust pursuant to Section 35 hereof until the earlier of (i) closing of the Successful Bid or Back-Up Bid, as applicable; and (ii) rejection of the Phase 2 Bid pursuant to Section 30; and
- (k) the Phase 2 Bid includes acknowledgements and representations of the Phase 2 Bidder that: (i) it had an opportunity to conduct any and all due diligence desired regarding the Property, Business and the Debtors prior to making its Phase 2 Bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or

the Property in making its Phase 2 Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property or the Debtors or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive transaction agreement executed by the Receiver.

Assessment of Phase 2 Bids

27. Following the Phase 2 Bid Deadline, the Receiver will assess the Phase 2 Bids received by the Phase 2 Bid Deadline and will determine whether such Phase 2 Bids constitute Phase 2 Qualified Bids.
28. The Receiver may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Phase 2 Bid to be a Phase 2 Qualified Bid.
29. Phase 2 Bids may not be modified, amended or withdrawn after the Phase 2 Bid Deadline without the written consent of the Receiver, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Phase 2 Bid for the Debtors' creditors and other stakeholders.
30. The Receiver may reject any Phase 2 Bid if it is determined that such Phase 2 Bid does not constitute a Phase 2 Qualified Bid, is otherwise inadequate or insufficient or is otherwise contrary to the best interests of the Debtors' creditors and other stakeholders. Notwithstanding anything else herein, any such rejected Bid will be deemed not to be a Phase 2 Qualified Bid.

Evaluation of Qualified Bids and Subsequent Actions

31. In the event that no Phase 2 Qualified Bid is received (other than the Stalking Horse Bid) then the Stalking Horse Bid shall be deemed the Successful Bid, the Receiver shall terminate the SISP, and the Receiver will seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein.
32. In the event that any Phase 2 Qualified Bids (other than the Stalking Horse Bid) are received by the Phase 2 Bid Deadline, the Receiver shall, in consultation with its legal advisors, assess the Phase 2 Qualified Bids to determine whether any Phase 2 Bidders have submitted a Phase 2 Qualified Bid that is, either alone or in combination with other Phase 2 Qualified Bids, a Superior Offer. For greater certainty, the Receiver may choose to aggregate separate Phase 2 Qualified Bids received from unaffiliated Phase 2 Bidders to create a single bid if such aggregated bid would constitute a Superior Offer, provided that the applicable Phase 2 Qualified Bids are capable of closing concurrently and contemplate the acquisition of different portions of the Property or Business. Following such assessment:
 - (a) If the Receiver determines that the Phase 2 Qualified Bids received by the Phase 2 Bid Deadline are not capable of constituting a Superior Offer, the Receiver shall terminate the SISP, declare the Stalking Horse Bid to be the Successful Bid, and seek Court approval of the Stalking Horse Agreement and the transactions contemplated therein; and,
 - (b) If the Receiver determines that one or more of the Phase 2 Qualified Bids received by the Phase 2 Bid Deadline are, individually or in the aggregate, a Superior Offer, the Receiver shall proceed with an auction, in accordance with the procedure set out below, to determine the Successful Bid.
33. If an auction (the "Auction") is required in accordance with the terms of these SISP Procedures, it will be conducted in accordance with the procedures set forth in this Section:

