Court File No. CL-26-00000484-0000

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF STONEPEAK FALCON HOLDINGS INC., STONEPEAK FALCON GUARANTOR ULC, XPLORE INC., XPLORE SPECTRUM INVEST HOLDINGS INC., XPLORE SPECTRUM HOLDINGS INC., XPLORE SPECTRUM 1 INC., XPLORE FIBRE CO-INVEST HOLDINGS INC., XPLORE FIBRE UBF-EAST HOLDINGS INC., XPLORE FIBRE UBF-EAST NETWORK INC., XPLORE FIBRE AHSIP HOLDINGS INC., XPLORE FIBRE AHSIP NETWORK INC., XPLORE FIBRE UBF-WEST-NL HOLDINGS INC., AND XPLORE FIBRE UBF-WEST-NL NETWORK INC.
(the "Applicants")

FIRST REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

NOVEMBER 17, 2026

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Court File No. CL-26-00000484-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF STONEPEAK FALCON HOLDINGS INC., STONEPEAK FALCON GUARANTOR ULC, XPLORE INC., XPLORE SPECTRUM INVEST HOLDINGS INC., XPLORE SPECTRUM HOLDINGS INC., XPLORE SPECTRUM 1 INC., XPLORE FIBRE CO-INVEST HOLDINGS INC., XPLORE FIBRE UBF-EAST HOLDINGS INC., XPLORE FIBRE UBF-EAST NETWORK INC., XPLORE FIBRE AHSIP HOLDINGS INC., XPLORE FIBRE AHSIP NETWORK INC., XPLORE FIBRE UBF-WEST-NL HOLDINGS INC., AND XPLORE FIBRE UBF-WEST-NL NETWORK INC.

(the "**Applicants**")

FIRST REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR

A. INTRODUCTION

1. On November 10, 2026, Xplore Inc. ("**Xplore**") and certain of its affiliates listed in Appendix A hereto (collectively, the "**Applicants**") sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") granting, *inter alia*, a stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants to and including November 20, 2026 (the "**Stay Period**") and appointing FTI Consulting Canada Inc. ("**FTI**") as monitor (in such capacity, the "**Monitor**"). The proceedings commenced under the CCAA by the Applicants are referred to herein as the "**CCAA Proceedings**".

2. The Initial Order also extended the benefits and protections of the Initial Order to the limited partnerships listed on Appendix A hereto (the "**Non-Applicant Limited Partnerships**" and, together with the Applicants, the "**Xplore Group**" or the "**Xplore Entities**").

3. This first report of the Monitor (the "**First Report**") has been prepared to provide information to the Court for its consideration in respect of the relief sought by the Applicants in an Amended and Restated Initial Order (the "**ARIO**").

4. Specifically, the purpose of the First Report is to inform the Court on the following:

   (a) The activities of the Monitor since the granting of the Initial Order;

   (b) The relief sought by the Applicants' in the proposed ARIO, and the Monitor's recommendations thereon including, *inter alia*:

      (i) An increase in the Administration Charge from $1.5 million to $5.5 million;

      (ii) The establishment of the Priority Directors' Charge (as defined below) at $15.0 million and the addition of a Non-Priority Directors' Charge (as defined below) in the amount of $45.0 million;

      (iii) An increase in the DIP Charge to accommodate further obligations under the DIP Agreement accruing on or after the date of the ARIO;

      (iv) Approval of a key employee retention plan ("**KERP**") and granting of a corresponding KERP Charge (defined below);

      (v) The approval of the engagement of Perella Weinberg Partners ("**PWP**"), as financial advisor, and the granting of the Financial Advisor Charge (defined below) to secure its fees as set out in the PWP engagement letter;

      (vi) An increase in the borrowing limit under the DIP Facility to an aggregate principal amount not to exceed $154.5 million; and

      (vii) An extension of the Stay Period to February 5, 2027.

B. TERMS OF REFERENCE

5. In preparing this First Report, the Monitor has relied upon discussions and correspondence with, among others, senior management ("**Management**") of the Xplore Group, unaudited financial information of the Xplore Group, the Xplore Group's books and records, and discussions with various other parties including Goodmans LLP ("**Goodmans**") as Canadian counsel to the Xplore Group and Paul, Weiss, Rifkind, Wharton & Garrison LLP ("**Paul Weiss**") as U.S. counsel to the Xplore Group, PWP as financial advisor to the Xplore Group, BlueTree Advisors Inc. as chief restructuring officer of the Xplore Group (the "**CRO**"), and key stakeholders and their advisors, including the ad hoc committee of the secured lenders to the Xplore Group (the "**Lender Committee**") and Stonepeak Falcon Holdco LP ("**Stonepeak**" and collectively, the "**Information**").

6. Except as otherwise described in this First Report:

   (a) The 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 pursuant to the Chartered Professional Accountants of Canada Handbook; and

   (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

7. The Monitor has prepared this First Report in connection with the Applicants' motion for the ARIO, and this First Report should not be relied on for any other purpose.

8. Future oriented financial information reported or relied on in preparing this First Report is based on the assumptions of management of the Xplore Group ("**Management**") and the CRO regarding future events; actual results may vary from forecast and such variations may be material.

9. 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 pre-filing report of FTI in its then capacity as proposed monitor dated November 10, 2026 (the "**Pre-Filing Report**"), a copy of which is attached hereto as **Appendix "B"**; the affidavit of William E. Aziz sworn November 16, 2026 (the "**Comeback Affidavit**"), or the Initial Order, as applicable.

C. ACTIVITES OF THE MONITOR SINCE GRANTING THE INITIAL ORDER

10. Since the granting of the Initial Order, Management, the Xplore Group's legal and financial advisors, the CRO, and the Monitor have worked closely with various stakeholder groups to stabilize the business. The Monitor is informed by Management that Xplore's customers continue to be serviced in the ordinary course at this time. To date, Management has provided the Monitor with their full co-operation and all necessary access to the Xplore Group's books, records, and personnel.

11. The Monitor has been assisting the Xplore Entities with their communications with current and former employees, suppliers, and other stakeholders. There has been significant engagement by stakeholders with the Xplore Entities and the Monitor since the commencement of the CCAA Proceedings. The Monitor intends to continue to assist the Xplore Entities with their stakeholder outreach and communications.

12. The Monitor established a case website at https://cfcanada.fticonsulting.com/xplore/ (the "**Monitor's Website**") where relevant information has and will continue to be posted, together with all Court materials. In addition, the Monitor has set up phone (1-833-978-2896 and 1-778-486-3890) and email (Xplore@fticonsulting.com) "hotlines" through which interested parties can contact the Monitor directly.

13. In accordance with its duties as outlined in paragraph 45 of the Initial Order and its prescribed rights and obligations under the CCAA, the activities of the Monitor since its appointment on November 10, 2026 have included the following:

    (a) On November 11, 2026, the Monitor made the Initial Order publicly available on the Monitor's Website;

(b) On November 12, 2026, the Monitor caused to be sent in accordance with the CCAA a notice in the prescribed manner to every known creditor who has a claim against the Xplore Group in excess of $1,000 (which included over 9,000 parties), and also made this notice available on the Monitor's Website;

(c) On November 15, 2026, the Monitor posted a list of known creditors (excluding personal information for individual creditors and employees) based on the Xplore Group's books and records on the Monitor's Website; and

(d) The Monitor arranged to have a newspaper notice containing the information prescribed by the CCAA published in the Globe and Mail (National Edition) on Friday, November 13, 2026. The notice is expected to be published for a second time in the Global and Mail (National Edition) on November 20, 2026.

14. Counsel to the Monitor is maintaining and updating, as necessary, a list of all Persons appearing in person or by counsel in the CCAA Proceedings (the "**Service List**"). The Monitor posted the Service List on the Monitor's Website and will continue to post updated versions of the Service List as necessary.

15. The activities of the Monitor have also included the following, *inter alia*:

(a) Participating in regular discussions with the Xplore Group, their respective legal counsel and financial advisors, the CRO, and other parties, regarding, *inter alia*, the CCAA Proceedings, communications with stakeholders, restructuring alternatives, and the relief being sought in the ARIO;

(b) Participating in discussions with the DIP Lender;

(c) Responding to many email and phone inquiries from stakeholders, and participating in discussions with certain stakeholders as applicable;

(d) Monitoring the receipts and disbursements of the Xplore Group;

(e) Submitting the requisite forms and information to the Office of the Superintendent of Bankruptcy Canada;

(f) Working with the Xplore Group to ensure appropriate accounting for pre-filing and post-filing obligations;

(g) Reviewing the amended quantum and priority of the Administration Charge, the Priority Directors' Charge and the Non-Priority Directors' Charge, the Financial Advisor Charge, the proposed KERP and the KERP Charge, and the DIP Charge; and

(h) Preparing this First Report.

D. THE AMENDED AND RESTATED INITIAL ORDER

Increase to the Administration Charge

16. The Initial Order granted an Administration Charge in an amount of $1.5 million in favour of the Monitor, the Monitor's counsel and the Xplore Group's counsel. For the purposes of the Initial Order, the Administration Charge was limited to the amount reasonably necessary during the initial Stay Period.

17. In the ARIO, the Applicants are seeking an increase in the amount of the Administration Charge to $5.5 million. The Monitor assisted the Applicants with the calculation of the Administration Charge and is of the view that the proposed quantum of the Administration Charge in the ARIO is reasonable and appropriate in the circumstances given the scope of the Xplore Group's operations, the potential number and complexity of issues that may arise in these proceedings, and the extent of the services to be provided by the beneficiaries of the Administration Charge to the Xplore Group.

18. The Administration Charge, as against the Fibre Subsidiaries' assets, will continue to rank subordinate to the security held by Computershare Trust Company of Canada in respect of facilities provided by Canada Infrastructure Bank to the Fibre Subsidiaries (the "**CIB Facilities**").

19. Accordingly, the Monitor is of the view that the Applicants' request for the proposed increase of the Administration Charge to $5.5 million is reasonable in the circumstances.

The Monitor respectfully recommends that the Applicants' request for the increase in the quantum of the Administration Charge be granted by this Honourable Court.

