

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Companies' Creditors Arrangement Act,
(R.S.C., c. C-36, as amended)

COURT NO.: 500-11-065011-245

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

ELNA MEDICAL GROUP INC. / GROUPE MÉDICAL ELNA INC.

-AND-

9508503 CANADA INC.

-AND-

OTHER ENTITIES LISTED IN SCHEDULE A HEREIN

Hereinafter collectively referred to as the **"Applicants"**

-AND-

RAYMOND CHABOT INC.

Hereinafter referred to as the **"Monitor"**

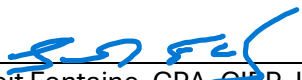
FOURTH REPORT TO THE COURT SUBMITTED BY RAYMOND CHABOT INC.

To the Honourable Martin F. Sheehan, J.S.C., we respectfully submit this Fourth Report of the Monitor (the **"Fourth Report"**).

Signed in Montréal, on April 24, 2025

RAYMOND CHABOT INC.

Monitor



Benoit Fontaine, CPA, CIRP, LIT

1. INTRODUCTION

- 1.1. On December 10, 2024, the Applicants notified an *Application for an Initial Order, an Amended and Restated Initial Order, a SISP Approval Order and Other Ancillary Relief*, seeking a first day initial order and other relief.
- 1.2. On December 10, 2024, the Monitor issued its Pre-Filing Report.
- 1.3. On December 11, 2024, following the first day hearing, this Court issued an initial order (the “**Initial Order**”) providing for, *inter alia*, the following relief:
 - 1.3.1. declaring that the CCAA applies to the Applicants;
 - 1.3.2. staying all proceedings and remedies taken or that may be taken in respect of the Applicants, and any of their property, except as otherwise set forth in the Initial Order or as otherwise permitted by law (the “**Stay**”), for an initial period of ten days in accordance with the CCAA (the “**Stay Period**”);
 - 1.3.3. staying all civil proceedings and remedies taken or that might be taken in respect of Laurent Amram, and any of his property, with respect to: i) personal guarantees granted on debts of the Applicants, and ii) personal loans whose proceeds were totally invested in the Applicants (the “**Amram Stay**”);
 - 1.3.4. appointing Raymond Chabot Inc. as the Monitor of the Applicants in these proceedings, with the powers provided for in the Initial Order;
 - 1.3.5. ordering the procedural consolidation of the CCAA proceedings in respect of each of the Applicants, for administrative purposes only;
 - 1.3.6. granting the Administration Charge in the amount of \$750K;
 - 1.3.7. granting a D&O Charge in the amount of \$725K;
 - 1.3.8. authorizing the engagement of Crowe BGK LLP (Mr. Patrick Ifergan) to act as the Chief Financial Office (the “**CFO**”);
 - 1.3.9. authorizing National Bank of Canada (“**NBC**”) to provide the DIP Facility to the Applicants and granting a DIP Charge in the amount of \$1.2M in relation thereto;
 - 1.3.10. authorizing the Applicants, with the consent of the Monitor, and in accordance with agreements in effect with certain secured creditors, to convey, assign, lease or in any other manner dispose of property, outside the normal course of business, in whole or in part, provided that the price in each case and in the aggregate does not exceed \$300K;
 - 1.3.11. authorizing the Applicants to pay, with the consent of the Monitor, any pre filing unpaid claims of suppliers it deems critical, up to an aggregate amount of \$300K;
 - 1.3.12. authorizing the Applicants to establish the Medicentres Retention Plan (“**MRP**”) and granting the related MRP Charge in the amount of \$3.0M;

