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**SUPERIOR COURT**  
Commercial Division

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
DIVISION No.:  
COURT N<sup>o</sup>:  
Estate N<sup>o</sup>:

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

**ROYAL BANK OF CANADA**

Applicant / Secured Creditor

**PREMIER HEALTH OF AMERICA INC. / PREMIER  
SOIN D'AMÉRIQUE INC.,**  
- and -  
**PREMIER SOIN NORDIK INC. / PREMIER HEALTH  
NORDIK INC.,**  
- and -  
**PREMIER HEALTH NORDIK ONTARIO INC.,**  
- and -  
**9104-8306 QUÉBEC INC.,**  
- and -  
**6150977 CANADA INC.,**  
- and -  
**10544485 CANADA INC.,**  
- and -  
**SOLUTIONS NURSING PHA INC.,**  
- and -  
**CANADIAN HEALTH CARE AGENCY LTD.,**  
- and -  
**SOLUTIONS STAFFING INC.,**  
- and -  
**8961760 CANADA INC.,**

Debtors

-and-

**FTI CONSULTING CANADA INC.**

Proposed Monitor

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**RECTIFIED PRE-FILING REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS PROPOSED MONITOR**

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**INTRODUCTION**

1. On June 22, 2026, the Royal Bank of Canada (“**RBC**”, or the “**Applicant**”), in its capacity as a secured creditor, filed an application entitled *Application for the Issuance of an Initial Order and an Amended and Restated Initial Order* (the “**Application**”) before the Superior Court of Québec (the “**Court**”) to commence proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “**CCAA**”) seeking the issuance of an order (the “**Initial Order**”) declaring that Premier Health of America Inc. / Premier Soin d’Amérique Inc. (“**PHA**”), Premier Soin Nordik Inc. / Premier Health Nordik Inc. (“**Nordik Québec**”), Premier Health Nordik Ontario Inc. (“**Nordik Ontario**”), 9104-8306 Québec Inc. (“**Code Bleu**”), 6150977 Canada Inc. (“**Placement Premier Soin**”), 10544485 Canada Inc. (“**10544485**”), Solutions Nursing PHA Inc. (“**Nursing PHA**”), Canadian Health Care Agency Ltd. (“**CHCA**”) and Solutions Staffing Inc. (“**SSI**”) (collectively, the “**Borrowers**”), together with 8961760 Canada Inc. (“**8961760**” or the “**Guarantor**”, and together with the Borrowers, the “**Debtors**” or the “**PHA Group**”) are debtor companies subject to the CCAA, providing for a stay of proceedings in respect of the Debtors, the appointment of FTI Consulting Canada Inc. (“**FTI**”), a licensed insolvency trustee, as monitor (the “**Proposed Monitor**” and if so appointed, the “**Monitor**”) and various other relief measures (the “**CCAA Proceedings**”).
2. The present report (the “**Pre-Filing Report**”) has been prepared to provide information relevant to the Application to the Court with respect to the Debtors’ financial situation and the relief sought in the proposed Initial Order.
3. The Pre-Filing Report is presented under the following headings:
  - a. Introduction;
  - b. Terms of Reference;
  - c. Qualifications to Act;

- d. Debtors' Business Affairs and Financial Difficulties;
- e. Pre-filing Restructuring Efforts;
- f. Sale and Investment Solicitation Process;
- g. Proposed Restructuring Efforts;
- h. Cash Flow Forecast;
- i. Interim Financing;
- j. Relief Sought as Part of the Initial Order, and the Proposed Monitor's Recommendations thereon; and
- k. Conclusions.

#### **TERMS OF REFERENCE**

- 4. In preparing this Pre-Filing Report, the Proposed Monitor has been provided and relied upon certain unaudited, draft and/or internal financial information, company records, management prepared financial information and projections, information from other third-party sources, and has engaged in discussions with the Debtors' senior management team ("**Management**") and the Applicant's legal advisors (collectively, the "**Information**").
- 5. Except as otherwise described in this Pre-Filing Report:
  - a. The Proposed Monitor has assumed the integrity and truthfulness of the Information and explanations provided to it, within the context in which it was presented. To date, nothing has come to the attention of the Proposed Monitor that would cause it to question the reasonableness of this assumption.
  - b. The Proposed Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of its specific inquiries. Accordingly, this Pre-Filing Report is based solely on the Information (financial or otherwise) provided to the Proposed Monitor.

- c. The Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Proposed Monitor 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 or Generally Accepted Standards for Review Engagements pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance in respect of the Information.
  - d. Some of the information referred to in this Pre-Filing Report consists of forecasts and projections that were prepared based on Management's current estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence, no assurance can be provided regarding any such forecasts or projected results. Actual results will vary from the forecasts or projections, even if the estimates and assumptions are accurate, and the variations could be significant.
  - e. The Proposed Monitor has not examined or reviewed financial forecasts and projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
6. The Proposed Monitor has prepared this Pre-Filing Report solely for the purpose of providing the Court with additional information in connection with the Application and the relief sought by the Applicant as part of the proposed Initial Order and the current status of the Debtors' financial affairs. This Pre-Filing Report may not be appropriate for any other purpose and consequently should not be used for any other purpose.
  7. Unless otherwise stated, all monetary amounts contained herein are expressed in **Canadian Dollars**. Capitalized terms not otherwise defined herein have the meanings given to them in the Application.