Increase to the Directors' Charge

20. The Initial Order granted the Directors' Charge in an amount of $10.0 million in favour of the directors and officers of the Xplore Entities.

21. As stated in the Pre-Filing Report, the quantum of the Directors' Charge in the Initial Order was based on estimated amounts for which directors could potentially have statutory personal liability during the initial Stay Period under the Initial Order, including wages, salaries, statutory termination and severance obligations, vacation pay, and applicable withholdings.[1]

22. In the Initial Order, the calculation of the Directors' Charge included one bi-monthly payroll period plus an adjustment for applicable wages for a 'stub' period subsequent to the end of the payroll period that fell within the initial Stay Period.

23. An increase in the Directors' Charge in the ARIO is necessary for three reasons:

    (a) the potential exposure for the 'stub' period following a payroll period is no longer time limited by the ten-day initial Stay Period;

    (b) the directors' could potentially have personal statutory exposure for termination and severance pay under the terms of the *Canada Labour Code* ("**CLC**"), which legislation applies to the Xplore Group; and

    (c) the anticipation that the Xplore Group will shift from a net-HST refund position to a net-HST payable position during the CCAA Proceedings, creating potential exposure to directors for any unremitted sales tax.

[1] Given the Xplore Group is a federally regulated enterprise, in addition to wages, accrued vacation pay and statutory remittances, the proposed quantum of the Directors' Charge includes amounts related to statutory termination and severance for which directors could potentially be personally liable under the *Canada Labour Code*.

24. As a result, the Xplore Entities are seeking an increase and bifurcation of the Directors' Charge as follows:

    (a) a charge in the amount of $15 million ranking subordinate only to the Administration Charge (the "**Priority Directors' Charge**"); and

    (b) a charge in the amount of $45 million ranking subordinate to all other Court-ordered charges (the "**Non-Priority Directors' Charge**"), which has been estimated based on the potential maximum exposure of the directors and officers of the Xplore Group under the CLC.

25. As noted in the Pre-Filing Report, the Monitor understands that the Xplore Group maintains directors' and officers' insurance policies which collectively provide up to $27 million in aggregate coverage. The Pre-Filing Report notes that the directors and officers will only be entitled to the benefit of the Priority Directors' Charge and the Non-Priority Directors' Charge to the extent that they do not have coverage under any such policies, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the ARIO.

26. The Priority Directors' Charge and the Non-Priority Directors' Charge, as against the Fibre Entities' assets, will continue to rank subordinate to the security held by Computershare Trust Company of Canada in respect of the CIB Facilities.

27. The Monitor is of the view that the proposed increase in the quantum of the Priority Directors' Charge and the establishment of the Non-Priority Directors' Charge is reasonable and justified in the circumstances in relation to the quantum of the estimated potential liability. Accordingly, the Monitor respectfully recommends that the Applicants' request for the increase in the quantum of the Priority Directors' Charge and the creation of the Non-Priority Directors Charge be granted by this Honourable Court.

Increase to the DIP Facility Borrowings and DIP Charge

28. The terms of the DIP Agreement are set out in detail in the Affidavit of William Aziz, sworn November 10, 2026 and the Pre-Filing Report. The DIP Agreement establishes two

tranches of borrowings: (i) a $114.1 million principal amount available to the Spectrum Borrower, being Xplore Inc. (the "**Spectrum Tranche**") and (ii) a $40.4 million principal amount available to the Fibre Borrower, being Xplore Fibre L.P (the "**Fibre Tranche**").[2]

29. The initial borrowings authorized under the DIP Agreement pursuant to the Initial Order were limited to $77 million ($67.4 million for the Spectrum Tranche and $9.6 million for the Fibre Tranche) unless permitted by further order of the Court.

30. As contemplated by the Initial Cash Flow Forecast and the DIP Agreement, the Applicants now seek authorization to continue borrowings up to the full balance of the DIP Facility, secured by the Spectrum DIP Charge or the Fibre DIP Charge, as applicable. The proposed maximum principal amount of DIP Facility borrowings would be $154.5 million, composed of $114.1 million for the Spectrum Tranche and $40.4 million for the Fibre Tranche.

31. Pursuant to the terms of the DIP Facility, the backstop fee in the amount of 7% of the Backstop Parties' Commitment and the commitment fee of 3.1% of the Facility Amount would be paid in kind in the form of additional Advances under the DIP Facility and added to the principal amount of each party's Advances. The exit fee of 5% of the aggregate amount of Advances made under the Facility would become payable at a later date, upon repayment in full or completion of a Restructuring Transaction. The consent fee of an amount equivalent to the recovery that would be applicable to CAD$20,000,000 of Second Out Obligations (calculated as if such additional amount of Second Out Obligations had been issued to the Consenting Lenders), would be payable to the Consenting Lenders (being the lenders under the Bridge Term Loan) at the same time as the Exit Fee.

32. The increased maximum DIP Facility obligations will continue to be secured by a DIP Charge ranking behind the Administration Charge and the Priority Directors' Charge as well as the Financial Advisor Charge and the KERP Charge discussed below.

[2] The DIP Facility may be increased by the parties from time to time with approval of the Court.

33. The DIP Charge, as against the Fibre Subsidiaries' assets, will continue to rank subordinate to the security held by Computershare Trust Company of Canada in respect of the CIB Facilities.

34. The Monitor's observations and comments regarding the DIP Facility remain as set out in the Pre-Filing Report. For the reasons set out in the Pre-Filing Report, the Monitor continues to support the granting of the DIP Charge, and the authorization of the Fibre Borrower and the Spectrum Borrower to make the increased borrowings as set out in the DIP Agreement to the combined aggregate maximum principal amount of $154.5 million.

Financial Advisor Charge

35. The Applicants request, as part of the ARIO, that the Court approve the engagement of PWP by the Xplore Group. The Monitor's comments on the engagement of PWP are set out in the section below.[3]

36. The Monitor is of the view that the Financial Advisor Charge and its proposed ranking, namely subordinate to the Administration Charge, the Priority Directors' Charge and the KERP Charge, and subordinate to the security for the CIB Facilities as against the Fibre Entities, is reasonable and appropriate in the circumstances. The Financial Advisor Charge provides certainty to PWP that its monthly advisory fee and its contingent transaction fee compensation will be paid in accordance with the terms of the engagement letters for which approval is also being sought.

37. The establishment of a dollar maximum amount of the Financial Advisor Charge would risk disclosure of fee information which, for the reasons set out below, is commercially sensitive. The Monitor understands that Stonepeak and the Lender Committee (whose pre-filing security will be primed by the Financial Advisor Charge) are aware of the PWP fee structure and are supportive of the proposed charge.

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[3] The Pre-Filing Report indicated that the Applicants intended to seek approval of the engagement of RBC Dominion Securities Inc. (the "**RBC Engagement**") as part of the comeback motion. The Monitor now understands that the Applicants intend to seek approval of the RBC Engagement and corresponding component to the Financial Advisor Charge at a later date.

The KERP Charge

38. The Applicants propose to implement a Key Employee Retention Plan (the "**KERP**") for the benefit of certain employees deemed to be critical to the restructuring process (the "**KERP Recipients**"). The KERP is discussed in greater detail below.

39. The Applicants are seeking a KERP Charge over the Xplore Group's property in an amount not to exceed $3.2 million in favour of the KERP Recipients. The KERP Charge represents the maximum aggregate amount payable to the KERP Recipients under the proposed KERP.

40. It is proposed that the KERP Charge will rank behind the Administration Charge, the Priority Directors' Charge, and the security granted for the CIB Facilities by the Fibre Subsidiaries, but ahead of the Non-Priority Directors Charge.

41. In light of the support for the proposed KERP, discussed in detail below, the Monitor is of the view that the KERP Charge is reasonable and appropriate in the circumstances. The KERP Charge will provide certainty to the KERP Recipients that required payments under the proposed KERP will be paid in accordance with the terms of the proposed KERP.

42. Stonepeak and the Lender Committee have advised that they are supportive of the KERP Charge.

Extension of the Stay Period

43. The initial Stay Period currently expires on November 20, 2026. Additional time is required to provide stability for the Xplore Group to consider and pursue its strategic options and alternatives, including potential pre-emptive transactions, standalone restructuring or reorganization transactions, a CCAA plan of arrangement, and other strategic transactions. Accordingly, the Applicants now seek an extension of the Stay Period to February 5, 2027.

44. As noted in the Comeback Affidavit and during the Stay Period, the Applicants intend to bring a motion before this Court seeking approval of a sale and investment solicitation

process (a "**SISP**") for the pursuit of potential recapitalization, refinancing, restructuring, sale or other strategic transactions in respect of the Xplore Group.

45. The initial cash flow forecast (filed with the Pre-Filing Report) demonstrates that, subject to the assumptions contained therein and assuming relief contained in the ARIO with respect to approval of the DIP Facility, the Xplore Entities are projected to have sufficient liquidity to fund the CCAA Proceedings during the requested extension of the Stay Period.[4] As noted in the Initial Affidavit, the Xplore Group will continue to advance options to increase the size of the DIP Facility and/or to raise additional or alternate capital to fund its business objectives, both on a short and long-term basis, given the Xplore Group's expected incremental liquidity requirements subsequent to the proposed extension to the Stay Period.

46. Based on the information currently available, the Monitor believes that circumstances exist that make the proposed extension of the Stay Period reasonable and appropriate in the circumstances, and that creditors of the Xplore Entities would not be materially prejudiced by the proposed extension of the Stay Period.

47. The Monitor also believes that the Xplore Group has acted, and are acting, in good faith and with due diligence.

48. The Monitor therefore respectfully recommends that this Honourable Court grant the Xplore Group's request for an extension of the Stay Period to February 5, 2027.

E. APPROVAL OF THE PWP ENGAGEMENT

Background to the Engagement

49. PWP was engaged by Goodmans and Paul Weiss, as counsel to Xplore Inc., pursuant to an engagement letter dated November 3, 2026 (the "**PWP Engagement Letter**") with an effective date of September 24, 2026 in recognition of PWP's assistance from that date.

