No. S-264685
Vancouver Registry

FORCE FILED Estate Nos. 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

NOTICE OF APPLICATION

Name of applicants: FTI Consulting Canada Inc. ("**FTI**") in its capacity as receiver and manager (in such capacity, the "**Receiver**"), without security, of all 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**", Wrkout Holdings, 1145643 BC, and IF Canada are collectively referred to as, the "**Debtors**")

To: THE SERVICE LIST ATTACHED AS **"Schedule A"** HERETO

TAKE NOTICE that an application will be made by the Receiver to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on the 13th day of August at 09:45 AM for the orders set out in Part 1 below.

The applicants estimate that the application will take 20 minutes.

☒ This matter is not within the jurisdiction of an associate judge.

Part 1: ORDER(S) SOUGHT

1. An Order substantially in the form attached as Schedule B" hereto (the "**SISP Approval Order**") granting, *inter alia*, the following relief:

   (a) approving the sale and investment solicitation procedure (the "**SISP**"), in order to solicit interest in, and opportunities for, a sale of all, substantially all, or part of the Property and/or the Business (as defined in the SISP), or an investment in the Business, or a combination thereof, and authorizing and directing the Receiver to carry out the SISP in accordance with its terms and the terms of the SISP Approval Order, and to take such steps and execute such documentation as the Receiver considers necessary or desirable in carrying out its obligations thereunder;

(b) approving 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 First Report of the Receiver dated August 6, 2026 ("**First Report**"), solely for the purpose of being a "Stalking Horse Bid" under the SISP; provided that nothing in the SISP Approval 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; and

(c) such further and other relief as counsel for the Receiver may request and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

Overview

1. The Debtors are a related group of corporations involved in the business of franchising and operating premium fitness studios in British Columbia and Ontario, under the name "Innovative Fitness".

2. On July 16, 2026, on application by Lifespan Holdings Inc., the senior secured lender in relation to the Debtors, FTI was appointed as Receiver, without security, of all of the assets, undertakings, and property of the Debtors, including all proceeds, pursuant to an order of this Honourable Court (the "**Receivership Order**").

3. As at the Receivership Date, the Debtors 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 ("**BMO**") is also a secured creditor of 1145643 BC and was owed approximately $2.4 million as at the Receivership Date. BMO's security and repayment rights are subordinated to those of Lifespan.

The SISP

5. The Receiver is seeking approval of the SISP, including approval of the Stalking Horse Agreement, in order to canvass the market for possible transactions with parties that could provide superior consideration to that contemplated under the Stalking Horse Bid. The proposed guidelines for the SISP (the "**SISP Procedures**") are attached as Schedule "B" to the SISP Approval Order.

6. Capitalized terms used in this section that are not otherwise defined have the meanings ascribed to them in the SISP Procedures.

7. The Receiver believes that the SISP, with the Stalking Horse Agreement, will allow for a transparent, fair and efficient process that will result in the best price for the Debtors' assets.

8. The SISP contemplates a two-phase process, which could be terminated after Phase 1 if no Phase 1 Qualified Bids are received by the Phase 1 Bid Deadline.

9. The key milestones and deadlines in the SISP are 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 12:00 p.m. (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

Phase 1 Overview

10. To participate in Phase 1 of the SISP, and prior to any distribution of any confidential information, a Potential Bidder must deliver to the Receiver an executed NDA. Once an NDA is received, Potential Bidder(s) will be granted access to a confidential virtual data room in order to conduct due diligence.

11. Phase 1 will consist of an initial due diligence period ending with the submission of non-binding letters of intent on or before the Phase 1 Bid Deadline. The SISP includes various requirements for the information to be incorporated in the LOI, as set out in further detail in paragraph 17 of the SISP Procedures.

12. The Receiver will then assess the LOIs by the Phase 1 Bid Deadline and the Receiver will determine whether such LOIs constitute Phase 1 Qualified Bids. At this stage, the Receiver may reject any LOI if it determines 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.

13. If the Receiver has determined that it has received no Phase 1 Qualified Bids or that the Phase 1 Qualified Bids are not capable of constituting a Superior Offer, then the Stalking Horse Bid will be deemed the Successful Bid and the Receiver will seek court approval of the Stalking Horse Agreement and the transactions contemplated therein.