- 1.3.13. the scheduling of a comeback hearing for December 17, 2024 (the “**Comeback Hearing**”); and
- 1.3.14. ordering the sealing of certain confidential exhibits supporting this Application and Schedule C of the Pre-Filing Report.
- 1.4. On December 11, 2024, the Court also issued the *SISP Approval Order*, along with the appended *Bidding Procedures*.
- 1.5. On December 16, 2024, the Applicants notified an *Amended Application for an Initial Order, an Amended and Restated Initial Order, a SISP Approval Order and Other Ancillary Relief*, seeking *inter alia*, at the Comeback Hearing, the following additional relief as part of the proposed Amended and Restated Initial Order (the “**ARIO**”):
- 1.6. On December 16, 2024, the Monitor issued its First Report.
- 1.7. On December 17, 2024, the Court issued an *Amended and Restated Initial Order* (the “**ARIO**”), which provided, amongst other things, the following:
 - 1.7.1. an extension the Stay Period until February 12, 2025;
 - 1.7.2. an extension and an expansion of the Amram Stay until February 12, 2025;
 - 1.7.3. the authorization for the Applicants, with the consent of the Monitor, to convey, assign, lease or in any other manner dispose of property, outside the normal course of business, in whole or in part, provided that the price in each case does not exceed \$500,000 individually and \$1,500,000 in the aggregate;
 - 1.7.4. an increase of certain CCAA Charges, namely the Administration Charge (up to \$1.0M), the DIP Charge (up to \$6.0M) and the D&O Charge (up to \$1.6M);
 - 1.7.5. the addition of Gestion Privamed Inc. as an Applicant to these proceedings; and
 - 1.7.6. the establishment of a Medicentres Key Employee Retention Plan (the “**Medicentres KERP**”) and a KERP Charge (in the amount of \$250K);
- 1.8. On January 7, 2025, Mr. Brandon Shiller notified an *Application for Leave to Appeal* of the ARIO , particularly in respect of the Amram Stay, as well as a *Notice of Appeal* (the “**Shiller Leave to Appeal**”).
- 1.9. The Shiller Leave to Appeal was heard on January 16, 2025, and was dismissed by the Quebec Court of Appeal on the same day, with costs.
- 1.10. On February 7, 2025, the Applicants notified the *Application for a Second Amended and Restated Initial Order*, seeking, *inter alia* the (i) issuance of a stay extension up to and until March 19, 2025, (ii) the approval of the ELNA Key Employee Retention Plan (the “**ELNA KERP**”) and the related ELNA KERP Charge, and (iii) certain sealing provisions relating essentially to confidential information relating to the SISP.

- 1.11. On February 10, 2025, the Monitor issued its Second Report.
- 1.12. On February 12, 2025, the Court issued the *Second Amended and Restated Initial Order* (the “**Second ARIO**”), pursuant to which, *inter alia*, it (i) extended the Stay Period up to and until March 10, 2025, (ii) approved the ELNA KERP and the ELNA KERP Charge, as well as (iii) ordered certain ancillary conclusions relating to intercompany payments and to CFO Powers (as defined therein).
- 1.13. The Second ARIO does not extend the Amram Stay. Indeed, the Applicants had informed the Monitor that such an extension would not be sought, and the Monitor was informed that Amram filed a notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act* on February 11, 2025, with the view of making a proposal to his creditors in due time.
- 1.14. On February 27, 2025, the Monitor notified the service list the *Notice of Extension of Certain SISP Deadlines* (the “**SISP Extension Notice**”), which was also posted in the VDR for Potential Bidders in Phase 2 of the SISP and as provided by email to them, as well as posted on the Monitor’s website.
- 1.15. On March 5, 2025, the Applicants notified the *Application for a Third Amended and Restated Initial Order* (the “**Third ARIO Application**”), seeking, *inter alia* the (i) issuance of a stay extension up to and until April 25, 2025, and the (ii) increase of the DIP Facility and the DIP Charge.
- 1.16. On March 7, 2025, the Monitor issued its Third Report.
- 1.17. On March 10, 2025, the Court issued the *Third Amended and Restated Initial Order* (the “**Third ARIO**”), pursuant to which, *inter alia*, it (i) extended the Stay Period up to and until April 25, 2025, (ii) approved the increase of the DIP Facility (up to \$6.5M) and of the DIP Charge (up to \$7.8M).
- 1.18. On April 17, 2025, the Monitor notified the *Application for the Issuance of an (i) Approval and Vesting Order and of an (ii) Approval and Reverse Vesting Order* (the “**Application**”), seeking the issuance of an approval and vesting order (the “**m-Health AVO**”) in relation to m-Health Solutions Inc. (“**m-Health**”), and of an approval and reverse vesting order (the “**Medicentres RVO**”) in respect of Medicentres Canada Inc. (“**Medicentres**”). An amended draft version of the Medicentres RVO was notified on April 23, 2025 (Exhibit R-2B).
- 1.19. On April 17, 2025, the Applicants notified the *Application for a Stay Extension*, seeking, *inter alia*, the issuance of a stay extension up to and until May 30, 2025. On April 23, 2025, the Applicants notified an *Amended Application for a Stay Extension and Approval of Additional Interim Financing* (the “**Fourth ARIO Application**”), seeking *inter alia* (in addition to the stay extension mentioned above) the issuance of a Fourth Amended and Restated Initial Order (the “**Fourth ARIO**”) and the approval of an increase of the DIP Facility (up to \$8 million) and DIP Charge (up to \$9.6 million), subject to finalization of related documentation and approval of additional interim financing by the interim lender.
- 1.20. This Fourth Report is intended to provide an update on the file since the issuance of the Third Report, as well as the Monitor’s recommendations in relation to the relief sought in the