[4] As of the date of this First Report, the Applicants have not completed their week 1 variance analysis. Further updates on the cash flow forecast will be provided as part of the Monitor's next report to Court.

50. PWP's initial involvement was to assist the Xplore Group in evaluating recapitalization and financing proposals with Stonepeak and the Lender Committee in advance of the CCAA Proceedings, and to assist the Xplore Group in the negotiation and finalization of the DIP Facility.

PWP Engagement

51. Going forward, PWP will continue to assist the Xplore Group to identify, develop, and implement potential recapitalization, refinancing, restructuring, sale or other strategic transactions in respect of the Xplore Group. Accordingly, the Applicants are seeking approval through the ARIO of the PWP Engagement Letter, the retention of PWP as financial advisor to Xplore, and extending the benefit of the Financial Advisor Charge to PWP.

52. PWP is recognized as a top-tier independent investment banking and restructuring advisory firm. PWP's public disclosures describe its regular ranking among the top financial advisors globally by deal volume and transaction count[5]. PWP's track record includes the negotiation and implementation of the Xplore Group's 2024 Recapitalization Transaction.

53. The Monitor is of the view that the retention of PWP should be approved. The Monitor believes that the engagement of PWP is reasonable and appropriate in the circumstances given their history with the Xplore Group, the critical role played to-date engaging with Stonepeak and the Lender Committee, and the future benefit to Xplore by having PWP assist with the development and implementation of strategic options and alternatives.

54. As noted above, the ability to perform exhaustive research on financial advisor compensation arrangements approved in CCAA cases is limited. The Monitor and its counsel have reviewed publicly available information in respect of CCAA filings and their own non-public records. Based on this information, the Monitor is of the view that the amounts payable under the PWP Engagement Letter are within market parameters and are primarily subject to the consummation of a recapitalization, plan of arrangement or

[5] Source: Perella Weinberg Partners website, https://pwpartners.com/

restructuring transaction in respect of the Xplore Group or the sale (on a going concern or liquidation basis) of all or a significant portion of its equity, assets or businesses.

55. The PWP Engagement Letter provides an overview of the general financial advisory and investment banking services to be provided to the Xplore Group by PWP including, *inter alia*:

(a) Review and analyze the Xplore Group's financial condition and outlook;

(b) Assist in the development of financial data and presentations to the board of directors and other parties as applicable;

(c) Review and provide an analysis of any proposed capital structure;

(d) Participate in negotiations among the Xplore Group's stakeholders; and

(e) Analyze various restructuring transaction scenarios and the potential impact of such scenarios on the value of the Xplore Group and the recoveries of stakeholders impacted by such a transaction.

56. A redacted copy of the PWP Engagement Letter is attached as an exhibit to the Comeback Affidavit. The Monitor understands that the unredacted copy will be filed in a confidential supplement by the Applicants (the "**Confidential Supplement**").

Sealing

57. As emphasized in the Comeback Affidavit, the PWP Engagement Letter contains commercially sensitive and confidential information, which could harm not only PWP but the Xplore Group and its stakeholders as well. Specifically, disclosure of the amounts payable to PWP could prejudice: i) PWP by providing commercially sensitive information regarding fee arrangements; and ii) the Xplore Group by disclosing fee components to potential transaction counterparties that are tied to transaction size, type or parties, thereby potentially impacting creditor recoveries.

58. The financial terms of the PWP engagement have been shared with Stonepeak and the Lender Committee who are both familiar with market parameters for such services from numerous other matters, and such secured creditors have not objected to these financial terms. There are no alternative steps that would mitigate the risk of public disclosure of these terms.

59. The Monitor is of the view that the salutary effects of sealing the financial terms of the PWP engagement outweigh the deleterious effects of doing so under the circumstances.

F. APPROVAL OF THE KERP

60. In order to retain the services of certain key employees whose retention is essential to continuing operations, developing and implementing restructuring transactions, and advancing these CCAA Proceedings, the Applicants are seeking approval of the proposed KERP and KERP Charge.

Categories of KERP Recipients

61. The Proposed KERP covers a limited group of key employees of the Xplore Group.

62. In addition to the proposed KERP payments set out below, each of the KERP Recipients will continue to be eligible for their applicable base salary and 100% of their annual bonus for the 2026 calendar year and beyond, which will be paid in the normal course in accordance with the terms of each KERP Recipient's employment agreement.

Calculation of Entitlements Under the Proposed KERP

63. Pursuant to the terms of the proposed KERP, the KERP Recipients are entitled to aggregate maximum payments in amounts calculated as a percentage of their annual base salary. These amounts will be paid in instalments on December 31, 2026, April 30, 2027, August 31, 2027 and December 31, 2027; provided however, in certain restructuring transaction scenarios, the final two payments can be accelerated.

64. KERP Recipients must not have terminated their employment voluntarily or given notice of resignation or have been terminated for cause at a particular instalment date to remain eligible for that instalment payment.

65. The terms of each KERP Recipient's payment terms will be set out in an individual letter agreement governed by the laws of Ontario. Each KERP Recipient must keep the terms of their letter agreement strictly confidential. They may disclose the terms only to their immediate family and professional advisors, or as required by law.

Support for the Proposed KERP

66. The departure of any of the KERP Recipients would likely result in substantial challenges for the Xplore Group's operations, anticipated sale and investment solicitation process, and in the pursuit of any value maximizing transaction in the CCAA Proceedings. As part of its involvement in the 2024 Recapitalization Transaction, the Monitor observed first-hand the impact of the departure of certain key employees on the Xplore Group, and is of the view that the Xplore Group's concerns absent approval of the proposed KERP are valid.

67. The Monitor has reviewed the proposed KERP and is of the view that the KERP will help to provide stability to the Xplore Group and assist in facilitating the successful completion of the CCAA Proceedings by incentivizing the retention of the KERP Recipients. The KERP Recipients are considered by the CRO to be important to the Xplore Entities' continuing operations and the Xplore Entities' efforts to achieve a successful sale, restructuring or otherwise value-maximizing realization in the CCAA Proceedings for the benefit of the Xplore Entities' stakeholders, and the KERP Recipients departure would disrupt the CCAA Proceedings.

68. In addition, the CCAA Proceedings have imposed, and will continue to impose, significant and time consuming additional responsibilities on the KERP Recipients.

69. Given the institutional knowledge and expertise of the KERP Recipients, and the uncertainty created by the CCAA Proceedings, the Applicants and the CRO believe that finding suitable replacements, who could sufficiently ramp up their knowledge of Xplore

in a timely manner, would be challenging. The Monitor is of the view that these concerns are valid in the circumstances.

70. The Monitor is satisfied that the quantum of entitlements under the proposed KERP are in line with other recent restructuring proceedings the Monitor has been engaged on, and consistent with current market parameters. Notably, the majority of the KERP payments are triggered at a time that is expected to be late in the restructuring process, and nearing or concurrent with approval of any restructuring transactions that may be identified.

71. As described in the Comeback Affidavit, the CRO has been directly involved since his engagement in the finalization of the proposed KERP terms. The proposed KERP has also been approved by the Lender Committee and Stonepeak.

Sealing

72. The Applicants are also requesting a sealing order for the Confidential Supplement, which sets out each KERP Recipient's name, current position, compensation and entitlement under the proposed KERP.

73. The Monitor believes it is reasonable and appropriate for the Confidential Supplement to be sealed, kept confidential, and not form part of the public record. The sealing of this type of sensitive and personal information, which may cause harm to the KERP Recipients should such information be made available to the public, is common practice in insolvency proceedings to avoid disruption to the Xplore Group and protect the privacy of the KERP Recipients. In the circumstances, the sealing of the Confidential Supplement will protect the privacy interests of the KERP Recipients and the Xplore Group's commercial interests in maintaining the confidentiality of their respective compensation. The Monitor is not aware of any alternative to sealing the Confidential Supplement that would provide the required level of protection for the KERP Recipients and the Xplore Group.

G. CONCLUSION

74. The Monitor is of the view that the relief requested by the Xplore Group pursuant to the proposed ARIO is necessary, reasonable, and justified in the circumstances. The Monitor

is also of the view that granting the requested relief will provide the Xplore Group with the opportunity to preserve value and maximize recoveries for its stakeholders.

75. Accordingly, the Monitor respectfully recommends that the Xplore Group's request for the proposed relief be granted.

The Monitor respectfully submits to the Court this, its First Report.

Dated this 17th day of November, 2026.

FTI CONSULTING CANADA INC.,
solely in its capacity as Monitor in the
CCAA Proceedings of Xplore Inc., et. al.,
and not in its personal or corporate capacity



Jim Robinson
Senior Managing Director



Greg Watson
Senior Managing Director

APPENDIX "A" – XPLORE GROUP

Applicants

- Xplore Inc.
- Stonepeak Falcon Guarantor ULC
- Stonepeak Falcon Holdings Inc.
- Xplore Spectrum Invest Holdings Inc.
- Xplore Spectrum Holdings Inc.
- Xplore Spectrum 1 Inc.
- Xplore Fibre Co-Invest Holdings Inc.
- Xplore Fibre UBF-East Holdings Inc.
- Xplore Fibre UBF-East Network Inc.
- Xplore Fibre AHSIP Holdings Inc.
- Xplore Fibre AHSIP Network Inc.
- Xplore Fibre UBF-West-NL Holdings Inc.
- Xplore Fibre UBF-West-NL Network Inc.

Non-Applicant Limited Partnerships

- Xplore Spectrum Invest Holdings L.P.
- Xplore Fibre L.P.
- Xplore Spectrum 1 Network L.P.
- Xplore Fibre Co-Invest Holdings L.P.
- Xplore Fibre UBF-East Holdings L.P.
- Xplore Fibre UBF-East Network L.P.
- Xplore Fibre AHSIP Holdings L.P.
- Xplore Fibre AHSIP Network L.P.
- Xplore Fibre UBF-West-NL Holdings L.P.
- Xplore Fibre UBF-West-NL Network L.P.