14. If the Receiver has determined that one or more of the Phase 1 Qualified Bids (other than the Stalking Horse Agreement), individually or in the aggregate, are capable of constituting a Superior Offer, then the Receiver shall permit the corresponding Phase 1 Bidder(s) to proceed to Phase 2.

Phase 2 Overview

15. Phase 2 of the SISP affords Phase 2 Bidders with an opportunity to perform further due diligence and submit a Phase 2 Bid.

16. To qualify as a Phase 2 Bid, certain requirements must be met, as set out in paragraph 26 of the SISP Procedures. At a high level, 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 Phase 2 Bid, which will be paid to the Receiver and held in trust until the earlier of: (a) closing of the Successful Bid or Back-Up Bid, as applicable; and (b) rejection of the Phase 2 Bid.

17. 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. At this stage, 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 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.

18. If the Receiver has determined that it has received no Phase 2 Qualified Bids or that the Phase 2 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 Stalking Horse Agreement and the transactions contemplated therein.

19. If the Receiver has determined that one or more of the Phase 2 Qualified Bids (other than the Stalking Horse Bid), individually or in the aggregate, are capable of constituting a Superior Offer, then a Successful Bid will be identified through an auction (the "**Auction**"). The Auction will be conducted in accordance with the procedure listed in the SISP Procedures, and at the conclusion of the Auction, the Receiver will determine

which Auction Bidders have submitted (i) the Successful Bid; and (ii) the next highest and otherwise second-best Phase 2 Qualified Bid of the Auction (the "**Back-Up Bid**").

20. Any sale of, or investment in, the Property and/or Business under the SISP Procedures, will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description.

21. The consummation of the transaction contemplated by the Successful Bid, or the Back-Up Bid if the Successful Bid does not close, will be subject to court approval.

22. In the event that the SISP does not produce any bid higher or better 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.

The Stalking Horse Agreement

23. The Receiver has negotiated the terms of the Stalking Horse Agreement. The Stalking Horse Agreement between the Receiver and the Lifespan Holdings Inc. (the "**Stalking Horse Bidder**") will serve as the basis for the Stalking Horse Bid in the SISP.

24. Capitalized terms used in this section that are not otherwise defined have the meanings ascribed to them in the Stalking Horse Agreement.

25. Approval of the Stalking Horse Agreement on this application is only being sought for the purposes of approving it as the Stalking Horse Bid under the SISP. To the extent the Stalking Horse Agreement is ultimately designated as the Successful Bid in the SISP, further approval will be sought from the court to consummate the transactions contemplated therein.

26. The significant terms of the Stalking Horse Agreement include, among other things:

    (a) the consideration to be paid by the Stalking Horse Bidder (the "**Purchase Price**") is as follows:

        (i) a credit bid consisting 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 Innovative Fitness Canada Ltd.;

(iii) all Intellectual Property Rights of the Debtors;

(iv) all Inventory;

(v) the Assumed Contracts;

(vi) the Franchise Agreements and Rights of the Debtors;

(vii) the Software and Technology License Agreements;

(viii) all of the Debtors' cash on hand on the Closing Date;

(ix) all of the Debtors' receivables, accounts receivable, and Actions; and

(x) all other Property of the Debtors as set out in Schedule "F" of the Stalking Horse Agreement, 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;

(h) the anticipated closing date of the Stalking Horse Bid is September 29, 2026 (the "**Closing Date**"); and

(i) the outside closing date is September 30, 2026.

Part 3: LEGAL BASIS

The SISP Approval Order Should Be Granted

27. The Receivership Order, among other things, authorized and empowered the Receiver to: (a) market any or all of the Property of the Debtors, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate; and (b) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances. In addition to the Receivership Order, the Receiver seeks approval of the SISP.