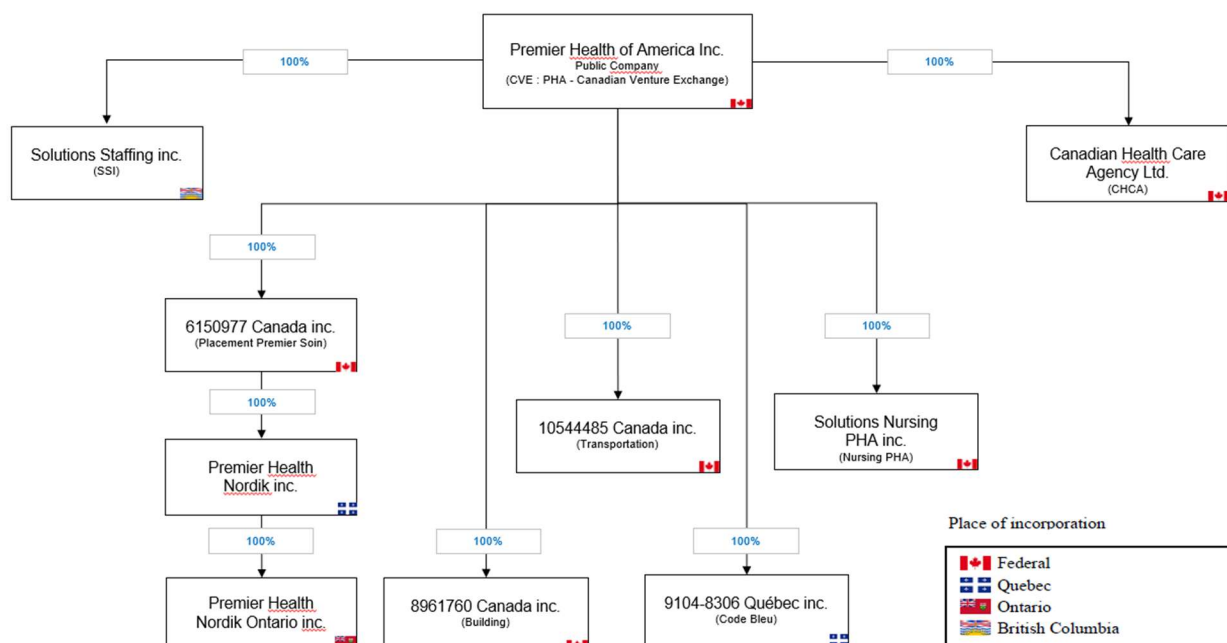
### **QUALIFICATIONS TO ACT**

8. FTI is a licensed insolvency trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as monitor, as set out in section 11.7(2) of the CCAA.

9. In late April 2025, the Proposed Monitor was retained as financial advisor to the Applicant to review the operations and financial position of the Debtors. The Debtors consented to the FTI engagement. Since this time, FTI has become familiar with, *inter alia*, the Debtors' business and operations, certain of their personnel, key issues currently affecting the Debtors, and the key stakeholders in these CCAA Proceedings. The senior FTI representative with carriage of this matter is an experienced Chartered Insolvency and Restructuring Professional (CIRP) and Licensed Insolvency Trustee (LIT), who has acted as monitor in several CCAA matters. The scope of the financial advisor mandate included the following matters:
- a. FTI assisted the Applicant and the Debtors in reviewing their liquidity position and determining short-term funding requirements. In that context, FTI reviewed and monitored the Debtors' borrowing base capacity calculations on an ongoing basis and assisted in the preparation and assessment of financial forecasts for the fiscal year ended September 30, 2025.
  - b. FTI also reviewed and assessed the various restructuring initiatives developed by Management, including measures aimed at consolidating operations, rationalizing functions and reducing operating costs, and provided input from a financial and liquidity perspective.
  - c. In December 2025, as the Debtors' liquidity position continued to deteriorate, FTI's involvement intensified and included the review and monitoring of daily cash-flow reporting, borrowing base utilization and instances of credit facility over-usage, as well as ongoing discussions with Management and the Applicant regarding short-term liquidity management.
10. As a result of the foregoing, FTI has developed a thorough understanding of the Debtors' operations, liquidity profile, financing arrangements, and near-term cash-flow dynamics, which, in FTI's view, position it to act effectively as monitor in these CCAA Proceedings.
11. FTI further confirms that it has consented to act as monitor in these proceedings should the Court grant the proposed orders.
12. The Proposed Monitor has retained Osler, Hoskin & Harcourt LLP ("**Osler**") to act as its independent counsel in these CCAA proceedings.

## DEBTORS' BUSINESS AFFAIRS AND FINANCIAL DIFFICULTIES

13. PHA Group is a Canadian healthcare staffing and technology company specializing in the recruitment, placement, and management of healthcare professionals, primarily nurses, across Canada.
14. PHA owns nine (9) wholly owned subsidiaries comprised of seven (7) staffing agencies, one (1) transportation services unit and one (1) company that, until recently, owned the immovable where certain employees of PHA Group were located, in Blainville, Québec. As further detailed below, certain of these companies are no longer in operation. A copy of an organization chart of the PHA Group's ownership structure is presented below:



15. Through its subsidiaries, PHA Group operates in multiple provinces and territories, servicing primarily remote, and Indigenous communities, with particular emphasis on addressing staffing shortages and continuity-of-care challenges. The group does not provide direct medical treatment to patients but acts as a services intermediary, supplying qualified personnel and operational support to licensed healthcare providers.
16. The activities of the entities comprising PHA Group are more fully described in the Application and summarized below.

## Entities located in Québec

### **Premier Health of America Inc. / Premier Soin d'Amérique Inc. (Public Parent Company)**

17. Founded in 2003, PHA is the ultimate parent of PHA Group and directly or indirectly owns all the issued and outstanding shares of the nine (9) other entities within the group.
18. On March 3, 2020, following the amalgamation of Physinorth Acquisition Corporation Inc. and Groupe Premier Soin, PHA became a reporting issuer, and its common shares commenced trading on the TSX Venture Exchange under the ticker symbol "PHA".
19. PHA is responsible for providing centralized back-office functions and operational support to the PHA Group subsidiaries and does not generate external revenue. PHA is also the technology leader for the group and owns and continues to develop the proprietary CRM software ("LIPHe"), which centralizes agencies contract administration, scheduling, compliance, timesheets, and communication with staff.
20. PHA Group is managed by PHA's officers and directors, previously defined as Management. Management is comprised of experienced healthcare industry professionals who oversee the strategic direction, day-to-day operations, financial management and regulatory compliance of the PHA Group.
21. As of the date of this Pre-Filing Report, PHA employs approximately 21 individuals, including Management.
22. PHA's registered office is located at 1-1114, boul. Curé-Labelle, Blainville, Québec, J7C 2M9, Canada. While PHA's registered office is located in Blainville, Québec, Management and key administrative personnel, including PHA's chief executive officer, are based in Montréal and primarily operate from a space in the city of Montréal. All material decisions regarding the PHA Group's strategy, operations, finances and personnel are made in Montréal.

### **6150977 Canada Inc. (Staffing Agency)**

23. 6150977 Canada Inc., doing business as Placement Premier Soin, is a federally incorporated corporation under the *Canada Business Corporations Act*, incorporated in October 2003 and previously served as the primary operating entity responsible for the majority of the Québec-based operations of PHA Group.