Appendix "B"

Court File No. CL-26-00000484-0000

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF STONEPEAK FALCON HOLDINGS INC., STONEPEAK FALCON GUARANTOR ULC, XPLORE INC., XPLORE SPECTRUM INVEST HOLDINGS INC., XPLORE SPECTRUM HOLDINGS INC., XPLORE SPECTRUM 1 INC., XPLORE FIBRE CO-INVEST HOLDINGS INC., XPLORE FIBRE UBF-EAST HOLDINGS INC., XPLORE FIBRE UBF-EAST NETWORK INC., XPLORE FIBRE AHSIP HOLDINGS INC., XPLORE FIBRE AHSIP NETWORK INC., XPLORE FIBRE UBF-WEST-NL HOLDINGS INC., AND XPLORE FIBRE UBF-WEST-NL NETWORK INC.
(the "Applicants")

PRE-FILING REPORT OF FTI CONSULTING CANADA INC., AS PROPOSED MONITOR

NOVEMBER 10, 2026

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Court File No.CL-26-00000484-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF STONEPEAK FALCON HOLDINGS INC., STONEPEAK FALCON GUARANTOR ULC, XPLORE INC., XPLORE SPECTRUM INVEST HOLDINGS INC., XPLORE SPECTRUM HOLDINGS INC., XPLORE SPECTRUM 1 INC., XPLORE FIBRE CO-INVEST HOLDINGS INC., XPLORE FIBRE UBF-EAST HOLDINGS INC., XPLORE FIBRE UBF-EAST NETWORK INC., XPLORE FIBRE AHSIP HOLDINGS INC., XPLORE FIBRE AHSIP NETWORK INC., XPLORE FIBRE UBF-WEST-NL HOLDINGS INC., AND XPLORE FIBRE UBF-WEST-NL NETWORK INC.

(the "**Applicants**")

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

A. INTRODUCTION

1. FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Monitor**") has been informed that Xplore Inc. ("**Xplore**") and certain of its affiliates listed in **Appendix A** hereto (collectively, the "**Applicants**") intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for an initial order (the "**Initial Order**"), under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") granting, among other things, a Stay of Proceedings (as defined below) in favour of the Applicants for an initial ten day period (the "**Initial Stay Period**"). The proposed

Initial Order also extends the benefits and protections of the proposed Initial Order to certain Non-Applicant Limited Partnerships (as defined in **Appendix A**) and appoints FTI as monitor (in such capacity, the "**Monitor**"). The proceedings commenced under the CCAA by the Applicants are referred to herein as the "**CCAA Proceedings.**" The Applicants and the Non-Applicant Limited Partnerships are referred to collectively herein as the "**Xplore Group**" or the "**Xplore Entities**".

2. This pre-filing report of the Proposed Monitor (the "**Pre-Filing Report**") has been prepared to provide information to the Court for its consideration in respect of the relief sought by the Applicants in the proposed Initial Order.

3. The purpose of this Pre-Filing Report is to inform the Court on the following:

   (a) The qualifications of FTI to act as Monitor, and an overview of the involvement of FTI and its affiliates with the Applicants to date;

   (b) The Proposed Monitor's observations with respect to ongoing use of the Xplore Group's cash management system;

   (c) The weekly cash flow forecast of the Xplore Group for the 13-week period for the weeks ending from November 13, 2026 to February 5, 2027 (the "**Initial Cash Flow Forecast**");

   (d) The Applicants' request for (i) a Stay of Proceedings; and (ii) extension of the benefits and protections of the Initial Order to the Non-Applicant Limited Partnerships, and the Proposed Monitor's recommendation thereon;

   (e) The Applicants' request for authorization of Xplore Inc. (the "**Spectrum Borrower**") to borrow funds up to the initial principal amount of $67.4 million (the "**Initial Spectrum Advance**"), and Xplore Fibre L.P. (the "**Fibre Borrower**") to borrow funds up to the initial principal amount of $9.6 million (the "**Initial Fibre Advance**" and together with the Initial Spectrum Advance, the "**Initial Advances**") pursuant to a debtor-in-possession ("**DIP**") financing facility (the "**DIP Facility**") agreement dated as of November 10, 2026 (the "**DIP Agreement**");

(f) The Applicants' request for approval of the Administration Charge, the Directors' Charge and the DIP Charge (each as defined and discussed in further detail below and collectively referred to as the "**Charges**") and the Proposed Monitor's recommendation thereon; and

(g) The Applicants' request for authorization to make certain pre-filing payments during the course of the CCAA Proceedings and the Proposed Monitor's recommendation thereon.

4. The Proposed Monitor understands that the Applicants intend to seek additional relief at a subsequent hearing (the "**Comeback Hearing**"), which the Proposed Monitor understands has been scheduled for November 19, 2026. If appointed, the Monitor intends to file a further Report in advance of the Comeback Hearing to provide information on the relief to be sought in an amended and restated Initial Order, and its recommendations thereon as applicable.

B. TERMS OF REFERENCE

5. In preparing this Pre-Filing Report, the Proposed Monitor has relied upon discussions and correspondence with, among others, senior management ("**Management**") of the Xplore Group, unaudited financial information of the Xplore Group, the Xplore Group's books and records, and discussions with various other parties including Goodmans LLP as Canadian counsel to the Xplore Group ("**Goodmans**") and Paul, Weiss, Rifkind, Wharton & Garrison LLP as U.S. counsel to the Xplore Group ("**Paul Weiss**"), Perella Weinberg Partners ("**PWP**") as financial advisor to the Xplore Group, and advisors to key stakeholders, including Stonepeak Falcon Holdco LP ("**Stonepeak**") (collectively, the "**Information**").

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

7. Except as otherwise described in this Pre-Filing Report:

(a) 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 pursuant to the Chartered Professional Accountants of Canada Handbook; and

(b) 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.

8. The Proposed Monitor has prepared this Pre-Filing Report in connection with the Applicants' CCAA Proceedings, and the relief sought in the proposed Initial Order (the "**Initial Application**"). This Pre-Filing Report should not be relied on for any other purpose.

9. Future oriented financial information reported or relied on in preparing this Pre-Filing Report is based on assumptions of Management regarding future events; actual results may vary from forecast, and such variations may be material.

10. This Pre-Filing Report should be read in conjunction with the affidavit of William E. Aziz sworn November 10, 2026 (the "**Initial Affidavit**"). Capitalized terms used herein and not otherwise defined have the meaning given to them in the Initial Affidavit.

C. FTI AND ITS AFFILIATES

FTI's Qualifications

11. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as amended, the "**BIA**") and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. FTI has provided its consent to act as Monitor, a copy of which is attached to this Pre-Filing Report as **Appendix B.**

12. The senior FTI representative with carriage of this matter is an experienced Chartered Insolvency and Restructuring Professional and Licensed Insolvency Trustee, who has acted in restructurings and CCAA matters in Ontario and other provinces of Canada.

Involvement to Date of FTI

13. FTI was originally engaged as a financial advisor to the Xplore Group in connection with a comprehensive recapitalization transaction that was successfully completed in October 2024 pursuant to an arrangement under section 192 of the Canada Business Corporations Act (the "**2024 Recapitalization Transaction**"). At the time, FTI provided financial and restructuring advice to the Xplore Group and was actively engaged with Management in connection with the 2024 Recapitalization Transaction. FTI's mandate was terminated shortly after implementation of the 2024 Recapitalization Transaction.

14. More recently, FTI was re-engaged by the Xplore Group pursuant to an engagement agreement dated September 17, 2026 (the "**FTI Engagement Letter**"). Since its re-engagement, FTI has been actively engaged and has provided financial advice to the Xplore Group. Pursuant to the terms of the FTI Engagement Letter, FTI's role as financial advisor was to provide financial, strategic, and restructuring advisory services and, if necessary, to act as court-appointed monitor should a proceeding under the CCAA be commenced by the Applicants.

15. FTI has not provided any accounting or auditing services to the Xplore Group. Fees payable to FTI pursuant to the FTI Engagement Letter are based on hours worked multiplied by its standard hourly rates. FTI is not entitled to any success-based or other contingency fees.

D. BACKGROUND AND BUSINESS OF THE XPLORE GROUP

16. The business and affairs of the Xplore Group, their financial difficulties and their efforts to date are described in detail in the Initial Affidavit and are therefore not repeated herein. The Proposed Monitor has reviewed the Initial Affidavit, discussed the business and affairs of the Xplore Group with Management, and is of the view that the Initial Affidavit provides a fair and accurate summary thereof.

17. The Proposed Monitor supports the view of the Xplore Group that the breathing room afforded by the CCAA Proceedings will help to preserve value for stakeholders, ensure access to the DIP Facility, and provide stability while the Xplore Group advances potential recapitalization, refinancing, restructuring, sale or other strategic transactions.

E. CASH MANAGEMENT SYSTEM OF THE XPLORE GROUP

18. The Xplore Group maintains a centralized cash management system to consolidate and track funds generated by the operations of the Xplore Group, as described more fully in the Initial Affidavit.

19. The Proposed Monitor has reviewed the Xplore Group's cash management arrangements and confirms the importance of these systems for the continuation of the Xplore Group's business and operations. Replacement of the cash management system would be costly, unviable from a short-term operational perspective, and excessively time consuming. Accordingly, the Proposed Monitor supports the Xplore Group's request to continue to operate its existing cash management system throughout these CCAA Proceedings.

F. THE INITIAL CASH FLOW FORECAST

20. The Xplore Group, with the assistance of the Proposed Monitor, has prepared the Initial Cash Flow Forecast. The Initial Cash Flow Forecast, together with Management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix C**.