- (a) the Receiver shall designate all Phase 2 Qualified Bidders (in addition to the Stalking Horse Bidder) whose Phase 2 Qualified Bids are, individually or in the aggregate, determined by the Receiver to be a Superior Offer, as eligible to participate in the Auction (with all such bidders being referred to as "**Auction Bidders**");
- (b) the Auction will commence at a time to be designated by the Receiver on October 2, 2026 and may, in the discretion of the Receiver, be held virtually via videoconference, teleconference or such other reasonable means as the Receiver deems appropriate. The Receiver will consult with the parties permitted to attend the Auction to arrange for the Auction to be so held. Subject to the terms hereof, the Receiver may postpone, adjourn, or reschedule the Auction;
- (c) except as otherwise permitted in the Receiver's discretion, only the Receiver and the Auction Bidders, and, in both cases, their respective professionals and representatives, will be permitted to attend the Auction;
- (d) each Auction Bidder shall designate a single individual to be its representative and spokesperson for the purposes of the Auction, and shall participate in the Auction through such duly authorized representative;
- (e) except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are:
 - (i) not inconsistent with the Receivership Order, the SISP, the SISP Procedures or any order of the Court issued in connection with the Receivership Proceedings;
 - (ii) disclosed to each Auction Bidder; and
 - (iii) designed by the Receiver in its reasonable judgment to result in the highest and otherwise best offer;
- (f) each Auction Bidder participating in the Auction must confirm on the record at the commencement of the Auction and again at the conclusion of the Auction that it has not engaged in any collusion with the Debtors or any other person regarding the SISP. For greater certainty, communications between the Stalking Horse Bidder and either the Debtors or the Receiver with respect to and in preparation of the Stalking Horse Agreement, the SISP and the SISP Procedures, or in relation to ordinary course operational or business matters, will not represent collusion nor communications prohibited by this paragraph;
- (g) prior to the Auction, the Receiver will identify the highest and best of the Phase 2 Qualified Bids received, which for greater certainty may be a combination of Phase 2 Qualified Bids which collectively form a Superior Offer, and such Phase 2 Qualified Bid(s) will constitute the opening bid for the purposes of the first Round (as defined below) in the Auction (the opening bid in each Round is referred to as, the "**Opening Bid**"). In performing such review and assessment, the Receiver may evaluate the following non-exhaustive list of considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the Phase 2 Bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid(s) in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction; (g) planned treatment of stakeholders, including employees; (h) the assets included or excluded from the Bid(s); (i) any restructuring costs that would arise from the Bid(s); (j) the likelihood and timing of consummating the

- transaction; (k) the capital sufficient to implement post-closing measures and transactions; and (l) any other factors that the Receiver may deem relevant each in their sole discretion;
- (h) subsequent bidding will continue in rounds (each a **"Round"**), with bids in minimum increments valued at not less than \$100,000 cash in excess of the then-current Opening Bid (each an **"Overbid"**). Each Auction Bidder will provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price if required by the Receiver. The highest or best Overbid at the conclusion of each Round shall form the Opening Bid for the subsequent Round;
 - (i) all Auction Bidders will have the right, at any time, to request that the Receiver announce, and subject to any potential new bids, the then current highest and best bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Receiver's announcement of the then current highest and best bid;
 - (j) each Auction Bidder will be given reasonable opportunity in each Round to submit an Overbid with respect to the applicable Opening Bid. The Auction will continue until the bidding has concluded without a further Overbid being submitted in any Round and there is one remaining Auction Bidder. The Receiver shall determine which Auction Bidder has submitted (i) the highest and best Overbid (the **"Successful Bid"**, and the bidder making such Successful Bid, the **"Successful Bidder"**), and (ii) the next highest and otherwise second-best Overbid (the **"Back-Up Bid"**, and the bidder making such Back-Up Bid, the **"Back-Up Bidder"**);
 - (k) any bids submitted after the conclusion of the Auction will not be considered; and
 - (l) the Receiver shall be at liberty to modify or to set additional procedural rules for the Auction as it sees fit, including to conduct the Auction by way of written submissions.
34. A Successful Bid and Back-Up Bid, if any, will be selected by no later than 5:00 p.m. (Pacific Time) on October 2, 2026 (or such later date immediately thereafter if the Auction is conducted and not completed in one day), and the completion and execution of definitive documentation in respect of such Successful Bid and Back-Up Bid, as applicable, must be finalized and executed as soon as possible after the close of the Auction, and in any event no later than October 9, 2026. If the transactions contemplated by the applicable Successful Bid have not closed by the Outside Date, or the applicable Successful Bid is terminated for any reason prior to the Outside Date, the Receiver may elect to seek to complete the transactions contemplated by the applicable Back-Up Bid and will promptly seek to close the transaction contemplated by such Back-Up Bid, which will be deemed to be a Successful Bid.
35. All Deposits will be retained by the Receiver and deposited in an interest-bearing trust account. The Deposits paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Application will be applied to the purchase price to be paid by the Successful Bidder and/or Back-Up Bidder, as applicable, upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits of Qualified Bidders not selected as the Successful Bidder or Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder, or any earlier date as may be determined by the Receiver. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after closing of the transaction contemplated by the Successful Bid.
36. If a Successful Bidder or Back-Up Bidder breaches its obligations under the terms of the SISF, its Deposit shall be forfeited as liquidated damages and not as a penalty, without limiting any other claims or actions that the Receiver may have against such Successful Bidder or Back-Up Bidder and/or their affiliates.