24. Placement Premier Soin provided nursing services throughout Québec with a particular focus on metropolitan areas.
25. Following the implementation of Bill 10 in 2025 which limited the use of private healthcare staffing agencies and imposing rate caps, Placement Premier Soin, along with other PHA Group entities, experienced a significant and sustained decline in business volume and contract opportunities in Québec, contributing to the eventual cessation of its operations.
26. On October 1, 2025, the Autorité des marchés publics (“AMP”) revoked the Québec-based subsidiaries’ authorizations to contract or sub-contract with public bodies and registered them on the “*Registre des entreprises non admissibles aux contrats publics*” (“RENA”) for a period of five (5) years and issued the Ineligibility Order (the “**Ineligibility Order**”), citing integrity breaches, effectively eliminating PHA Group from Québec’s public healthcare market. PHA Group filed injunction proceedings to stay the Ineligibility Order but was unable to obtain a favorable decision from the Superior Court. By December 2, 2025, all of PHA Group’s Québec public-sector operations had been fully discontinued.
27. Ultimately, in 2025, Placement Premier Soin, Code Bleu, Nordik Québec and Nursing PHA, were placed on the RENA (as further detailed below), resulting in the termination of all their contracts with governmental authorities in Québec and rendering them ineligible to bid on public contracts in Québec going forward.
28. The Proposed Monitor understands that, as of the date of this Pre-Filing Report, Placement Premier Soin has no ongoing operations or business activities. The company retains its staffing-agency licences and permits, but has no employees.
29. Placement Premier Soin holds all of the issued and outstanding shares of Nordik Québec.
30. Placement Premier Soin’s registered office is located at 1-1114, boul. Curé-Labelle, Blainville, Québec, J7C 2M9, Canada.

***Premier Health Nordik Inc. / Premier Soin Nordik Inc. (Staffing Agency)***

31. Premier Health Nordik Inc. was incorporated on March 14, 2012, under the *Québec Business Corporations Act* and forms part of the PHA Group providing healthcare staffing services, primarily focused on nurse staffing for remote and Indigenous communities across Canada.

32. Following the implementation of Bill 10, and subsequently as a result of its placement on the RENA list, Nordik Québec's Québec-based activities were materially and adversely affected, resulting in the loss of its ability to provide staffing services to Québec governmental entities and significantly reducing its business operations within the province.
33. Nordik Québec currently carries on operations primarily in the province of Ontario pursuant to a federal contract with Indigenous Services Canada ("ISC"), which is not subject to the previously noted RENA restrictions in Québec.
34. As of the date of this Pre-Filing Report, Nordik Québec employs approximately 14 individuals, the majority of whom are nurses engaged in service delivery under its federal contract.
35. Nordik Québec holds all of the issued and outstanding shares of Nordik Ontario.
36. Nordik Québec's registered office is located at 1-1114, boul. Curé-Labelle, Blainville, Québec, J7C 2M9, Canada.

**9104-8306 Québec Inc. (Staffing Agency)**

37. 9104-8306 Québec Inc., doing business as Code Bleu, was incorporated in Québec in May 2001, under the *Québec Business Corporations Act*.
38. Code Bleu operated exclusively within the Québec healthcare sector, providing a broad range of healthcare staffing services, including nurses, social workers, respiratory therapists and other allied healthcare professionals. Following the implementation of Bill 10, and subsequently as a result of its placement on the RENA list, Code Bleu experienced a material decline in its business and ultimately ceased its operating activities.
39. FTI understands that, as of the date of this Pre-Filing Report, Code Bleu has no ongoing operations. The company retains its staffing-agency licences and permits but has no employees.
40. Code Bleu's registered office is located at 304-1850 boul. Le Corbusier, Laval, Québec, H7S 2K1, Canada.

**Solutions Nursing PHA Inc. (Staffing Agency)**

41. Solutions Nursing PHA Inc. was incorporated in Québec in March 2021, under the *Québec Business Corporations Act*.

42. Nursing PHA historically provided healthcare staffing and training services focused on northern and remote regions. Its activities included the placement of healthcare professionals as well as the delivery of training services to support workforce readiness in underserved areas.
43. FTI understands that, as of the date of this Pre-Filing Report, Nursing PHA continued to provide limited healthcare staffing services to northern and remote regions but no longer offers training services.
44. As of the date of this Pre-Filing Report, Nursing PHA currently employs three (3) individuals.
45. Nursing PHA's registered office is located at 304-1850 boul. Le Corbusier, Laval, Québec, H7S 2K1, Canada.

**10544485 Canada Inc. (Transportation Company)**

46. 10544485 Canada Inc. is a federally incorporated corporation under the *Canada Business Corporations Act*, having been incorporated in December 2017. The company carried on limited healthcare-related activities and has been associated with ancillary services supporting the PHA Group's operations. It was not a primary revenue-generating operating entity of the PHA Group.
47. 10544485 historically operated a specialized patient transportation business, providing inter-facility transport services using dedicated vehicles. Its sole customer was 6150977 Canada Inc., operating as Placement Premier Soins, a related party within the PHA Group.
48. As a result of Placement Premier Soins's cessation of operations in 2025 noted above, 10544485 lost its only customer and source of revenue and ultimately ceased its operating activities. FTI understands that, as of the date of this Pre-Filing Report, 10544485 has no employees. The company, together with 6150977 Canada Inc., is involved in ongoing litigation matters. It also continues to pursue the collection of certain outstanding receivables.
49. 10544485's registered office is located at 1-1114, boul. Curé-Labelle, Blainville, Québec, J7C 2M9, Canada.

**8961760 Canada Inc. (Real Estate Company)**

50. 8961760 Canada Inc. is a corporation incorporated under the *Canada Business Corporations Act* in July 2014, and the corporation was established solely to hold title to PHA Group's formerly owned building on boulevard Curé-Labelle, Blainville, Québec.

51. The building owned by 8961760 Canada Inc. was sold in February 2026, in a sale and leaseback transaction, and the corporation no longer holds any real estate assets. As a result, 8961760 Canada Inc. does not carry on any active business operations and does not generate revenue or have any employees.
52. 8961760's registered office is located at 1-1114, boul. Curé-Labelle, Blainville, Québec, J7C 2M9, Canada.

### **Entities located outside of Québec**

#### ***Canadian Health Care Agency Ltd. (Staffing Agency)***

53. Canadian Health Care Agency Ltd. is an operating entity of PHA Group. CHCA was incorporated in Ontario in 2001 under the *Business Corporations Act (Ontario)* and has operated since that time as a healthcare staffing provider focused on northern and remote regions.
54. On April 19, 2022, all of the issued and outstanding shares of CHCA were acquired by PHA.
55. CHCA provides healthcare staffing services, including nurse staffing, to remote and Indigenous communities across Canada. Its operations are primarily focused in Ontario, with additional limited activities in Manitoba, Alberta, British Columbia, and multiple territories. CHCA predominantly services federal government contracts, including contracts with ISC, to provide nurse staffing services to various Indigenous communities.
56. As of the date of this Pre-Filing Report, CHCA employs approximately 43 individuals including approximately 20 office employees (including part-time personnel) and approximately 23 nurses.
57. CHCA's registered office is located at 485, Pinebush Road, Suite 203, Cambridge, Ontario, N1T 0A6, Canada.