21. The Initial Cash Flow Forecast for the period from November 9, 2026 to November 20, 2026 shows a net cash outflow from operations of approximately $7.6 million, professional and transaction fees of approximately $14.5 million, and approximately $77.0 million for an estimated initial draw on the DIP Facility, of which approximately $53.5 million will be used to repay the Bridge Term Loan in full as contemplated in the DIP Agreement. The Initial Cash Flow Forecast is summarized below:

(CAD$ in thousands)	2-Week period ending 20-Nov-26	13-Week period ending 5-Feb-27
Cash from Operations:		
Total Operating Receipts	**9,801**	**68,630**
Operating Disbursements		
Salaries and benefits	(2,852)	(19,246)
Vendor Payments	(12,924)	(71,883)
Other Operating Disbursements	(1,576)	(18,475)
Total Operating Disbursements	**(17,351)**	**(109,604)**
Total Cash from Operations	**(7,551)**	**(40,974)**
Cash from Non-Operating Activities:		
Professional and Transaction Fees	(14,500)	(30,550)
Cash from Financing:		
DIP Draw / Repayment	77,000	134,200
Bridge Term Loan Repayment	(53,500)	(53,500)
DIP Interest and Fees	-	(2,620)
Total Change in Cash	**1,449**	**6,556**
Cash		
Beginning Cash Balance (excl. Restricted Cash)	31,133	31,133
Net Cash Flow	1,449	6,556
Ending Cash Balance	**32,582**	**37,689**

22. During the initial 13-week period ending February 5, 2027, the Initial Cash Flow Forecast indicates that the Xplore Group will have net cash outflows from operations of approximately $41.0 million.

23. The beginning cash balance of approximately $31.1 million is presented on a consolidated basis for the Xplore Group. Of the $31.1 million, $24.6 million is cash at the Fibre Entities which the Monitor understands is subject to the CIB Security and has restricted uses given the terms of certain security and project-related agreements. As a result, the full amount of the Initial Advances of $77.0 million is projected to be required to fund operating and other disbursements given cash available for general purposes by Xplore Inc. or Fibre LP is approximately $6.5 million.

24. The Initial Cash Flow Forecast incorporates the assumptions outlined in the notes to the Initial Cash Flow Forecast and contemplates the following key assumptions:

(a) Cash receipts of the Xplore Group contemplates the on-going collection of receivables from its residential and business customers;

(b) Payment of pre-filing amounts outstanding in respect of third-party dealers providing support to the Xplore Group pursuant to paragraph 6(b) of the Initial Order;

(c) Payment of pre-filing amounts outstanding in respect of the Xplore Group's employees pursuant to paragraph 6(a) of the Initial Order, including vacation pay and employee health and dental benefits;

(d) An estimated initial drawdown of approximately $77 million under the DIP Facility on or about November 10, 2026, pending approval of the Court, of which $53.5 million will be used to repay the Bridge Term Loan in full, in accordance with the terms of the DIP Agreement; and

(e) Payment of certain pre-filing amounts outstanding with the prior consent of the Monitor pursuant to paragraph 6(f) of the Initial Order.

25. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports as follows:

(a) The Initial Cash Flow Forecast has been prepared by Management for the purpose described in Note 1, using the probable assumptions and the hypothetical assumptions set out in Notes 2 to 8 thereof;

(b) The Proposed Monitor's review consisted of inquiries, analytical procedures and discussions related to information supplied by Management and employees of the Xplore Group. Since hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the Initial Cash Flow Forecast.

The Proposed Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Initial Cash Flow Forecast;

(c) Based on its review, nothing has come to the attention of the Proposed Monitor that causes it to believe that, in all material respects: (i) the hypothetical assumptions are not consistent with the purpose of the Initial Cash Flow Forecast; (ii) as at the date of this Pre-Filing Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Xplore Group or do not provide a reasonable basis for the Initial Cash Flow Forecast, given the hypothetical assumptions; or (iii) the Initial Cash Flow Forecast does not reflect the probable and hypothetical assumptions;

(d) Since the Initial 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. Accordingly, the Proposed Monitor expresses no assurance as to whether the Initial Cash Flow Forecast will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Pre-Filing Report, or relied upon by the Proposed Monitor in preparing this Pre-Filing Report; and

(e) The Initial Cash Flow Forecast has been prepared solely for the purpose described in Note 1 of the notes to the Initial Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

G. THE STAY OF PROCEEDINGS

26. As set out in the Initial Affidavit, the Applicants are seeking a stay of proceedings for the period up to and including November 20, 2026 (the "**Stay of Proceedings**"). The Proposed Monitor is of the view that the proposed Stay of Proceedings (including extension of the relief provided by the Initial Order to the Non-Applicant Limited Partnerships) is appropriate in the circumstances to allow the Xplore Group to proceed with developing a viable plan to pursue refinancing, restructuring, sale or other strategic alternatives for the

Xplore Group, of which the Non-Applicant Limited Partnerships are an integral part – all as set out in the Initial Affidavit.

27. As set out above, subject to the approval of the DIP Facility and the other assumptions set out herein, the Applicants' Initial Cash Flow Forecast projects that the Applicants will have sufficient liquidity to fund their liabilities during the Initial Stay Period.

Extending the CCAA Protections to the Non-Applicant Limited Partnerships

28. The Initial Order provides that the Non-Applicant Limited Partnerships be granted all of the same protections and authorizations provided to the Applicants under the Initial Order, notwithstanding that the Non-Applicant Limited Partnerships are not "companies" within the meaning of the CCAA.

29. The Proposed Monitor understands that the Non-Applicant Limited Partnerships hold key development assets for the Xplore Group. The Proposed Monitor further understands that the business and operations of the Applicants and the Non-Applicant Limited Partnerships are intertwined, including on a day-to-day basis.

30. To ensure the stability of the Xplore Group's operations during these CCAA Proceedings, the Proposed Monitor is of the view that the protections and other authorizations permitted to the Applicants under the Initial Order should be extended to the Non-Applicant Limited Partnerships.

H. THE DIP FACILITY[1]

The DIP Agreement

31. Based on the Initial Cash Flow Forecast, the Xplore Group will require interim financing in order to maintain sufficient liquidity to continue operations during the CCAA Proceedings. The proposed Initial Order authorizes the execution of the DIP Agreement.

[1] Capitalized terms used in this section and not otherwise defined have the meaning given to them in the DIP Agreement. The description of the DIP Agreement set out herein is for informational purposes only. In the event of any inconsistency between the description of the DIP Agreement in this Pre-Filing Report and the DIP Agreement, the terms of the DIP Agreement shall prevail.

32. The Proposed Monitor and its counsel, Norton Rose Fulbright Canada LLP ("**NRF**"), have reviewed the terms of the DIP Agreement including the proposed uses of the Initial Advances under the DIP Facility.

33. A detailed summary of the DIP Agreement is set out in the Initial Affidavit and therefore not repeated herein. Instead, the Proposed Monitor describes certain key financial and other structural terms of the DIP Agreement as set out below:

(a) **Borrowers**:

(i) The Spectrum Borrower, being Xplore Inc., in a maximum principal amount of $114,100,000 (the "**Spectrum Tranche**");[2] and

(ii) The Fibre Borrower, being Xplore Fibre L.P., in a maximum principal amount of $40,400,000 (the "**Fibre Tranche**");[3]

(b) **Guarantors**:

(i) Stonepeak Falcon Guarantor ULC, Xplore Spectrum Invest Holdings Inc. and Xplore Spectrum 1 Network L.P. (the "**Spectrum Guarantors**");[4] and

(ii) the Fibre Subsidiaries (the "**Fibre Guarantors**" and together with the Spectrum Borrower, the Fibre Borrower and the Spectrum Guarantors, the "**Credit Parties**");[5]

(c) **Lenders**: Stonepeak and Varde, or one or more of their respective affiliates or affiliated funds designated by them (collectively, the "**Backstop Parties**"), together with each lender under the 2024 Credit Agreement (each a "**Pre-Filing Lender**") that becomes a lender in accordance with the participation process set forth in the DIP Agreement (together with the Backstop Parties, the "**Lenders,**" and each a

[2] The Spectrum Borrower is jointly and severally liable for all Obligations owing under the DIP Facility.
[3] The Fibre Borrower is jointly and severally liable for all Obligations owing under the DIP Facility other than the Bridge Payment Amount.
[4] The Spectrum Guarantors, together with the Spectrum Borrower, are the same parties as the Bridge Credit Parties. The Spectrum Guarantors guarantee all of the obligations owing under the DIP Facility.
[5] The Fibre Guarantors guarantee only the Obligations owing under the Fibre Tranche.

"**Lender**"). Each Pre-Filing Lender shall be entitled to participate in the Facility in a principal amount of up to its Pro Rata Share of the Facility Amount.

(d) **Facility Amount:** $154,500,000 comprised of the Spectrum Tranche and the Fibre Tranche.

(e) **Interest:** Interest is payable on the outstanding principal and obligations at a rate of SOFR + 6.5 % per annum, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month.

(f) **Fees**: The following fees are payable under the DIP Agreement:

(i) Backstop Fee: 7% of the Backstop Parties' Commitment, which shall be paid in kind in the form of additional Advances under the Facility added to the principal amount of each such Backstop Party's Advances;

(ii) Commitment Fee: 3.1% of the Facility Amount, which shall be paid in kind in the form of additional Advances under the Facility added to the principal amount of each such Lender's Advances;

(iii) Exit Fee: 5.00% of the aggregate amount of the Advances made under the Facility, less any amount previously paid on account of the Exit Fee as part of a Fibre Payout Amount payable in cash to the Lenders upon the earlier of (a) the completion of a Restructuring Transaction, and (b) the repayment in full of the Facility, the Borrowers shall also pay to the Agent (for distribution to the Lenders); and

(iv) Consent Fee: an amount equivalent to the recovery that would be applicable to CAD$20,000,000 of Second Out Obligations (calculated as if such additional amount of Second Out Obligations had been issued to the Consenting Lenders), payable to the Consenting Lenders (being the lenders under the Bridge Term Loan) at the same time as the Exit Fee.

(g) **Maturity**: Maturity Date is the earliest of: (a) the date on which the Obligations are declared to be due and payable following the occurrence of an Event of Default that

is continuing; (b) the completion of a Restructuring Transaction; (c) the conversion of the CCAA Proceedings into proceedings under the BIA; and, (d) the Outside Date. "**Outside Date**" means June 18, 2027, or such later date as may be agreed by the Required Lenders in their sole discretion.