Approval Application

37. Prior to the Approval Application, the Receiver shall provide a report to the Court providing information on the process and including its recommendation in connection with the relief sought at the Approval Application. At the Approval Application, the Receiver shall seek the Approval Order.
38. The consummation of the transaction contemplated by the Successful Bid, or the Back-Up Bid if the Successful Bid does not close, will not occur unless and until the Approval Order is granted.
39. For greater certainty, the Receiver shall not be required to select a Back-Up Bid in the event that the SISP is terminated as a result of the Receiver's determination that no Superior Offer has been submitted, or that no Qualified Phase 1 Bid or Qualified Phase 2 Bid, as applicable, has been received, pursuant to Section 21(a), Section 31, or Section 32(a). In any such case, the Stalking Horse Bid shall be deemed, for all purposes, to constitute the Successful Bid.

"As Is, Where Is"

40. Any sale of, or investment in, the Business and/or Property will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, or its advisors or agents, except to the extent otherwise provided under any definitive sale agreement with the Successful Bidder executed by the Receiver. Neither the Receiver, the Debtors, nor their respective advisors or agents make any representation or warranty as to the information contained in the Teaser Letter, any management presentation or the VDR, except to the extent otherwise provided under any definitive sale agreement with the Successful Bidder executed by the Receiver. Each Phase 2 Bidder is deemed to acknowledge and represent that: (a) it has had an opportunity to conduct any and all due diligence regarding the Debtors, the Business and Property prior to making its Phase 2 Bid; (b) it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Debtors, the Business and Property in making its Bid; and (c) it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Debtors, the Business, the Property, or the completeness of any information provided in connection therewith, except to the extent otherwise provided under any definitive sale agreement executed by the Receiver. In the event of a sale, all of the right, title, and interest of the Debtors in and to the Property to be acquired, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon, to the extent that the Court deems it appropriate to grant such relief.

No Entitlement to Other Amounts

41. Phase 1 Bidders and Phase 2 Bidders shall not be entitled to any breakup fee, termination fee, expense reimbursement, or similar type of payment or reimbursement.

Jurisdiction

42. Upon submitting an LOI or a Phase 2 Bid, the Phase 1 Bidder or the Phase 2 Bidder, as applicable, shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to all matters relating to the SISP and the terms and conditions of these SISP Procedures, any Sale Proposal or Investment Proposal.
43. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or as otherwise required at law to implement a Successful Bid.

44. Neither the Debtors, the Stalking Horse Bidder nor the Receiver shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid.
45. The Receiver shall supervise the SISP as outlined herein. In the event that there is disagreement, or clarification is required, as to the interpretation or application of this SISP, or the responsibilities of the Receiver hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Receiver or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

APPENDIX A

DEFINED TERMS

- (a) **"1145643 BC"** shall have the meaning attributed to it in the preamble;
- (b) **"Approval Application"** means the motion seeking approval by the Court of the Successful Bid with the Successful Bidder, and if applicable, any Back-Up Bid if the Successful Bid is not consummated.
- (c) **"Approval Order"** means an order of the Court approving, among other things, if applicable, the Successful Bid and the consummation thereof, and if applicable, any Back-Up Bid if the Successful Bid is not consummated;
- (d) **"Auction"** shall have the meaning attributed to it in Section 33;
- (e) **"Auction Bidder"** shall have the meaning attributed to it in Section 33(a);
- (f) **"Back-Up Bid"** shall have the meaning attributed to it in Section 33(j);
- (g) **"Back-Up Bidder"** shall have the meaning attributed to it in Section 33(j);
- (h) **"Back-Up Bid Outside Date"** shall have the meaning attributed to it in Section 26(c);
- (i) **"BIA"** shall have the meaning attributed to it in the preamble;
- (j) **"Bid"** shall have the meaning attributed to it in Section 16;
- (k) **"Business"** means the business of the Debtors;
- (l) **"Business Day"** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia;
- (m) **"Court"** shall have the meaning attributed to it in the preamble;
- (n) **"Credit Bid Amount"** shall have the meaning attributed to it in Section 17(d);
- (o) **"Debtors"** shall have the meaning attributed to it in the preamble;
- (p) **"Deposit"** shall have the meaning attributed to it in Section 26(j);
- (q) **"IF Canada"** shall have the meaning attributed to it in the preamble;
- (r) **"Investment Proposal"** shall have the meaning given to it in Section 17(c);
- (s) **"LEA"** shall have the meaning attributed to it in the preamble;
- (t) **"LOI"** shall have the meaning attributed to it in Section 16;
- (u) **"Milestones"** shall have the meaning attributed to it in Section 8;
- (v) **"Minimum Cash Purchase Price"** shall have the meaning attributed to it in Section 17(d);
- (w) **"Minimum Consideration"** shall have the meaning attributed to it in Section 17(d);