#### ***Solutions Staffing Inc. (Staffing Agency)***

58. Solutions Staffing Inc. is the largest operating entity of PHA Group. SSI was incorporated in British Columbia in 2001 under the *Business Corporations Act (British Columbia)* and has carried on business as a healthcare staffing provider since that time.

59. On November 9, 2023, all of the issued and outstanding shares of SSI were acquired by PHA. SSI provides healthcare staffing services on a Canada-wide basis, including services to public-sector clients. Its operations include the placement of nurses and other healthcare professionals in both urban and remote regions across multiple provinces and multiple territories. As of the date of this Pre-Filing Report, SSI employs approximately 224 employees including approximately 30 office employees (including part-time personnel) and approximately 194 nurses.
60. SSI's registered office is located at 1002 West Hastings Street, Suite 2200, Vancouver, British Columbia, V6E 0C3, Canada.

#### **Premier Health Nordik Ontario Inc. (Staffing Agency)**

61. Premier Health Nordik Ontario Inc. is a corporation incorporated under the laws of Ontario pursuant to the *Business Corporations Act (Ontario)* and is a member of the PHA Group and a wholly owned subsidiary of Nordik Québec.
62. Nordik Ontario was established to support the provision of nurse staffing services to remote and Indigenous communities across Ontario, operating within the broader Nordik platform.
63. FTI understands that, as of the date of this Pre-Filing Report, Nordik Ontario has no active operations or employees of its own. The company retains its staffing-agency licences and permits.
64. Nordik Ontario's registered office is located at 485, Pinebush Road, Suite 203, Cambridge, Ontario, N1T 0A6, Canada.

#### **Revenue channels**

65. PHA Group offers its staffing and related services through three (3) primary channels: (i) federal government entities, including ISC; (ii) provincial government-related entities including First Nation Health Authority ("FNHA"), provincial health authorities, hospitals, and similar institutions; and, (iii) private-sector clients including Indigenous communities, clinics, nursing homes and other private organizations.
66. PHA Group carries on operations and delivers services across multiple Canadian provinces and territories, as more particularly set out in the table below:

Companies with operations in →	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YT	NWT	NU
Placement Premier Soit					○								
Nordik Québec					○	X							
10544485					○								
Code Bleu					○								
Nursing PHA					○								
CHCA			○			X	X		X	X	X		X
SSI		X	○	○		X	X	X	X	X	X	X	
Nordik Ontario						○							

**Legend**  
X - Ongoing business / contracts  
○ - Discontinued operations

## Employees

67. PHA Group currently employs approximately 305 individuals, all of whom are non-unionized, across five (5) companies as detailed above and presented in the table below:

PHA Group Employees by entity and by province	QC	ON	AB	BC	Total
<b>PHA</b>	<b>21</b>	-	-	-	<b>21</b>
Nurses and other medical employees	-	-	-	-	-
Administrative employees	21	-	-	-	21
<b>Nordik Québec</b>	<b>14</b>	-	-	-	<b>14</b>
Nurses and other medical employees	11	-	-	-	11
Administrative employees	3	-	-	-	3
<b>Nursing PHA</b>	<b>3</b>	-	-	-	<b>3</b>
Nurses and other medical employees	1	-	-	-	1
Administrative employees	2	-	-	-	2
<b>CHCA</b>	-	<b>43</b>	-	-	<b>43</b>
Nurses and other medical employees	-	23	-	-	23
Administrative employees	-	20	-	-	20
<b>SSI</b>	-	-	<b>2</b>	<b>222</b>	<b>224</b>
Nurses and other medical employees	-	-	2	192	194
Administrative employees	-	-	-	30	30
<b>Total</b>	<b>38</b>	<b>43</b>	<b>2</b>	<b>222</b>	<b>305</b>

68. The Debtors remain current in respect of wages owing to their employees, with the exception of accrued vacation which currently amount to approximately \$0.5M. The Debtors also remain current on deductions at source remittances.

69. In addition to their employees, the Debtors also use, from time to time, subcontracted nurses and healthcare professionals to meet client demand and provide staffing flexibility. These subcontractors are engaged on an as-needed basis to increase the Debtors' capacity for short-term assignments, remote locations and specialized service requirements.

### Cash Management System

70. The Debtors' business and financial affairs require the maintenance of several bank accounts in Canada to facilitate collections, disbursements, and intercompany transfers of funds.
71. In the ordinary course of business, the Debtors utilize a centralized cash management system to accumulate funds and pay expenses associated with their operations (the "**Cash Management System**"), and to efficiently and accurately track and control corporate funds and to ensure cash availability.
72. The Debtors' payroll is made by direct deposits into the Debtors' employees' respective accounts on the date when payroll is made, through a third-party payroll service provider, Nethris.
73. The Proposed Monitor understands that any significant change to the current system would result in significant disruptions to the Debtors' operations. Accordingly, it is intended that the Debtors maintain the Cash Management System throughout the course of the CCAA Proceedings.

### The Debtors' Historical Financial Results

74. The Debtors' historical financial results are summarized below on a consolidated basis for the fiscal years ended September 30, 2023, 2024 and 2025, based on the respective audited financial statements, together with unaudited interim financial information for the three-month period ended December 31, 2025.

PHA Group Income statement for the period ended --> in thousands of \$CAD	12 months Sep-30/2022 Audited	12 months Sep-30/2023 Audited	12 months Sep-30/2024 Audited	12 months Sep-30/2025 Audited	3 months Dec-31/2025 Unaudited
Revenues	80,507	90,390	158,191	101,969	17,835
<b>EBITDA</b>	<b>5,760</b>	<b>7,778</b>	<b>6,027</b>	<b>(1,527)</b>	<b>(313)</b>
Financial expenses	947	1,964	5,785	6,447	1,405
Amortization and depreciation	3,423	4,449	6,814	8,206	1,264
Other expenses / (income)	149	1,911	5,643	1,231	(225)
<b>Income (loss) before income taxes</b>	<b>1,241</b>	<b>(546)</b>	<b>(12,215)</b>	<b>(17,411)</b>	<b>(2,757)</b>