(h) **Permitted Fibre Refinancing:** The DIP Facility permits the Fibre Borrower, subject to the Fibre ROFR, to refinance the Fibre Tranche with new financing from one or more lenders other than the Lenders, pursuant to a Permitted Fibre Refinancing completed in accordance with the terms and conditions set forth in the DIP Agreement. Among other things, a Permitted Fibre Refinancing must repay in full in cash, from the proceeds thereof, the outstanding principal amount of all Advances made to the Fibre Borrower, together with all accrued and unpaid interest thereon and an amount equal to 5% of such Advances on account of the Exit Fee (the "**Fibre Payout Amount**"). Any Permitted Fibre Refinancing is subject to approval by the Court.

The Backstop Parties (or its designated affiliates) shall have the right, exercisable by written notice to the Fibre Borrower within five (5) Business Days after receipt of a Fibre Refinancing Notice, to provide the Permitted Fibre Refinancing on terms no less favourable to the Fibre Borrower, taken as a whole, than those set out in the Fibre Refinancing Notice (the "**Fibre ROFR**").

The DIP Charge

34. The obligations under the DIP Facility will be secured by the proposed DIP Charge over all current and future assets, undertakings and properties of the Credit Parties, ranking in priority to all Liens other than Permitted Priority Liens,[6] provided however, the DIP Charge on the Fibre Borrower Collateral shall not secure the Bridge Payout Amount; and

[6] "Permitted Priority Liens" means (a) the Administration Charge, the Financial Advisor Charge, the Directors' Charge (Priority), and the KERP Charge, (b) any amounts payable by the Credit Parties for wages, vacation pay, employee deductions, termination and severance (solely to the extent such termination and severance amounts constitute liabilities for which the directors or officers of the Credit Parties may be personally liable under Applicable Law), sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), (c) following the completion of a Permitted Fibre Refinancing, the Fibre Refinancing Charge, solely as it relates to the Fibre Borrower Collateral and the Fibre Guarantor Collateral, and (iv) the CIB Security, solely as it relates to the Fibre Guarantor Collateral.

the DIP Charge on the Fibre Guarantor Collateral shall secure only the Fibre Tranche Obligations, and shall rank junior and subordinate to the security (the "**CIB Security**") held by Computershare Trust Company of Canada in respect of facilities provided by the Canada Infrastructure Bank (the "**CIB**"), who has historically provided financing to the Fibre Subsidiaries and has prior ranking security in respect of certain of the Fibre Subsidiaries (although, for certainty, not in respect of the Fibre Borrower).

35. The Proposed Monitor further notes that the DIP Charge in respect of the Initial Order does not purport to prime any secured creditor who will not be given prior notice of the Initial Application. The Applicants have further advised that they do not intend to prime Royal Bank of Canada in respect of specific cash collateral held by it or certain specific leased equipment.

Repayment of the Bridge Term Loan

36. It is a condition under the DIP Agreement that the Applicants use a portion of the Initial Spectrum Advance to repay the amounts owing under the Bridge Term Loan to the Bridge Lenders (the "**Bridge Payout Amount**"). The current outstanding balance owing under the Bridge Term Loan is approximately $53.5 million.

37. The Proposed Monitor has obtained an independent legal opinion from NRF with respect to the validity and enforceability of the security granted by Xplore Inc., Stonepeak Falcon Guarantor ULC, Xplore Spectrum Invest Holdings Inc. and Xplore Spectrum 1 Network L.P. (collectively, the "**Bridge Credit Parties**") in favour of the Bridge Agent under the laws of Ontario and with respect to the validity and enforceability of the security granted by Xplore Inc. in favour of the Bridge Agent under the laws of Québec.

38. The security granted to the Bridge Agent by the Bridge Credit Parties is governed by a super priority Canadian guarantee and security agreement dated August 4, 2026 (the "**Bridge Guarantee and Security Agreement**"), which provides for a grant of security in all of the foregoing parties' present and after acquired personal property, undertaking and assets, subject to the exclusions set out therein.

39. The security granted to the Bridge Agent by Xplore Inc. is also governed by a Deed of Hypothec dated August 4, 2026 (the "**Bridge Hypothec**"), which covers the universality of Xplore Inc.'s present and future moveable property, subject to the exclusions set out therein.

40. Subject to customary qualifications, assumptions and limitations, NRF has delivered an opinion to the Proposed Monitor that confirms:

(a) the security granted by the Bridge Credit Parties pursuant to the Bridge Guarantee and Security Agreement creates a valid security interest in the personal property of the foregoing parties and the proceeds thereof, and registration has been made under the *Personal Property Security Act* (Ontario) in order to perfect that personal property security; and

(b) the Bridge Hypothec is valid and enforceable in accordance with its terms and may be set up against third parties under the laws of Québec.

41. Copies of the NRF legal opinion can be made available to stakeholders, subject to appropriate arrangements regarding confidentiality, reliance and privilege.

42. The Proposed Monitor notes the following additional information regarding the priority ranking of the security granted in the Bridge Guarantee and Security Agreement and the Bridge Hypothec based on registrations and priority agreements reviewed by NRF:

(a) NRF has not identified any parties holding security interests or hypothecs on the assets of the Bridge Credit Parties potentially ranking in priority to the Bridge Agent's interest, other than certain security interests related to leased and financed equipment and limited cash collateral described below;

(b) Searches of the personal property security registries in the Provinces of Ontario, New Brunswick and British Columbia,[7] against the Bridge Credit Parties and the Register of Personal and Movable Real Rights in Québec against Xplore Inc.,

[7] Stonepeak Falcon Guarantor ULC is formed under the laws of British Columbia. Xplore Spectrum Invest Holdings Inc. is formed under the laws of New Brunswick.

disclose certain registrations made prior to or concurrent with the registrations in favour of the Bridge Agent (the "**Prior Registrations**");

(c) Each of the Prior Registrations, with the exception of the registrations in favour of St. Paul Fire and Marine Insurance Company (as surety under certain bonding arrangements with the Xplore Entities) and the 2024 Agent, are limited to specific leased or financed equipment or limited cash collateral; and

(d) St. Paul Fire and Marine Insurance Company and the 2024 Agent have each entered into subordination or intercreditor agreements with the Bridge Agent pursuant to which St. Paul Fire and Marine Insurance Company and the 2024 Agent have subordinated their security interests and/or hypothecs to the Bridge Agent's security and hypothec.

43. The Proposed Monitor has been advised by the Xplore Group that the Intercreditor Agreement entered into in respect of the Bridge Credit Agreement further governs the rights of Stonepeak and the Consenting Lenders in the context of insolvency proceedings and that, as such, both Stonepeak and the Consenting Lenders have advised that prepayment of the Bridge Payout Amount is an important term under the DIP Agreement. The DIP Charge and the structure of the DIP obligations is such that payment of the Bridge Payout Amount is an obligation only of the Spectrum Borrower and Spectrum Guarantors (such parties also being the Bridge Credit Parties), and does not encumber or charge the collateral of the Fibre Borrower or Fibre Guarantors. As set out above, the Proposed Monitor has not identified any party whose collateral position appears to be impaired by repayment of the Bridge Payout Amount.

Proposed Monitor's Observations and Recommendation on the DIP Agreement

44. Section 11.2(4) of the CCAA, sets out certain factors that should be considered, among other things, in deciding whether or not to make an order granting an interim financing charge. With reference to those factors, the Proposed Monitor's observations and comments thereon are set out below.

45. The Initial Affidavit provides a comprehensive summary of the pre-filing solicitation process for DIP financing proposals. In its role as financial advisor to the Xplore Group, the Proposed Monitor participated in discussions with Management, Xplore's Board of Directors and the special committee of Xplore's Board of Directors, and PWP in connection with proposals solicited and received from both Stonepeak and the Lender Committee.

46. The Proposed Monitor was kept apprised of the negotiations with and material terms of the DIP financing proposals submitted by both Stonepeak and the Lender Committee, including the efforts made to facilitate a structure that would contemplate the participation of both Stonepeak and the Secured Lenders.

47. The term and maximum principal amount available under the DIP Facility provide sufficient liquidity to fund the current estimated funding requirements of the Xplore Group based on the Initial Cash Flow Forecast. Absent funding available under the DIP Facility, the Xplore Group will shortly exhaust its liquidity and cease to be able to pay its obligations as they come due. The availability of funding through the DIP Facility will enhance the prospects of the Business being preserved going forward for the benefit of all stakeholders.

48. The proposed DIP Charge, including its structure and priorities, has been extensively negotiated by the Applicants and their advisors with the DIP Lenders. The Proposed Monitor understands that the Backstop Parties have advised they are only prepared to provide DIP financing on the security package set out above. To the extent possible, the DIP Charge has been structured to respect existing legal priorities. Among other things, as set out above, the DIP Charge does not rank in priority to the CIB Security in respect of security granted by the Fibre Subsidiaries. Although the Fibre Borrower is jointly and severally liable for all obligations under the DIP Facility, based on personal property registry searches conducted in Ontario against the Fibre Borrower, it does not appear that it has any existing outstanding secured obligations. The Proposed Monitor further notes that any net proceeds from the sale of the Fibre Borrower Collateral (after repayment of the Fibre Tranche Obligations) will be held in reserve and used only to the extent that the DIP Lenders suffer a shortfall on repayment of DIP obligations owing under the Spectrum

Tranche after the Spectrum Collateral has been sold or otherwise realized upon, on the terms set out in the DIP Agreement.

49. The DIP Facility is supported by the Lender Committee and Stonepeak, who collectively (and subject to their respective priorities) hold a significant majority of senior secured debt owing by the Credit Parties.

50. It is contemplated that over the course of the CCAA proceedings, the business and financial affairs of the Xplore Group will be assisted by William (Bill) E. Aziz of Bluetree Advisors Inc., who has been engaged as chief restructuring officer (in such capacity, the "**CRO**") of the Xplore Group.

51. The Proposed Monitor has reviewed independently, and with input from PWP, current market parameters for DIP facilities of the size contemplated by the DIP Agreement. The Proposed Monitor notes that precedent transactions involving DIP facilities of the size proposed in the current case are limited in the Canadian market. Accordingly, the Proposed Monitor has reviewed DIP financings of a similar size in the United States as well, including 26 precedent transactions during the period from 2023 to 2026. Based upon that review, the Proposed Monitor is of the view that the interest rate proposed in the DIP Agreement is within the range of market interest rates charged in North America for facilities of a similar size to the DIP Facility. Further, exit fees, commitment fees and backstop fees are a common feature of facilities similar to the DIP Facility. The Monitor's review of the above-described precedent transactions involving such fees indicates that while the proposed exit fee, commitment fee and backstop fee are above the median level for such fees in identified transactions, they are well within the range of fees observed in such precedent transactions.