Receivership Order at paras 2(k) and (m)

28. The reasonableness and adequacy of a sales process proposed by a receiver must be assessed by a Court in light of the four factors set out in *Re Nortel Networks Corp.*, namely: (a) is a sale transaction warranted at this time; (b) will the sale benefit the whole "economic community"; (c) do any of the debtors' creditors have a bona fide reason to object to a sale of the business; and (d) is there a better viable alternative. In *CCM Master Qualified Fund, Ltd. v. Blutip Power Technologies Ltd.*, Justice Brown (as he then was) stated that consideration of any sale process must assess: (a) the fairness, transparency and integrity of the proposed process; (b) the commercial efficacy of the proposed process in light of the specific circumstances facing the receiver; and (c) whether the sales process will optimize the chances, in the particular circumstances, of securing the best possible price for the assets up for sale. Courts give weight to the "business judgement" and recommendation of the Receiver in determining whether to approve a sale process.

Freshlocal Solutions Inc. (Re), 2022 BCSC 1616 ("**Freshlocal**") at paras 27-28

CCM Master Qualified Fund Ltd. v. Blutip Power Technologies Ltd., 2012 ONSC 1750 ("**CCM Master**") at para 6

Brainhunter Inc. (Re) (2009), 62 CBR (5th) 41 (Ont SCJ) ("**Brainhunter**") at para 13

Crate Marine, 2015 ONSC 1062 at para 14

9286594 Canada Inc. v Advance Engineering Products Ltd., 2015 SKQB 196 at para 35

29. The Receiver submits that the foregoing factors are satisfied in these circumstances. The SISP was developed by the Receiver to provide a fair and reasonable process to canvass the market and confirm whether the Stalking Horse Bid delivers the best possible result for the Debtors' stakeholders. It recognizes that a sale process is necessary to monetize the property of the Debtors, and that the maximization of value may require some flexibility in the composition of permitted bids. The proposed SISP accordingly encourages not only *en bloc* bids, but bids for subsets of the Property and Business.

First Report at paras 18, 21(c) and (d), 23

30. The SISP is structured such that Qualified Bidders have an opportunity to bid on some or all of the Property and/or Business of the Debtors to maximize the value of the Debtors' estates for the benefit of stakeholders. The timelines of the SISP are fair and reasonable in the circumstances and afford the Receiver with the opportunity to achieve a successful restructuring transaction. The SISP has accordingly been designed to ensure a fair, transparent and reasonable process for participation of all interested parties.

First Report at paras 21(b) to (d), 22

31. Further, the SISP provides the Receiver with appropriate discretion to extend any milestones or dates set out in the SISP, some of which require consultation with and approval of the Stalking Horse Bidder, acting reasonably. Such flexibility will ensure a robust sale process.

Danier Leather Inc. (Re), 2016 ONSC 1044 ("***Danier Leather***") at para 36

32. The SISP is supported by the Debtors' senior lender, the Stalking Horse Bidder. The Bank of Montreal ("**BMO**") is also a secured creditor, whose security and repayment rights are subordinated to those of the Stalking Horse Bidder. BMO is being provided with notice of this Application. The Receiver does not believe that there is any *bona fide* reason for any creditor to object to the sale of the Assets or the need to undertake the SISP.

First Report at paras 3, 4

33. There is no viable alternative to the SISP. The Stalking Horse Bid is intended to either result in enhanced bid values, or facilitate the expedited conclusion of a restructuring transaction with the Stalking Horse Bidder. The Receiver submits that the SISP is a fair and transparent process designed to identify the highest and best offers for the Debtors' assets and to maximize recoveries for the stakeholders of the Debtors.

First Report at paras 21(c) and (d)

<u>The Stalking Horse Agreement Should Be Approved</u>

34. The use of stalking horse bids to set a baseline for the bidding process, including credit bid stalking horses, has been recognized by Canadian courts as a reasonable and useful element of a sales process. Stalking horse bids "are commonly used in insolvency proceedings as they 'establish a baseline price and transactional structure for any superior bids from interested parties' and 'maximizes value of a business for the benefit of its stakeholders'". Stalking horse bids have been approved for use in other receivership proceedings, BIA proposals, and CCAA proceedings.

Freshlocal at para 29

CCM Master at paras 6 to 8

Brainhunter at para 13

Danier Leather at para 20

Graceway Canada Company (Re), 2011 ONSC 6403 at para 2

35. The Stalking Horse Bid, together with the SISP, will allow the Receiver to broadly market the Property and the Business to ensure the best possible value for stakeholders, while protecting against the downside risk to the Debtors' estates of undertaking a sale process in the absence of a stalking horse. 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.