75. Over this period, PHA Group experienced increasing volatility in financial performance, with recent declines largely driven by a combination of the aforementioned regulatory changes, adverse market developments and broader structural pressures affecting the healthcare staffing sector as a whole, particularly in Québec.
76. Through fiscal 2024, the Debtors generated strong consolidated revenues and positive EBITDA. Revenue growth during this period was significant, reflecting a combination of both organic growth and the execution of strategic growth initiatives by PHA Group including the aforementioned acquisition of SSI in late 2023.
77. Beginning in fiscal 2024, the Debtors' experienced a pronounced deterioration in financial performance, reporting a pre-tax loss of \$12.2M before taxes for 12-month period ended September 30, 2025. In fiscal 2025 these financial challenges persisted with revenues significantly declining year-over-year and operating results turning negative, resulting in sustained losses. For the 12-month period ended on September 30, 2025, the Debtors, on a consolidated basis, incurred pre-tax losses \$17.4M.
78. The deterioration in operating results was, and continues to be, principally attributable to the previously noted regulatory changes in Québec, including the implementation of Bill 10 and related measures limiting the use of private healthcare staffing agencies and imposing rate caps, which significantly reduced volumes and margins for the Debtors' Québec-based operations.
79. Additionally, the revocation of authorizations permitting the Debtors to contract with Québec public bodies, resulting from several PHA Group companies being placed on the RENA list, led to the wind-down of the Debtors' Québec public-sector activities, effectively eliminating a historically significant source of revenue.
80. The Debtors were also negatively affected by adverse market developments in Western Canada, including the introduction of centralized public staffing initiatives under the "GoHealth BC" government-run program designed to replace private staffing agencies. Its expansion diverted demand and labour supply away from agencies like SSI, reduced contract volumes, pressured pricing, and contributed to the deterioration of SSI's operating results in BC.
81. The resulting operating losses and reduced cash generation led to increasing liquidity constraints for the Debtors and a growing reliance on external financing to sustain operations.

82. As at December 31, 2025, the Debtors had, on a consolidated basis, total assets with a book value of approximately \$42.6M, consisting of current assets with a book value of approximately \$17.3M and non-current assets with a book value of approximately \$25.3M, as detailed in the table below:

PHA Group Assets as at --> in thousands of \$CAD	3 months Dec-31/2025 Unaudited
<b>Current Assets</b>	
Accounts receivable	14,500
Assets held for sale	1,267
Prepays and other current assets	1,519
	<b>17,286</b>
<b>Non-Current Assets</b>	
Right-of-use assets	1,014
Property, plant and equipment	219
Intangible assets	13,708
Goodwill	10,405
	<b>25,346</b>
<b>Total assets</b>	<b>42,632</b>

83. The assets are mainly comprised of accounts receivable and intangible assets, notably PHA's LiPHe proprietary platform.
84. As at December 31, 2025, the Debtors had, on a consolidated basis, total liabilities with a book value in the aggregate amount of \$56.4M, which amount is comprised of the following:

PHA Group Liabilities as at --> in thousands of \$CAD	3 months Dec-31/2025 Unaudited
<b>Current Liabilities</b>	
Trade and other payables	6,117
Current portion of lease liabilities	142
Current portion of long-term debt	43,333
Other current liabilities	1,013
	<b>50,605</b>
<b>Non-Current Liabilities</b>	
Lease liabilities	931
Contingent consideration	2,097
Deferred tax liabilities	2,710
Other liabilities	88
	<b>5,826</b>
<b>Total liabilities</b>	<b>56,431</b>

## The Debtors' Indebtedness

### *Secured creditors*

85. The Debtors' secured indebtedness arises primarily from a \$50.0M refinancing transaction completed in November 2023 in connection with PHA Group's acquisition of SSI. As part of the transaction, the Debtors entered into amended and restated credit arrangements with RBC, as well as amended and restated credit arrangements with BDC Capital Inc. ("**BDC Capital**") and Desjardins Capital Private Debt L.P. ("**Desjardins Capital**"), as further detailed in the Application and below.
86. As at December 31, 2025, the aggregate principal amount outstanding under the Debtors' secured financing arrangements, including the RBC facilities and the senior, mezzanine and payment-in-kind facilities provided by BDC Capital and Desjardins Capital was approximately \$43.0M, excluding accrued interest and fees (collectively, the "**Secured Indebtedness**"). As at the date of this report, approximately \$45.3M of the Secured Indebtedness remains outstanding.
87. PHA Group's current level of indebtedness and capital structure is not sustainable in light of its operating results, as a significant portion of revenues is required to service senior secured indebtedness and related financing obligations.

### **RBC**

88. RBC is the Debtors' senior secured lender and provides various credit facilities pursuant to a second amended and restated credit agreement dated November 7, 2023, as subsequently amended (the "**RBC Credit Agreement**"). The RBC Credit Agreement consists of a revolving credit facility with an authorized limit of \$10.0M and a term loan facility with an original principal amount of \$25.0M as well as a visa credit card facility and a hedge facility.
89. As at December 31, 2025, amounts outstanding under the RBC Credit Agreement totalled \$27M including approximately \$4.9M under the revolving facility and approximately \$21.7M under the term facility.
90. As at June 19, 2026, amounts outstanding under the RBC Credit Agreement totalled approximately \$7.2M under the revolving facility and approximately \$20.7M under the term facility and an amount of approximately \$300K under the issued credit cards.

***RBC Forbearance Agreements***

91. The Debtors' financial difficulties resulted in the breach of various financial covenants under the RBC Credit Agreement and on April 24, 2025, the Debtors entered into an initial forbearance agreement with RBC which expired on June 30, 2025. On September 11, 2025, the Debtors entered into an amended and restated forbearance agreement, which was amended and extended on several occasions and ultimately expired on April 10, 2026, due to the Forbearance Defaults.
92. Notwithstanding the forbearance arrangements, the Debtors were unable to achieve a sustained improvement in liquidity or remedy existing defaults (as further detailed in the Application).
93. The foregoing materially eroded the Applicant's confidence in Management's ability and willingness to implement the Turnaround Plan (as defined below) and act in accordance with agreed-upon restrictions, while further impairing the Applicant's security position.
94. As a result of the expiry of the forbearance arrangements and the persistence of both existing and forbearance defaults, the Applicant determined that a court-supervised CCAA process, under the oversight of a Monitor, was necessary and appropriate to preserve value and protect the interests of all stakeholders.

***BDC Capital and Desjardins Capital***

95. In addition to the RBC facilities, the Debtors entered into secured financing agreements with BDC Capital and Desjardins Capital in an aggregate original principal amount of \$15M, comprised of senior term loans, mezzanine loans, and payment-in-kind tranches.
96. As at December 31, 2025, the outstanding balances under the BDC Capital and Desjardins Capital facilities consisted of approximately \$4.25M in senior term loans, \$5.0M in mezzanine loans and approximately \$7.2M in payment-in-kind loans.
97. As at June 19, 2026, the outstanding balances under the BDC Capital and Desjardins Capital facilities consisted of approximately \$4.2M in senior term loans, \$5.2M in mezzanine loans and approximately \$7.7M in payment-in-kind loans.