52. The Xplore Group requires interim financing immediately to provide stability, continue servicing its customers, and to provide breathing room to restructure its business. The Applicants initially solicited interim financing proposals with its two largest stakeholders, which ultimately culminated in the Xplore Group entering into the DIP Facility with the DIP Lenders. In view of the foregoing, the Proposed Monitor is of the view that the Court grant the Applicants' request for authorization to enter into the DIP Agreement.

I. THE CHARGES

53. The proposed Initial Order contemplates the creation of the following Charges:

(a) Administration Charge up to an initial maximum amount of $1.5 million;

(b) Directors' Charge up to an initial maximum amount of $10 million; and

(c) DIP Charge (discussed above) up to the initial maximum amount of the Initial Advances (plus interest, fees and expenses).

The Administration Charge

54. The Applicants are seeking the granting of an administration charge in the initial maximum amount of $1.5 million (the "**Administration Charge**") against the property of the Xplore Entities. The Administration Charge would have priority over all other claims other than the CIB Security and any person who is a "secured creditor" as defined in the CCAA who has not been served with the Initial Application.

55. The beneficiaries of the Administration Charge, if granted, would be the Monitor, NRF as counsel to the Monitor, and Goodmans and Paul Weiss as counsel to the Xplore Group. It is expected that each of the proposed beneficiaries of the Administration Charge are integral to and will provide substantial contributions to the CCAA Proceedings. As a result, the Proposed Monitor believes it is appropriate that the proposed beneficiaries of the Administration Charge be afforded the benefit of the Administration Charge.

56. The Proposed Monitor has assisted the Applicants with the calculation of the Administration Charge, and is of the view that the proposed quantum of the Administration Charge in the proposed Initial Order is reasonable and appropriate in the circumstances given the complexities of the CCAA Proceedings. If granted, the Applicants intend to seek an increase to the Administration Charge at the Comeback Hearing.

57. Accordingly, the Proposed Monitor is of the view that the Administration Charge is reasonable and appropriate in the circumstances.

The Directors' Charge

58. The Applicants are seeking the granting of a directors and officers charge up to an initial maximum amount of $10 million (the "**Directors' Charge**") against the property of the Xplore Entities. The Directors' Charge would have priority over all claims other than the Administration Charge, the CIB Security and any person who is a "secured creditor" as defined in the CCAA that has not been served with notice of the Initial Application.

59. The proposed Directors' Charge would provide security for the proposed indemnity in respect of personal liabilities of the directors and officers (including the CRO) after the commencement of the CCAA Proceedings, as well as in respect of personal liability for wages, vacation pay and statutory termination and severance obligations.[8] The Proposed Monitor understands that, other than in respect of the existing stub period for payroll, the Xplore Group is current on payroll and statutory remittances, and that vacation pay continues to accrue in the ordinary course. The Proposed Monitor understands that a nominal amount of statutory termination and severance will be paid during the Initial Stay Period to employees who were terminated prior to the Initial Application and that it is the Xplore Group's intention to make such payments during the course of the CCAA Proceedings.

60. The beneficiaries of the Directors' Charge, if granted, would be the directors and officers of the Xplore Entities. It is the Proposed Monitor's view that the continued support and service of the directors and officers during the CCAA Proceedings would be beneficial to the Xplore Entities' efforts to restructure and pursue their strategic objectives during the CCAA Proceedings. The Proposed Monitor understands that Management believes that the directors and officers would not continue to serve unless the protection afforded by the proposed Directors' Charge is granted.

[8] Given the Xplore Group is a federally regulated enterprise, in addition to wages, accrued vacation pay and statutory remittances, the proposed quantum of the Directors' Charge includes amounts related to statutory termination and severance for which directors may be personally liable under the *Canada Labour Code* ("**CLC**").

61. The Proposed Monitor has assisted the Applicants with the proposed quantum of the Directors' Charge. The calculation provided is based on estimated amounts for which directors could potentially have statutory personal liability during the Initial Stay Period.

62. The Xplore Entities' employees (both hourly and salaried) are paid bi-monthly in arrears for the applicable pay period with hourly employees being paid up to 20 additional days in arrears and salaried employees being paid current resulting in no additional arrears. Therefore, the estimated amounts for which directors could potentially have liability includes the maximum length of one bi-monthly payroll period covering estimated wages for all employees plus an adjustment for applicable wages paid subsequent to the end of the payroll period.

63. The Applicants intend to seek an increase in the Directors' Charge at the Comeback Hearing, which will be necessary given the respective timing of the hourly and salaried pay periods and estimated exposure. It is also anticipated that the Xplore Entities will shift from a net-HST refund position to a net-HST payable position given the consolidated forecast cash receipts and disbursements during the CCAA Proceedings. In addition to the foregoing amounts, the Proposed Monitor understands that the Applicants intend to bifurcate the Directors' Charge at the Comeback Hearing to create a second subordinate Directors' Charge in the maximum amount of $45 million (the "**Non-Priority Directors' Charge**"). The Non-Priority Directors' Charge will rank subordinate to all other Charges and has been estimated based on the potential exposure of the Directors and Officers under the CLC in the unanticipated event that significant terminations become necessary during the CCAA Proceedings.

64. The Proposed Monitor understands that the Xplore Group maintains directors' and officers' insurance policies which collectively provide up to $27 million in aggregate coverage. The Proposed Monitor notes that the directors and officers will only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any such policies, or to the extent that such coverage is insufficient to pay amounts for which the directors and officers are entitled to be indemnified pursuant to the provisions of the proposed Initial Order.

65. The Proposed Monitor also notes that directors and officers will not be entitled to the benefit of the Directors' Charge to the extent that, with respect to any individual, the obligation or liability was incurred as a result of the individual's gross negligence or wilful misconduct.

66. Accordingly, the Proposed Monitor is of the view that the Directors' Charge is reasonable and appropriate in the circumstances to ensure that the directors and officers stay with the Xplore Group to assist it through these CCAA Proceedings.

The DIP Charge

67. The Applicants are seeking a DIP Charge, on the terms discussed above.

68. As set out above, the Proposed Monitor is of the view that the DIP Facility is needed in order for the Xplore Group to fund its obligations during the CCAA Proceedings. The granting of the DIP Charge is a condition of advances under the DIP Facility.

69. Based on the above, the Proposed Monitor respectfully recommends that the Court approve the Xplore Group entering into the DIP Agreement and the DIP Facility, and accordingly, also supports the granting of the DIP Charge.

J. PAYMENTS DURING THE CCAA PROCEEDINGS

70. The Xplore Entities are seeking authorization to pay certain expenses, whether incurred prior to, on, or after the date of the Initial Order. Among other things, such payments could include: (a) outstanding and future wages, salaries, employee and pension benefits, vacation pay, and other reimbursable amounts to employees, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; (b) outstanding compensation, commissions or obligations owing to third-party dealers, in each case incurred in the ordinary course of business and consistent with existing arrangements; (c) obligations owing to current or former employees in respect of termination of employment to the extent that the *Canada Labour Code* or other applicable legislation provides for director liability in respect of such obligation; (d) expenses and obligations owing between the Xplore Entities pursuant to their intercompany

arrangements and, (e) the fees and disbursements of any assistants retained or employed by the Xplore Entities; and (f) with the prior consent of the Monitor, amounts owing for goods and services supplied to any of the Xplore Entities prior to the date of the Initial Order.

71. The Proposed Monitor is of the view that such relief is reasonable and appropriate in the circumstances to ensure the continued operation of the Xplore Entities' business, to avoid disruption with key counterparties, and to maximize recoveries during the CCAA Proceedings. In particular, the Xplore Entities' third-party dealers are typically independent contractors that provide equipment installation, repair and support functions that are critical to the operation of the business, and are likely unable to be replaced in a timely manner given the areas that are serviced and the degree of specialized knowledge required to provide these services.

K. ANTICIPATED NEXT STEPS

72. As set out above, the Comeback Hearing has been scheduled for November 19, 2026. Presently, the Proposed Monitor understands that the Xplore Entities intend to seek:

(a) An extension of the Stay of Proceedings;

(b) The approval of the engagements of RBC Dominion Securities, as investment banker, and PWP, as financial advisor, and the granting of a financial advisor charge to secure their fees as set out in their respective engagement letters;

(c) An increase in the borrowing limit under the DIP Facility;

(d) An increase in the Administration Charge, Directors' Charge and DIP Charge; and

(e) Approval of a key employee retention plan ("**KERP**") and granting of a corresponding KERP charge.

73. The Monitor intends to file a further report to this Court to provide its observations and recommendations in respect of the above proposed relief and any other relief sought by the Applicants at the Comeback Hearing.

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

Dated this 10th day of November, 2026.

FTI CONSULTING CANADA INC.,
solely in its capacity as Proposed Monitor in the
CCAA Proceedings of Xplore Inc., et. al.,
and not in its personal or corporate capacity



Jim Robinson
Senior Managing Director



Greg Watson
Senior Managing Director

APPENDIX "A" – XPLORE GROUP

Applicants

- Xplore Inc.
- Stonepeak Falcon Guarantor ULC
- Stonepeak Falcon Holdings Inc.
- Xplore Spectrum Invest Holdings Inc.
- Xplore Spectrum Holdings Inc.
- Xplore Spectrum 1 Inc.
- Xplore Fibre Co-Invest Holdings Inc.
- Xplore Fibre UBF-East Holdings Inc.
- Xplore Fibre UBF-East Network Inc.
- Xplore Fibre AHSIP Holdings Inc.
- Xplore Fibre AHSIP Network Inc.
- Xplore Fibre UBF-West-NL Holdings Inc.
- Xplore Fibre UBF-West-NL Network Inc.