First Report at para 15(a)

36. As contemplated in the applicable authorities, the proposed Stalking Horse Bid sets a "baseline price" and the commercial terms for a sale transaction for some or all of the Property and Business, which will help generate interest and superior bids among potential purchasers. The Stalking Horse Bid provides a committed purchaser, reducing execution risk should a superior transaction not emerge. The Receiver is of the view that the Stalking Horse Bid is fair and 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.

First Report at paras 15(b), 17

Part 4: MATERIAL TO BE RELIED ON

1. The Receiver's First Report to the Court, dated August 6, 2026;

2. The Receivership Order;

3. The pleadings filed in this proceeding; and

4. Such further material as counsel may advise and this Honourable Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

(a) file an application response in Form 33,

(b) file the original of every affidavit, and of every other document, that:

(i) you intend to refer to at the hearing of this application, and

(ii) has not already been filed in the proceeding, and

(c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:

(i) a copy of the filed application response;

(ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;

(iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7 (9).

Norton Rose Fulbright Canada LLP

Date: 06/AUG/2026

per: Katie Mak

Signature of Katie Mak

☒ Lawyer for filing parties

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs ___________ of Part 1 of this notice of application

☐ with the following variations and additional terms:

____

____

____

Date: ________________ ______________________________

Signature of ☐ Judge ☐ Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

☐ discovery: comply with demand for documents
☐ discovery: production of additional documents
☐ other matters concerning document discovery
☐ extend oral discovery
☐ other matter concerning oral discovery
☐ amend pleadings
☐ add/change parties
☐ summary judgment
☐ summary trial
☐ service
☐ mediation
☐ adjournments
☐ proceedings at trial
☐ case plan orders: amend
☐ case plan orders: other
☐ experts

Schedule A
Service List

NO. VLC-S-S-264685
VANCOUVER REGISTRY
Estate Nos. 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

SERVICE LIST
Updated: August 6, 2026

SERVICE RECIPIENT	RECIPIENT STATUS
McCARTHY TÉTRAULT LLP 4000, 421 – 7th Avenue SW Calgary, AB T2P 4K9 **Attention:** **Ashley Bowran** Email: abowran@mccarthy.ca **Attention:** **Nathan Stewart** Email: nstewart@mccarthy.ca **Attention:** **Samantha Arbor** Email: sarbor@mccarthy.ca **Attention:** **Susan Danielisz** Email: sdanielisz@mccarthy.ca	Counsel to the Petitioner
WKROUT HOLDINGS LTD. 1500 – 401 West Georgia Street Vancouver, BC V6B 5A1 **Attention:** **Robert Jacoby** Email: robert@innovativefitness.com	Respondent

SERVICE RECIPIENT	RECIPIENT STATUS
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NORTON ROSE FULBRIGHT CANADA LLP 510 West Georgia Street, Suite 1800 Vancouver, BC V6B 0M3 **Attention:** **Katie Mak** Email: katie.mak@nortonrosefulbright.com tiam.sharafi@nortonrosefulbright.com **Attention:** **Ada Ang** Email: ada.ang@nortonrosefulbright.com	Counsel to the Receiver

SERVICE RECIPIENT	RECIPIENT STATUS
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MINISTRY OF THE ATTORNEY GENERAL (BRITISH COLUMBIA) Legal Services Branch, Ministry of Attorney General PO Box 9280 Stn Prov Govt Victoria, BC, V8W 9J7 **Attention: Cindy Cheuk** Email: AGLSBRevTaxInsolvency@gov.bc.ca Cindy.Cheuk@gov.bc.ca	counsel for Receivables Management Office, Ministry of Finance, Province of BC

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Schedule B
SISP Approval Order

No. S-264685
Vancouver Registry
Estate Nos. 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 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 Received 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 “A”

COUNSEL NAME	PARTY REPRESENTED

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 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).

<u>Phase 2 - Formal Binding Offers</u>

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.

No. S264685
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

ORDER MADE AFTER APPLICATION

NORTON ROSE FULBRIGHT CANADA LLP
Barristers & Solicitors
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3
Telephone: (604) 687-6575
Attention: Katie Mak

KGM/aa

Matter#**1001397060**