98. The RBC Credit Agreement and the senior term loan facilities provided by BDC Capital and Desjardins Capital are secured by pari passu first-ranking security interests over all of the Debtors' assets. The mezzanine and payment-in-kind tranches provided by BDC Capital and Desjardins Capital are secured by subordinated security interests, in each case in accordance with the applicable intercreditor arrangements. The secured indebtedness and related terms are more fully described in the Application.
99. The Proposed Monitor understands that the Applicant has consulted with Desjardins and BDC regarding the Application, and that both lenders have confirmed that they do not contest the Application.
100. The Proposed Monitor will report to the Court with respect to its review of the secured lenders' security (for which independent counsel has been retained) in due course. For the purposes hereof, the Proposed Monitor has based this report on the assumption that the security interests described above are valid and enforceable.

**Unsecured creditors**

101. As at May 31, 2026, the Debtors' aggregate indebtedness to their suppliers and other unsecured creditors amounted to approximately \$5.6M, as further detailed in the table below:

PHA Group Unsecured creditors in thousands of \$CAD	May 31, 2026 Unaudited
Trade payables	2,415
Employee obligations	2,583
Other payables	622
<b>Total</b>	<b>5,620</b>

102. Trade payables of \$2.4M largely represent amounts owing to various suppliers primarily related to subcontracted nursing services, travel, and accommodation expenses as well as professional fees.
103. As previously noted, the Debtors remain current in respect of wages owing to their employees, with the exception of accrued vacation which currently amounts to approximately \$0.5M. The Proposed Monitor understands that the Debtors also remain current on deductions at source remittances.
104. Other payables of \$0.6M relate primarily to sales tax payable.

**PRE-FILING RESTRUCTURING EFFORTS**

105. Following the implementation of Bill 10 in 2025, the Québec healthcare system underwent a significant centralization of governance and procurement authority. This resulted in a material reduction in demand for private healthcare staffing services, particularly in metropolitan regions, and led to consolidated procurement processes that limited the number of approved suppliers. As a result, PHA Group entities operating in Québec experienced a significant and sustained decline in business volume and contract opportunities, contributing to the eventual cessation of many of their operations.
106. The Debtors' financial position was further adversely impacted by regulatory developments in Québec, including the decision of the AMP to register certain Québec-based subsidiaries on the RENA list. This resulted in the revocation of their authorization to contract with public bodies and ultimately led to the cessation of all Québec public-sector operations by December 2025.

107. As a result of the foregoing, notwithstanding the PHA Group's national footprint, diversified service channels, historically significant revenues, and implementation of certain turnaround and restructuring efforts, the combined effects of adverse regulatory changes, structural market pressures, sustained operating losses, and a highly leveraged capital structure materially impaired the Debtors' financial viability. Absent comprehensive restructuring measures and court-ordered protections, the Debtors' liquidity and enterprise value would be expected to continue to erode to the detriment of stakeholders.
108. Based on the information provided by Management, the Proposed Monitor understands that, over the past year, the Debtors undertook various initiatives aimed at stabilizing operations and addressing liquidity constraints, including cost-reduction measures, workforce reductions, and the consolidation of certain corporate and administrative functions.
109. In this context, on June 19, 2025, PHA Group retained Leede Financial Inc. ("**Leede**") as financial advisor to evaluate strategic alternatives with a view to maximizing stakeholder value.
110. Over the next several months, Leede conducted a structured sale and investment solicitation process, which included outreach to approximately 150 potential strategic and financial counterparties leading to the execution of approximately 17 non-disclosure agreements.
111. Despite these efforts, the Proposed Monitor understands that no non-binding letters of intent were ultimately received, and the Debtors were unable to secure a transaction that would recapitalize the business or provide sufficient liquidity.
112. Following the outcome of the Leede process, Management developed a strategic turnaround plan involving, among other things, the consolidation of operations under CHCA and the integration of certain PHA Group subsidiaries (the "**Turnaround Plan**").
113. The Turnaround Plan included additional workforce reductions, the discontinuation of non-core operations, rationalization of administrative functions, and reductions in discretionary expenditures.
114. Notwithstanding the attempt to implement the Turnaround Plan, the Debtors continued to incur operating losses and experienced ongoing liquidity shortfalls.
115. In parallel and as described above, the Debtors entered into a series of forbearance arrangements with their senior secured lender, pursuant to which RBC agreed, subject to conditions, to temporarily refrain from exercising its enforcement rights.

116. Despite these arrangements, the Debtors were unable to stabilize their financial performance or improve liquidity, and further defaults occurred under the applicable credit facilities.

### **SALE AND INVESTMENT SOLICITATION PROCESS**

117. In light of continued liquidity pressures, on May 7, 2026, FTI Capital Advisors (“**FTICA**”) was retained to conduct a targeted, time-sensitive and expedited sales process focused on potential going-concern or partial asset transactions with a view to maximizing stakeholder value.
118. The FTICA-led process was conducted in two (2) phases (the “**FTICA Process**”). Phase 1 commenced on May 11, 2026 and spanned approximately two weeks. The FTICA Process involved targeted outreach to a select group of potential purchasers, including participants from the prior Leede process who executed an NDA, parties identified by FTICA as capable of transacting on an accelerated timeline, and parties that had engaged in recent discussions with Management.
119. A total of 16 parties were contacted during Phase 1, seven (7) of which expressed interest in the FTICA Process. Participating parties were granted access to a virtual data room and the opportunity to conduct diligence.
120. The Proposed Monitor was advised that several non-binding offers (“LOIs”) were received by the Phase 1 bid deadline of May 22, 2026 (the “**Phase 1 Bidders**”). The Proposed Monitor notes that one of the LOIs received was from members of the Debtors’ management team.
121. In light of the interest expressed by members of the Debtors’ management team in participating in the FTICA Process, appropriate safeguards were implemented to ensure the integrity and fairness of the process, including the following:
- a. FTICA was present for all discussions between management of the Debtors and potential bidders;
  - b. FTICA ensured that all potential bidders were provided with access to sufficient information to conduct their due diligence in respect of the Debtors; and
  - c. FTICA ensured that the Debtors’ management team was not provided with any information regarding the letters of intent received in Phase 1 or Phase 2 of the FTICA Process, including information relating to the value or structure of such bids.