Application and in the Fourth ARIO Application. This Fourth Report is comprised of the following sections:

- Section 2: Activities of the Monitor since the Third Report;
- Section 3: Restructuring Measures and Updates Regarding the Operations of the Applicants Since the Third Report;
- Section 4: Communications with Various Stakeholders;
- Section 5: Update on the Sale and Investment Solicitation Process;
- Section 6: The Proposed Transactions and Recommendations of the Monitor;
- Section 7: Cure Costs and CCAA Charges
- Section 8: Details Regarding Amounts Owed under the MRP Charge;
- Section 9: Change in Cash Position;
- Section 10: DIP Facility and DIP Charge;
- Section 11: Intercompany Transactions;
- Section 12: Cash Flow Forecast;
- Section 13: Update on Matters Relating to Non-Applicant Entities;
- Section 13: Extension Sought; and
- Section 14: Conclusions and Recommendations.

1.21. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the previous reports.

2. ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

2.1. Since the Third Report, the Monitor posted additional documents regarding the CCAA Proceedings on its website at <https://www.raymondchabot.com/en/companies/public-records/groupe-elna/> (the “**Monitor’s Website**”). Such documents include notably the following:

- 2.1.1. Third ARIO Application;
- 2.1.2. Third Report;
- 2.1.3. Third ARIO and Third ARIO Reasons;
- 2.1.4. Service List, as updated from time to time;

2.2. The Monitor has continued to supervise receipts and disbursements on a daily basis, including reviewing the lists of payments to be made by the different financial controllers for the various Applicants.

2.3. As mentioned in the Monitor’s previous reports and as more fully detailed herein, the Monitor continued to assist the Applicants in multiple operations and/or restructuring related matters, including *inter alia*: (i) communications with landlords, (ii) communications with creditors/suppliers, (iii) communications with various groups of physicians, (iv) communications

with participants in the SISP, (v) communications with Santé Québec, (vi) drawdowns and collections of DIP financing, (vii) intercompany advances and payments, and (viii) reporting to NBC, as interim lender, in accordance with the Applicants' obligations under the NBC forbearance agreement and the interim financing agreement, including weekly reporting on the finances and operations of the Applicants.

- 2.4. The Monitor also assisted Management in the preparation and transmission of financial information to the Financial Advisor for the SISP and continued to supervise the conduct of the SISP, in accordance with the SISP Procedures. In relation to the Medicentres transaction (detailed below), an affiliate of the Monitor assisted Management in completing tax returns for previous fiscal years which were required namely in light of the reverse vesting order structure.
- 2.5. The Monitor also participated in twice-weekly calls with Management and its counsel, in which ongoing restructuring topics are monitored and discussed, as well as regular calls with Santé Québec.

3. RESTRUCTURING MEASURES AND UPDATES REGARDING THE OPERATIONS OF THE APPLICANTS SINCE THE THIRD REPORT

- 3.1. The Applicants continued to manage the cash flow and financial situation closely, with the assistance of the Monitor and in consultation with NBC.
- 3.2. The Applicants, with the assistance of the Monitor, also continued certain negotiations with landlords in relation to current lease expenses and obligations for certain clinics.
- 3.3. Management has also been heavily involved in compiling and providing information to be shared with the bidders as part of the ongoing SISP, as well as assisting the Financial Advisor and the Monitor in answering various queries relating thereto, in the context of the ongoing SISP.
- 3.4. In light of the ongoing SISP, and in consultation with NBC, the implementation of additional restructuring measures were put on hold.