Non-Applicant Limited Partnerships

- Xplore Spectrum Invest Holdings L.P.
- Xplore Fibre L.P.
- Xplore Spectrum 1 Network L.P.
- Xplore Fibre Co-Invest Holdings L.P.
- Xplore Fibre UBF-East Holdings L.P.
- Xplore Fibre UBF-East Network L.P.
- Xplore Fibre AHSIP Holdings L.P.
- Xplore Fibre AHSIP Network L.P.
- Xplore Fibre UBF-West-NL Holdings L.P.
- Xplore Fibre UBF-West-NL Network L.P.

Appendix “B”

Court File No.: CL-26-00000484-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF STONEPEAK FALCON HOLDINGS INC., STONEPEAK FALCON GUARANTOR ULC, XPLORE INC., XPLORE SPECTRUM INVEST HOLDINGS INC., XPLORE SPECTRUM HOLDINGS INC., XPLORE SPECTRUM 1 INC., XPLORE FIBRE CO-INVEST HOLDINGS INC., XPLORE FIBRE UBF-EAST HOLDINGS INC., XPLORE FIBRE UBF-EAST NETWORK INC., XPLORE FIBRE AHSIP HOLDINGS INC., XPLORE FIBRE AHSIP NETWORK INC., XPLORE FIBRE UBF-WEST-NL HOLDINGS INC., AND XPLORE FIBRE UBF-WEST-NL NETWORK INC.

Applicants

CONSENT OF THE PROPOSED MONITOR

November 7, 2026

FTI Consulting Canada Inc. hereby consents to act as Court-appointed monitor in respect of these proceedings, subject to the granting of an initial order under the *Companies' Creditors Arrangement Act* (Canada) substantially in the form included in the Applicants' application record.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows*]

Dated as of the date first written above:

FTI CONSULTING CANADA INC.

Per: 

Name: Jim Robinson
Title: Senior Managing Director

Appendix “C”

Xplore Inc. et al

CCAA 13-Week Cash Flow Forecast[1]

November 9, 2026

(CAD$ in thousands)		Week 0	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
Week Ended		6-Nov-26	13-Nov-26	20-Nov-26	27-Nov-26	4-Dec-26	11-Dec-26	18-Dec-26	25-Dec-26	1-Jan-27	8-Jan-27	15-Jan-27	22-Jan-27	29-Jan-27	5-Feb-27	13 Weeks
Cash from Operations																
Operating Receipts																
Subscriber Collections	[2]	5,664	4,900	4,900	5,182	5,555	4,876	4,876	4,876	5,076	6,654	4,436	4,436	6,654	6,209	68,630
Other Operating Receipts																-
Total Operating Receipts		5,664	4,900	4,900	5,182	5,555	4,876	4,876	4,876	5,076	6,654	4,436	4,436	6,654	6,209	68,630
Operating Disbursements																
Vendor Payments	[3]	(7,830)	(5,120)	(7,804)	(11,587)	(7,955)	(4,927)	(3,208)	(5,919)	(3,340)	(3,488)	(5,230)	(3,488)	(6,392)	(3,425)	(71,883)
Salaries and benefits	[4]	-	(2,852)	-	(3,485)	-	-	(3,141)	-	(3,838)	-	(2,668)	-	(3,261)	-	(19,246)
Other Operating Disbursements	[5]	(5,042)	(976)	(600)	968	(5,276)	(600)	(600)	(600)	(38)	(3,989)	(600)	(600)	353	(5,917)	(18,475)
Total Operating Disbursements		(12,872)	(8,948)	(8,404)	(14,104)	(13,231)	(5,527)	(6,948)	(6,519)	(7,217)	(7,477)	(8,499)	(4,088)	(9,300)	(9,342)	(109,604)
Total Cash from Operations		**(7,208)**	**(4,047)**	**(3,503)**	**(8,922)**	**(7,676)**	**(651)**	**(2,073)**	**(1,643)**	**(2,141)**	**(823)**	**(4,063)**	**348**	**(2,647)**	**(3,133)**	**(40,974)**
Cash from Non-Operating Activities																
Professional Fees and Transaction Fees	[6]	(300)	(11,800)	(2,700)	(2,700)	(1,800)	(1,440)	(1,440)	(1,440)	(1,480)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)	(30,550)
Total Cash from Non-Operating Activities		**(300)**	**(11,800)**	**(2,700)**	**(2,700)**	**(1,800)**	**(1,440)**	**(1,440)**	**(1,440)**	**(1,480)**	**(1,150)**	**(1,150)**	**(1,150)**	**(1,150)**	**(1,150)**	**(30,550)**
Cash from Financing																
DIP Draw / Repayment	[7]	-	77,000	-	10,300	8,500	8,000	3,300	3,000	5,600	2,200	5,000	800	4,700	5,800	134,200
Bridge Term Loan Repayment	[7]	-	(53,500)	-	-	-	-	-	-	-	-	-	-	-	-	(53,500)
DIP Interest and Fees	[8]	-	-	-	(354)	-	-	-	-	(1,160)	-	-	-	(1,105)	-	(2,620)
Total Cash from Financing		**-**	**23,500**	**-**	**9,946**	**8,500**	**8,000**	**3,300**	**3,000**	**4,440**	**2,200**	**5,000**	**800**	**3,595**	**5,800**	**78,080**
Total Change in Cash		**(7,508)**	**7,653**	**(6,203)**	**(1,676)**	**(976)**	**5,909**	**(213)**	**(83)**	**819**	**227**	**(213)**	**(2)**	**(202)**	**1,517**	**6,556**
Beginning Cash Balance		38,641	31,133	38,785	32,582	30,906	29,930	35,839	35,626	35,543	36,363	36,589	36,376	36,374	36,172	31,133
Total Change in Cash		(7,508)	7,653	(6,203)	(1,676)	(976)	5,909	(213)	(83)	819	227	(213)	(2)	(202)	1,517	6,556
Ending Cash Balance		**31,133**	**38,785**	**32,582**	**30,906**	**29,930**	**35,839**	**35,626**	**35,543**	**36,363**	**36,589**	**36,376**	**36,374**	**36,172**	**37,689**	**37,689**

[1] In preparing this cash flow forecast (the "**November 9 Forecast**"), the Company has relied on unaudited financial information without independently verifying its accuracy or completeness. The November 9 Forecast has been prepared to estimate the liquidity requirements of Xplore Inc. and its subsidiaries (the "**Debtors**") over the forecast period. The November 9 Forecast incorporates certain assumptions, as outlined below, regarding the anticipated requirements and impact of proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**"). As the forecast is based on assumptions concerning future events and conditions that are inherently uncertain, actual results may differ materially from forecast amounts, even if the underlying assumptions prove accurate. Accordingly, no representation, warranty or assurance is provided that the forecast results will be achieved. All amounts are presented in thousands of Canadian dollars, with U.S. dollar amounts converted at an assumed exchange rate of US$1.00 = C$1.40.

[2] Subscriber Collections include payments received from residential and business customers for services provided, inclusive of applicable sales taxes. Forecast collections are based on historical trends, seasonality and Management's current expectations.

[3] Vendor Payments include operating and capital expenditures related to network operations, customer service delivery, customer acquisition, and network infrastructure development and maintenance, inclusive of applicable sales taxes.

[4] Salaries and Benefits include wages, employer payroll taxes, employee benefits and other related costs for the Company's hourly and salaried employees, based on anticipated staffing levels.

[5] Other Operating Disbursements include spectrum, satellite, tower, real estate, equipment and other lease payments; dealer compensation; sales tax remittances and refunds; and other miscellaneous operating disbursements.

[6] Professional and Transaction Fees include fees for the Company's legal counsel and investment bankers, the Monitor and its counsel, and the secured lenders' and DIP lenders' advisors, as well as transaction fees associated with the DIP financing.

[7] The forecast assumes an initial DIP draw of $77.0 million during the week ending November 13, 2026, of which $53.5 million will be used to repay the Bridge Term Loan in full, with the remaining $23.5 million retained by the Debtors. Subsequent DIP drawsare assumed to occur weekly, as needed, throughout the remainder of the forecast period.

[8] DIP Interest and Fees reflect anticipated interest payments, fees and expenses associated with the DIP Facility.

Court File No. CL-26-00000484-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF STONEPEAK FALCON HOLDINGS INC., STONEPEAK FALCON GUARANTOR ULC, XPLORE INC., XPLORE SPECTRUM INVEST HOLDINGS INC., XPLORE SPECTRUM HOLDINGS INC., XPLORE SPECTRUM 1 INC., XPLORE FIBRE CO-INVEST HOLDINGS INC., XPLORE FIBRE UBF-EAST HOLDINGS INC., XPLORE FIBRE UBF-EAST NETWORK INC., XPLORE FIBRE AHSIP HOLDINGS INC., XPLORE FIBRE AHSIP NETWORK INC., XPLORE FIBRE UBF-WEST-NL HOLDINGS INC., AND XPLORE FIBRE UBF-WEST-NL NETWORK INC.

(collectively, the "**Applicants**")

REPORT ON CASH FLOW STATEMENT
(Paragraph 10.2(b) of the CCAA)

Management of the Applicants has developed the assumptions and prepared the attached statement of projected cash flow dated November 9, 2026 consisting of a 13-week cash flow forecast for the weeks ending November 13, 2026 to February 5, 2027 (the "**Forecast**").

The purpose of the Forecast is to estimate the liquidity requirements of the Applicants during the respective forecast period. The hypothetical assumptions are reasonable and consistent with the purpose of the projections, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Forecast.

Since the Forecast is based on future events, actual results will vary from the information presented and the variations may be material.

The Forecast has been prepared solely for the purpose outlined above, using the probable and hypothetical assumptions set out in notes to the Forecast. Consequently, readers are cautioned that the Forecast may not be suitable for other purposes.

Date at Toronto, Ontario, Canada, this 9th day of November, 2026.

Name: G. Lowe
Title: President
Xplore Inc.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF XPLORE INC., ET. AL.

Court File No. CL-26-00000484-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF XPLORE INC., ET. AL.

Court File No. CL-26-00000484-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

FIRST REPORT TO THE COURT SUBMITTED BY FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

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