122. Following evaluation of the Phase 1 indications of interest, the results were presented to the Applicant together with updated liquidity forecasts. The Applicant agreed to continue supporting the Debtors on a limited basis, and therefore support further operating losses of the Debtors, to enable completion of a second phase of the FTICA Process (“**Phase 2**”) with a view to preserving going-concern operations of the Debtors and maximizing value for stakeholders.
123. On May 27, 2026, the Phase 1 Bidders were invited to participate in Phase 2, with binding offers due by June 17, 2026 (the “**Phase 2 Bid Deadline**”).
124. The Proposed Monitor understands that, over the ensuing three-week Phase 2 period, FTICA facilitated an extensive due diligence process for the Phase 2 participants. This process included responding to detailed information requests, holding multiple calls with each participant, and coordinating both in-person and virtual meetings with executives and management of certain subsidiaries. A Phase 2 process letter, along with draft template transaction documents (including subscription and asset purchase agreements), was made available in the data room during the week of June 1, 2026. The Proposed Monitor, together with FTICA, worked closely with Management to ensure that diligence requests were addressed in a timely and organized manner, having regard to the compressed timeline. No participants requested an extension to the Phase 2 Bid Deadline.
125. The Proposed Monitor was advised that several binding offers were received by the Phase 2 Bid Deadline (the “**Phase 2 Bids**”).
126. In these circumstances, Management, in consultation with the Debtors’ secured lenders, understands that a creditor-led restructuring under the CCAA, aimed at finalizing the FTICA Process, reviewing the Phase 2 Bids, selecting a successful bidder and implementing a transaction resulting from such successful bid, is necessary in order to preserve going-concern operations, maintain employment and value to the extent possible.

### **PROPOSED RESTRUCTURING EFFORTS**

127. The Application contemplates a creditor-led CCAA restructuring intended to continue and finalize the FTICA Process and, if applicable, implement a transaction resulting therefrom, in furtherance of the CCAA’s remedial objectives.
128. As noted above, the Debtors’ operations are cash-flow negative, and continued operations are dependent on access to additional liquidity.

129. The Applicant has indicated that it is prepared to provide interim financing, through the Proposed Monitor and under the supervision of the Court, to ensure sufficient liquidity to conduct the Proposed Restructuring (as defined below), and to maintain the Debtors' operations on a limited basis during the restructuring process. Further details of the proposed interim financing are provided below.
130. During the initial phase of the CCAA Proceedings, the Proposed Monitor intends to oversee, among other things: (i) the implementation of expense reduction measures to preserve liquidity and maintain core operations prior to the completion of the FTICA Process; and (ii) continued pursuit of the FTICA Process to finalize a bid to be selected as a successful bid and approved by this Court, implementing the resulting transaction in order to preserve going-concern operations of the Debtors and maximize stakeholder value (collectively, the "**Proposed Restructuring**").
131. The Proposed Monitor will oversee the Proposed Restructuring, monitor the Debtors' receipts and disbursements and report to the Court regarding the progress of the CCAA Proceedings.
132. The Proposed Monitor and the Applicant expect to select a successful bid shortly following the issuance of the Initial Order and, in all likelihood, intend to seek approval of a transaction at the Comeback Hearing.
133. In the Proposed Monitor's view, the Proposed Restructuring is expected to maximize recoveries for creditors relative to available alternatives while preserving the going-concern value of the Debtors' business, employment and continuity of care for patients in remote and Indigenous communities.
134. Having regard to the Debtors' financial condition, liquidity constraints, the outcomes of prior sale efforts, and the time-sensitive nature of the FTICA Process, the Proposed Monitor is of the view that the proposed CCAA process, with the benefit of Court supervision and interim financing, represents a reasonable and appropriate mechanism to preserve value and maximize creditor recoveries.

### **CASH FLOW FORECAST**

135. The Debtors, with the assistance of the Proposed Monitor, have prepared the statement of projected cash flow (the "**Cash Flow Forecast**"), on a weekly basis, for the 4-week period from June 22, 2026 to July 19, 2026 (the "**Cash Flow Period**") for the purpose of forecasting the Debtors' liquidity needs during the Cash Flow Period. The Cash Flow Forecast is accompanied by the representations of the Debtors as prescribed, and by notes outlining the significant assumptions made in preparing the Cash Flow Forecast.
136. A copy of the Cash Flow Forecast, accompanying notes and a report containing prescribed representations are attached hereto as Appendix A, under seal.

137. The Cash Flow Forecast is presented on a consolidated basis for all the Debtors. The Cash Flow Forecast, including the notes attached thereto has been prepared by the Debtors for the purpose described in the notes accompanying the Cash Flow Forecast, using probable and hypothetical assumptions set out in the said notes.
138. The Proposed Monitor's review consisted of inquiries, analytical procedures and discussions related to information supplied by the Debtors. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposed Monitor also reviewed the support provided by the Debtors for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
139. Based on this review, nothing has come to the Proposed Monitor's attention that causes it to believe that, in all material respects:
- a. The hypothetical assumptions are not consistent with the purpose of the projection;
  - b. As at the date of this Pre-Filing Report, the probable assumptions developed by the Debtors are not suitably supported and consistent with the plans of the Debtors or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
  - c. The Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
140. Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material.
141. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. The Cash Flow Forecast has been prepared solely for the purpose described in the notes accompanying the Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.
142. While the Proposed Monitor does not express reservations regarding the Cash Flow Forecast, some components thereof are noteworthy and are addressed below.
143. The Cash Flow Forecast indicates that operating cash receipts total approximately \$3.3M over the Cash Flow Period.

144. The Cash Flow Forecast also illustrates that operating disbursements total approximately \$5.6M over the Cash Flow Period and consist primarily of payroll, travel and accommodation expenses, general administration expenses, and professional fees.
145. Over that same period, net negative cash flow from operations is forecast to approximate \$2.3M. As such, the Cash Flow Forecast suggests that the Debtors do not have sufficient liquidity to operate and will need financing to complete the Proposed Restructuring and to maintain the Debtors' operations on a limited basis during this time.

## **INTERIM FINANCING**

146. The Cash Flow Forecast demonstrates that, to implement the Proposed Restructuring, the Debtors require immediate access to interim financing upon commencement of these CCAA Proceedings and continued funding of up to \$2.5M during the Cash Flow Period, for which approval is sought in the Application.
147. The Applicant is prepared to provide the required interim financing in accordance with the terms and conditions included in the Interim Financing Term Sheet (as defined and further detailed in the Application).
148. The Interim Financing Term Sheet presented by the Applicant (in this capacity the "**Interim Lender**") provides for a superpriority credit facility of up to \$2.5M (the "**Interim Financing**").
149. In substance, the Interim Financing Term Sheet provides for the following:
  - a. The Interim Financing is intended to be secured by the Interim Financing Charge (as defined below);
  - b. The Interim Financing is subject to an annual interest rate equal to 12.5%, which is the interest rate currently applicable to the RBC advances, without being a default interest rate;
  - c. A non-refundable commitment fee of \$75K; and
  - d. The Interim Financing also contemplates the reimbursement of the reasonable out-of-pocket expenses incurred by the Interim Lender (including legal fees) in connection with the restructuring proceedings and the ongoing monitoring, administration, and enforcement of the Interim Facility.