4. COMMUNICATIONS WITH VARIOUS STAKEHOLDERS

Elna Clinics

- 4.1. As mentioned in prior reports, the Applicants and/or the Monitor continue to have regular discussions with physicians practicing in Elna clinics, notably to answer questions relating to the SISP and the impact on ongoing operations.
- 4.2. Information was provided as necessary to alleviate certain concerns, in view of fostering retention and minimizing impact on the value of these assets.

Communications with certain landlords

- 4.3. Clinique Métro-Medic Centre-Ville Inc. (« **Metro-Medic** »): since the Third Report, the temporary lease that was negotiated with landlord Canderel, has been executed in respect of the premises located at 2020 Robert-Bourassa Boulevard, in Montréal. Post-filing rent payments required pursuant to this agreement have been made.
- 4.4. Other locations: the Applicants, with the assistance of the Monitor, continued to hold various discussions with landlords in respect of certain lease obligations, as well as questions arising from the SISP.

Communications with Health Authorities and in relation to GMF Subsidies

- 4.5. Since the issuance of the Third Report, regularly recurring calls, which have been held since January 8, 2025, have continued between Santé Québec and/or its legal counsel, the Monitor and its legal counsel, Management and legal counsel to the Applicants, to provide regular updates on the situation of the Québec clinics.
- 4.6. Communications with physicians responsible for each of the four (4) GMF clinics in Québec:
- 4.6.1. In light of questions raised by many parties and uncertainty regarding the GMF subsidy collection, the Monitor sent a correspondence to each of the GMF physicians responsible for billing on March 12, 2025;
- 4.6.2. Since then, numerous discussions and communications took place, often in parallel, between a large number of parties: each of the applicable physicians, representatives of the *Fédération des médecins omnipraticiens du Québec* (FMOQ), Santé Québec and its counsel, representatives of the *Ministère de la Santé et des Services Sociaux* (MSSS) and the Monitor, in regard to the collection of the projected April GMF subsidy, which was expected to be collected initially on or around April 15, 2025;
- 4.6.3. Further to these exchanges and at this stage, the projected GMF subsidy still has not been collected by any party, to the Monitor's understanding, and it appears unlikely that the government authorities will issue the GMF subsidy payments to the Applicants, prior to the end of the Stay Period. Therefore, the collection of these amounts has been removed from the updated cash flow projections presented in this Fourth Report.

Communications with other parties

- 4.7. Cyber-insurance policy – ELNA Medical Group Inc.:
- 4.7.1. Since the issuance of the Third Report, post-filing amounts have been paid to the insurance broker.
- 4.7.2. However, a representative of the insurance broker sent an e-mail to the Monitor and its legal counsel advising that it still requested the payment of pre-filing amounts, despite

being previously advised that these amounts could not be paid given the provisions of the initial order and of the CCAA.

- 4.7.3. Multiple e-mails have been exchanged since then between the Monitor's legal counsel and a representative of the insurance broker. Even though the insurance broker still requested to be paid for pre-filing amounts, no further action was taken by the broker to the Monitor's knowledge, such that the cyber-security insurance remains in place as of the date of this Fourth Report.

5. UPDATE ON THE SALE AND INVESTMENT SOLICITATION PROCESS

Completion of Phase 1 and Phase 2 of the SISP

- 5.1. An update on the completion of Phase 1 and Phase 2 of the SISP is presented at paragraphs 17 to 33 of the Application. In addition to the facts set out therein, the Monitor provides below some additional information relating to same and certain additional updates since the last report.
- 5.2. Since the Third Report, the Financial Advisor has consistently kept the Monitor informed about the progress of the SISP. Meetings have been held weekly between the Financial Advisor, the Monitor, the Interim Lender, and their respective legal advisors to discuss the latest developments and interactions with potential bidders.
- 5.3. Intensive work, negotiations and discussions also ensued, following the occurrence of the Phase 2 Bid Deadline being March 21, 2025, as a result of the issuance of the SISP Extension Notice.
- 5.4. From the initial 45 parties having submitted an LOI during Phase 1 of the SISP, which concluded on January 31, 2025, Phase 2 of the SISP yielded the following interest and developments:
- 5.4.1. 26 parties were deemed to constitute Phase 2 Qualified Bidders invited to participate in Phase 2, of which 21 parties submitted information request lists containing more than 1,000 questions in the aggregate;
- 5.4.2. 11 parties conducted at least one (1) site visit to one or more locations of the Applicants, across Canada;
- 5.4.3. 1,810 documents in total were shared through the VDR;
- 5.4.4. 17 binding offers were received in Phase 2 (the "**Binding Offers**"), either for (i) the acquisition of substantially all of the assets and business of the Applicants, or for (ii) certain assets, business units and/or individual clinics forming part of the Applicants;

A summary of the Phase 2 Binding Offers is enclosed herewith as **Schedule B, under seal**.