- (x) **"NDA"** shall have the meaning attributed to it in Section 10(e);
- (y) **"Opening Bid"** shall have the meaning attributed to it in Section 33(g);
- (z) **"Opportunity"** shall have the meaning attributed to it in Section 2;
- (aa) **"Outside Date"** shall have the meaning attributed to it in Section 8;
- (bb) **"Overbid"** shall have the meaning attributed to it in Section 33(h);
- (cc) **"Phase 1"** shall have the meaning attributed to it in Section 8;
- (dd) **"Phase 1 Bid Deadline"** shall have the meaning attributed to it in Section 16;
- (ee) **"Phase 1 Bidder"** shall have the meaning attributed to it in Section 11;
- (ff) **"Phase 1 Qualified Bid"** shall have the meaning attributed to it in Section 16;
- (gg) **"Phase 2"** shall have the meaning attributed to it in Section 8;
- (hh) **"Phase 2 Bid"** shall have the meaning attributed to it in Section 26;
- (ii) **"Phase 2 Bid Deadline"** shall have the meaning attributed to it in Section 26;
- (jj) **"Phase 2 Bidder"** shall have the meaning attributed to it in Section 22;
- (kk) **"Phase 2 Template Agreement"** shall have the meaning attributed to it in Section 7;
- (ll) **"Phase 2 Qualified Bid"** shall have the meaning attributed to it in Section 26;
- (mm) **"Phase 2 Qualified Bidder"** shall have the meaning attributed to it in Section 26;
- (nn) **"Potential Bidder"** shall have the meaning attributed to it in Section 10(a);
- (oo) **"Property"** shall have the meaning attributed to it in the preamble;
- (pp) **"Qualified Bid"** means a Phase 1 Qualified Bid or a Phase 2 Qualified Bid, as applicable;
- (qq) **"Qualified Bidder"** means a person who has submitted a Qualified Bid;
- (rr) **"Receiver"** shall have the meaning attributed to it in the preamble;
- (ss) **"Receivership Order"** shall have the meaning attributed to it in the preamble;
- (tt) **"Receivership Proceedings"** shall have the meaning attributed to it in the preamble;
- (uu) **"Receiver's Website"** means <https://cfcanada.fticonsulting.com/IF/default.htm>;
- (vv) **"Round"** shall have the meaning attributed to it in Section 33(h);
- (ww) **"Sale Proposal"** shall have the meaning attributed to it in Section 17(c);
- (xx) **"Shares"** means the issued and outstanding shares in the capital of any of the Debtors;
- (yy) **"SISP"** shall have the meaning attributed to it in the preamble;

- (zz) **"SISP Order"** shall have the meaning attributed to it in the preamble;
- (aaa) **"SISP Procedures"** shall have the meaning attributed to it in the preamble;
- (bbb) **"Stalking Horse Agreement"** shall have the meaning attributed to it in the preamble;
- (ccc) **"Stalking Horse Bid"** shall have the meaning attributed to it in the preamble;
- (ddd) **"Stalking Horse Bidder"** shall have the meaning attributed to it in the preamble;
- (eee) **"Successful Bid"** shall have the meaning attributed to it in Section 33(j);
- (fff) **"Successful Bidder"** shall have the meaning attributed to it in Section 33(j);
- (ggg) **"Superior Offer"** means a credible, reasonably certain, and financially viable Qualified Bid, that meets the requirements of the SISP, made by a Qualified Bidder, that alone or in combination with other bids for different assets: (i) provides for consideration in excess of the aggregate of the consideration contemplated by the Stalking Horse Bid (including, but not limited to, the Minimum Consideration); and, (ii) is determined by the Receiver, with the assistance of its legal advisors, to offer better overall terms than the Stalking Horse Bid.
- (hhh) **"Teaser Letter"** shall have the meaning attributed to it in Section 10(d);
- (iii) **"VDR"** shall have the meaning attributed to it in Section 13; and,
- (jjj) **"Wrkout Holdings"** shall have the meaning attributed to it in the preamble.