150. The Application requests that the Proposed Monitor, on behalf of the Debtors, be able to borrow from the Interim Lender an initial aggregate amount of up to \$1.5M. The Proposed Monitor understands that a further increase of the Interim Financing to a total aggregate amount of up to \$2.5M will be sought at the Comeback Hearing.
151. The Interim Financing offer contains terms, conditions, affirmative covenants, negative covenants, and events of default which are, in the Proposed Monitor's view, customary for this type of financing.
152. Based on the information available to the Proposed Monitor to date and its review of recent interim financing transactions, the Proposed Monitor considers that (i) the estimates made regarding the financing needs of the Debtors are reasonable in the circumstances; and (ii) the pricing and terms of the Interim Financing are reasonable in the circumstances.

#### **RELIEF SOUGHT AS PART OF THE INITIAL ORDER, AND THE PROPOSED MONITOR'S RECOMMENDATIONS THEREON**

##### ***Approval of CCAA Charges***

###### ***(i) Administration Charge***

153. The Applicant seeks the granting of an administration charge (the "**Administration Charge**") in the amount of \$250K in the Initial Order, with priority over all claims against the Property (as defined in the Application) of the Debtors. It is proposed that the Administration Charge be increased to \$500K in the Amended and Restated Initial Order ("**ARIO**").
154. The Administration Charge will be in favour of FTI, Osler, counsel to the Debtors (Lavery de Billy LLP), and the Interim Lender's counsel (Davies Ward Phillips & Vineberg).
155. The Proposed Monitor has reviewed and considered the complexities of the CCAA Proceedings, the underlying assumptions upon which the Applicant has based the quantum of the proposed Administration Charge and the services to be provided by the beneficiaries of the Administration Charge.
156. The Proposed Monitor supports and considers the approval of the Administration Charge to be reasonable and appropriate in the circumstances.

(ii) D&O Charge

157. The Proposed Monitor understands that the Debtors hold insurance which provides for coverage with respect to directors' and officers' liability ("**D&O Insurance**"). The D&O Insurance has not been reviewed by the Proposed Monitor as of the date hereof.
158. The Proposed Monitor understands from the information provided by Management that there may be insufficient coverage in respect of certain potential directors' and officers' liabilities, notably in respect of wages, including accrued and accruing vacation pay and other employee-related obligations.
159. Accordingly, the Initial Order provides for a charge in an amount not exceeding \$400K, which secures the indemnity provided to the directors and officers in respect of liabilities incurred in such capacity after the issuance of the Initial Order, except to the extent that such obligation or liability was incurred as a result of the directors' and officers' gross negligence or wilful misconduct (the "**D&O Charge**").
160. The D&O Charge becomes effective only if the existing D&O Insurance is not responsive or sufficient, such that the added D&O Insurance coverage reduces the risk that the D&O Charge would be triggered.
161. In these circumstances, the Proposed Monitor, is of the opinion that the requested D&O Charge is reasonable and adequate given, notably, the complexity of its business, and the corresponding potential exposure of the Directors and Officers to personal liability. The D&O Charge is intended to offer additional protection beyond what is available under the insurance policy.

(iii) Interim Financing Charge

162. In addition to the Administration Charge noted above, the Application also seeks the granting of a priority charge against all Property (as defined in the Application) of the Debtors (the "**Interim Financing Charge**"), ranking in priority subject only to the Administration Charge, up to an amount of \$1.8M in the Initial Order.
163. It is proposed that the Interim Financing Charge be increased to \$3M in the Amended and Restated Initial Order ("**ARIO**").
164. The Proposed Monitor supports the approval of the Interim Financing and the Interim Financing Charge and considers them to be reasonable and appropriate in the circumstances.

### ***Priority of Charges***

165. The charges sought pursuant to the Initial Order and ARIO shall rank in the following priority:
- a. first, the Administration Charge;
  - b. second, the Interim Financing Charge; and
  - c. third, the D&O Charge, subject to availability of D&O Insurance.

### ***Securities Obligations***

166. Pursuant to the Initial Order, the Applicant seeks an order the Debtors and the Monitor to no longer incur further expenses in relation to any securities filing requirements and granting the Debtors and the Monitor the authority not to incur any further expense in relation to any filings, disclosures, core or non-core documents and press releases (together, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada or by the rules and regulations of an over the counter market, including, without limitation, the Securities Act (Ontario) and comparable statutes enacted by other provinces of Canada, and providing that none of the directors or officers, employees or other representatives of the Debtors or the Proposed Monitor shall have personal liability with respect to these obligations.

### **CONCLUSIONS**


167. Based on the information made available to it, the Proposed Monitor is of the view that the Debtors are insolvent within the meaning of the CCAA and are experiencing significant liquidity constraints. The Proposed Monitor understands that the Debtors undertook extensive pre-filing restructuring, financing, and strategic initiatives. However, the Proposed Monitor understands that these CCAA proceedings are necessary to implement the Proposed Restructuring for the benefit of all stakeholders.
168. In these circumstances, and having regard to the Debtors’ limited liquidity and the time-sensitive nature of the FTICA Process, the Proposed Monitor considers that the commencement of these CCAA proceedings provides an appropriate and Court-supervised framework to finalize the FTICA Process and, if applicable, implement a transaction resulting therefrom, in furtherance of the CCAA’s remedial objectives.

169. The Proposed Monitor is also of the view that the relief sought in the Application, including the stay of proceedings, the interim financing, and the related charges, is reasonable and appropriate in the circumstances and is necessary to support the Debtors' limited operations and enable the completion of the FTICA Process.
170. For the reasons set out above, the Proposed Monitor respectfully recommends that this Court grant the relief sought in the Application, as such relief is necessary to preserve value for the benefit of the Debtors' stakeholders, including creditors.
171. Lastly, the Proposed Monitor also supports the request for an order allowing the Debtors and the Monitor to no longer incur further expenses in relation to Securities Filings, as well as the request for an order providing for the sealing of certain confidential exhibits filed by the Applicant in support of the Application, as well as Appendix A to this Pre-Filing Report.

The Proposed Monitor respectfully submits to the Court its Pre-Filing Report.

DATED AT MONTRÉAL, this June 22, 2026

**FTI Consulting Canada Inc.**  
In its capacity as Proposed Monitor of the  
Debtors



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Martin Franco, CPA, CIRP, LIT  
Senior Managing Director

*Matt Budd*

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Matt Budd, CPA, CIRP, LIT  
Managing Director

**Appendix A**  
**(under seal)**