- 5.5. Following the occurrence of the Phase 2 Bid Deadline, the Binding Offers were subsequently reviewed by the Financial Advisor and the Monitor, in accordance with the provisions of paragraphs 22 and following of the Bidding Procedures, and in consultation with NBC.
- 5.6. During the week ending March 28, 2025, the Financial Advisor, Monitor, and its counsel, as permitted by the Bidding Procedures, held meetings and/or sent requests to multiple bidders to clarify their binding offers. Several meetings were also held between the Financial Advisor, the Monitor, the Monitor's counsel, the Applicants' counsel, NBC and its counsel, to review and discuss the Binding Offers received.
- 5.7. Further to this review, it became apparent that multiple transactions would be required in order to maximize value for stakeholders, with the objective of maintaining the going concern as many entities as possible.

Selection of Successful Bids in respect of Medicentres and m-Health

- 5.8. On April 3, 2025, following the recommendation of the Financial Advisor and with the support of NBC, the Monitor confirmed to Medavie Inc. ("**Medavie**") that it was selected as the Successful Bidder in relation to Medicentres.
- 5.9. On April 4, 2025, the Monitor also confirmed to the affiliate of CML Healthcare Inc. ("**CML**") (i.e. to the signatory of the Phase 2 Offer in relation to m-Health), that it was selected as the Successful Bidder for m-Health.
- 5.10. Following these confirmations, the Monitor, its counsel, counsel to the Applicants and to the purchasers immediately began the intensive work relating to the negotiation and execution of the m-Health APA and the Medicentres SPA.
- 5.11. On April 17, 2025, following tireless efforts on account of all involved, and in light of the extremely short delays and the hearing date and expiry of the Stay Period of April 25, 2025, both of these agreements were finalized and executed, as well as Court materials relating thereto.
- 5.12. The Application and its exhibits, including the draft m-Health AVO and Medicentres RVO, were notified to the service list as well as to contractual counterparties and physicians of both entities.
- 5.13. In total, more than 900 parties received notification of the proceedings on April 17, 2025. Over the next days following notification, Medicentres, m-Health, the Monitor and counsel received emails from approximately 15 parties (mostly physicians) enquiring for the most part as to (i) what action was to be taken on their part, or (ii) why they had received notification.
- 5.14. In order to clarify the situation (especially as it relates to assigned/retained contracts, as the case may be) and to ensure transparency of the process, a communication was prepared for Medicentres, enclosed at **Schedule C** herein, which was sent by counsel to the Monitor along with a separate communication from Mr. Wayne Samuels, the General Manager of Medicentres

(sent just prior to notification) to the same parties who were notified. This communication was reviewed, commented and approved by the respective purchaser prior to sending.

- 5.15. The Monitor is now seeking approval by this Court for the contemplated transactions relating to m-Health and Medicentres, which are further described in the following section of this Fourth Report and in the Application, and as Court approval constitutes one of the main conditions prior to closing, which is scheduled respectively for mid-May and April 30, 2025.

Clinique Privamed Inc.

- 5.16. As mentioned at paragraphs 34 and 35 of the Application, given that no offer received was deemed to constitute a Successful Bid for the totality or a combination of such remaining assets and businesses, a Successful Bid was also selected on April 11, 2025, in relation to Clinique Privamed Inc. ("**Privamed**"), which operates two (2) clinics on the south shore of Montreal (in Boucherville and Brossard).
- 5.17. The Monitor expects to seek the approval of such transaction at a subsequent time, subject to finalizing an agreement relating thereto in the coming days, with a targeted closing date of May 9, 2025. More details will follow in due time.

Phase 3 of the SISP - CDL and ELNA Clinics located in Québec

- 5.18. Given the extremely short timelines, in light especially of the liquidity constraints of the Applicants, the Financial Advisor and the Monitor, in consultation with NBC, continued to review and analyze the offers and options in connection with the other assets and businesses (excluding, as at April 4, 2025, m-Health, Medicentres and Privamed), in light of the offers that were yielded by Phase 2 of the SISP and the ensuing analysis by the Monitor and communications with bidders.
- 5.19. As presented at paragraphs 36 to 40 of the Application, on April 11, 2025, in light of the approval of Successful Bids in relation to (i) m-Health, (ii) Medicentres, and (iii) Privamed, the Monitor and the Financial Advisor sent a letter (the "**Phase 3 Process Letter**") to parties having expressed interest in the SISP for CDL Laboratories Inc. ("**CDL**") and the other Quebec clinics (the "**CDL and Some Québec Medical Clinics Assets and Business**"), a copy the Phase 3 Process Letter communicated as Exhibit R-6 of the Application.
- 5.20. As appears from the Phase 3 Process Letter, these parties were advised that Successful Bids had been selected for m-Health, Medicentres and Privamed, but that they were invited to submit a binding proposal for the CDL and Some Québec Medical Clinics Assets and Business, no later than by April 17, 2025, at 5:00 p.m. (prevailing Eastern Time) (the "**Phase 3 Bid Deadline**").
- 5.21. In other words, Phase 3 of the SISP was launched and begun in parallel of the negotiation and execution of documentation and materials relating to the m-Health and Medicentres transactions, as well as ongoing discussions pertaining to Privamed. Although this further

complexified and intensified the steps and work performed by the Financial Advisor, the Monitor and its counsel and the Applicants' counsel, it was required in light of very short timelines and strained liquidities in order to negotiate and implement transactions.

5.22. As mentioned in the Application, the Phase 3 Process Letter sets forth the conditions pursuant to which a bid in such a Phase 3 (a "**Phase 3 Bid**") could be qualified.

5.23. The contemplated timeline for Phase 3 can be summarized as follows:

	Phase 3
1. Phase 3 Bid Deadline & Qualified Bidders Phase 3 Bid Deadline (for delivery of definitive offers by Phase 3 Qualified Bidders in accordance with the requirement of paragraph 20 of the Bidding Procedures)	By no later than <u>April 17</u> , 2025, at 5:00 p.m. (prevailing Eastern Time)
2. Selection of final Successful Bid(s) Deadline for selection of final Successful Bid(s)	By no later than <u>April 24</u> , 2025, at 5:00 p.m. (prevailing Eastern Time)
3. Definitive documentation Completion of definitive documentation in respect of Successful Bid(s)	Week of <u>May 5</u> , 2025
4. Approval Application – Successful Bid(s) Filing of Approval Application in respect of Successful Bid(s)	Week of <u>May 5</u> , 2025, subject to Court availability and finalisation of Definitive Documentation
5. Closing – Successful Bid(s) Anticipated closing of Successful Bid(s)	<u>May 9</u> , 2025, subject to Court availability for Approval Application

5.24. In light of the fact that the Phase 3 Bids were just received prior to the service of the Application, the Monitor intends to seek approval of any such transactions at a later date, likely concurrently with the Privamed transaction, and will report to the Court on the next steps of Phase 3 in due course.

5.25. The requested extension as sought by the Application is necessary in order to finalize the SISP, including for Phase 3, in view of concluding one or more transaction(s) for the CDL and Some Québec Medical Clinics Assets and Business in the interest of all stakeholders.

5.26. It is expected that the steps provided for in Phase 3 of the SISP and the potential closing of any such transaction(s) can be completed during the proposed extended Stay Period.

6. THE PROPOSED TRANSACTIONS AND RECOMMENDATIONS OF THE MONITOR

m-Health Transaction

- 6.1. The summary, key terms and grounds for approval of the m-Health transaction are presented in greater detail at paragraphs 41 to 60 of the Application.
- 6.2. The m-Health Transaction involves the sale and transfer of virtually all assets associated with m-Health's business to CML. These assets include, among others, Inventory, Assumed contracts, Fixed Assets and Equipment, Real Property Leases, Intellectual Property, and Permits as defined in the m-Health APA (collectively referred to as the "**m-Health Purchased Assets**").
- 6.3. The m-Health APA contemplates the sale of the m-Health Purchased Assets for a purchase price set forth at Section 3.1 of the m-Health APA (the "**m-Health Purchase Price**"), which, including estimated adjustments, is presented in **Schedule D under seal**.
- 6.4. Certain other key terms of the m-Health APA include that:
 - 6.4.1. The m-Health Purchased Assets are sold, and the Assumed Liabilities, which include *inter alia* the obligations towards employees as provided by the m-Health APA, including any vacation pay, bonus accruals or wage liabilities, are assumed, on an "as is, where is" basis;
 - 6.4.2. It is conditional upon the issuance of the m-Health AVO;
 - 6.4.3. It is conditional upon the transfer of Transferred Permits, and certain other confidential conditions;
 - 6.4.4. The m-Health Purchase Price is payable in full by CML to the Monitor at Closing, subject to certain limited adjustments provided under Section 3.5 of the m-Health APA;
 - 6.4.5. The purchaser will assume all or nearly all of the employees and the majority of contracts of m-Health; and
 - 6.4.6. The closing of the m-Health Transaction is expected to occur on or before May 16, 2025, and no later than July 16, 2025.
- 6.5. In relation to Assumed Contracts to which m-Health is party (Schedule E of the m-Health AVO), the m-Health APA provides that they shall be assigned to CML as part of the m-Health AVO for which approval is sought. In such cases, the cure costs must be paid by the buyer in accordance with the instructions of the Monitor (i.e. directly to the counterparties to the Assumed Contracts or to the Monitor for it to pay the cure costs to such counterparties after closing), to be provided no later than two (2) business days prior to the closing date.
- 6.6. The m-Health APA also provides for a mechanism for post-closing assignment of contracts, whereby CML can elect to assume additional contracts for a period of up to 30 days following closing. The post-closing assignment mechanism is further detailed at paragraph 52 of the Application, and paragraphs 22 and following of the m-Health AVO.

- 6.7. The Monitor is satisfied that, should approval be granted in the context of the Application, the remaining conditions to closing and steps to implement the m-Health Transaction will lead to closing.
- 6.8. The m-Health Transaction is clearly in the best interest of its stakeholders as it contemplates a going concern transaction which will maintain its activities as well as provide continuous employment of all or nearly all of the approximately 50 employees, as well as to preserve contracts that are currently in place, including 275 contracted physicians.
- 6.9. The m-Health Transaction will furthermore allow for the continuation of the services provided to patients and clients of m-Health.
- 6.10. The Monitor is satisfied that the SISP was conducted in a fair and reasonable manner, as explained above, and that the m-Health Transaction constitutes the highest and best transaction available resulting from the SISP, to the benefit of the stakeholders, and is largely more beneficial to the creditors than a sale or disposition under a bankruptcy.
- 6.11. The Monitor is also satisfied that the m-Health Purchase Price is fair and reasonable in the circumstances.
- 6.12. Furthermore, subject to the closing of the Medicentres Transaction in parallel, it is sufficient to repay the full amount of the DIP Facility (as sought to be increased by the Fourth ARIO Application), amounts owed to NBC under its first ranking security against m-Health, as well as the amounts owed under m-Health's second ranking security provided by Norea Capital (being understood that the amounts claimed by Norea Capital are under review by the Monitor and are not accepted, but such determination would apply even if the amounts would be accepted in full by the Monitor or by the Court).
- 6.13. In light of these reasons, the Monitor recommends the acceptance of the m-Health transaction and the issuance of the m-Health AVO.

Medicentres transaction

- 6.14. The summary, key terms and grounds for approval of the Medicentres transaction are presented in greater detail at paragraphs 61 to 79 of the Application.
- 6.15. The Medicentres Transaction, which is structured as a reverse vesting transaction, contemplates the continuation of substantially all of Medicentres' activities and the retention of the near totality of Medicentres' assets and contracts.
- 6.16. The Medicentres Transaction, *inter alia*, can be summarized on a high level by the steps below (as such terms are defined in the RVO):
- 6.16.1. Implementation of pre-closing transactions in order to incorporate ResidualCo 1 and ResidualCo 2;

- 6.16.2. At the Closing Time, (i) assumption of Excluded Liabilities by ResidualCo 1, and (ii) transfer of Excluded Contracts and Excluded Assets to ResidualCo 2;
- 6.16.3. Upon issuance of the Medicentres RVO, cancellation of Existing Shares and subscription by the Buyer of the Subscribed Shares, in consideration of the Purchase Price and vesting of the Assumed Liabilities, Retained Assets and Retained Contracts in Medicentres; and
- 6.16.4. Payment of Cure Costs from the Purchase Price within ten (10) business days of closing.
- 6.17. Certain other key terms of the Medicentres SPA include that:
- 6.17.1. It is conditional upon the issuance of the RVO;
- 6.17.2. The Subscription Price which, along with the estimated adjustments, is presented in **Schedule D under seal**, is payable in full upon closing;
- 6.17.3. the Assumed Liabilities include, *inter alia*, (i) all Liabilities with respect to any vacation entitlement and notice entitlement upon termination of employment of the Retained Employees, and (ii) all Liabilities of Medicentres which relate to payment obligations to physicians in respect of services performed under any Retained Contracts on or prior to the Closing Date and for which a corresponding Account Receivable is acquired by Medavie at the Closing.
- 6.17.4. the closing of the Medicentres Transaction shall occur on or before April 30, 2025.
- 6.18. As at the date of the Fourth Report, the Monitor understands that it is Medavie's intention to retain almost all employees and contracts, as well as to keep all clinics in operation.
- 6.19. The Monitor is satisfied that, should approval be granted, that the remaining steps to implement the Medicentres transaction will lead to closing.
- 6.20. The Medicentres transaction is in the best interest of its stakeholders and the general public, as it contemplates a going concern transaction which will maintain the activities of the 32 clinics, continuous employment for nearly all 243 employees, as well as to preserve contracts that are currently in place, including with 182 physicians and health professionals, the whole in order to maintain services for the thousands of patients of the public sector who attend these clinics.
- 6.21. The Monitor is satisfied that the SISP was conducted in a fair and reasonable manner, as explained above, and that the Medicentres Transaction constitutes the highest and best transaction available for Medicentres resulting from the SISP, to the benefit of the stakeholders and the general public.
- 6.22. The Monitor is also satisfied that the Subscription Price is fair and reasonable in the circumstances, and is largely more beneficial to the creditors than a sale or disposition under a bankruptcy.

- 6.23. Furthermore, it is sufficient and will allow to repay the pre-filing amounts owed to physicians which are guaranteed under the MRP Charge, which was put in place in order to foster the retention of the affected physicians, and was essential in order to preserve value and avoid the disruption of activities for patients during the restructuring proceedings, the whole in furtherance of the objectives pursuant to the CCAA.
- 6.24. As more detailed in the following section, it will also provide allow for a reimbursement of the DIP Facility, partial reimbursement of the indebtedness to NBC, who is the first-ranking secured creditor on Medicentres.
- 6.25. As it relates to the reverse vesting structure sought and requested by the purchaser in the form of the Medicentres RVO, the Monitor is informed that such a structure is requested by Medavie in order *inter alia* to:
- 6.25.1. facilitate and accelerate the transition of the business in all four (4) provinces in an efficient and orderly manner, including more particularly as it relates to billing measures, licenses, permits, regulatory approvals and other requirements to operate the 32 clinics; and to
- 6.25.2. maintain any such permits, licenses and authorizations during the transition, given the regulated nature of the sector, and avoid issues in providing services to patients.
- 6.26. The Monitor supports this reverse vesting structure in this context and for these reasons.
- 6.27. The Monitor recommends the acceptance of the Medicentres transaction and the issuance of the Medicentres RVO.

7. CURE COSTS AND CCAA CHARGES

m-Health AVO – Cure Costs and CCAA Charges

- 7.1. Paragraph 39 of the m-Health AVO contemplates that the Monitor is authorized to make certain distributions to pay, on behalf of Medicentres, (i) amounts owed in relation to Cure Costs, and (ii) amounts that may be owed under CCAA Charges, as authorized in accordance with paragraph 28 of the Third ARIO (and of the draft Fourth ARIO). These amounts include sums owed under the DIP Charge.

Medicentres RVO – Cure Costs and CCAA Charges

- 7.2. Paragraph 42 of the Medicentres RVO contemplates that the Monitor is authorized to make certain distributions to pay, on behalf of Medicentres, (i) amounts owed in relation to Cure Costs, and (ii) amounts that may be owed under CCAA Charges, as authorized by paragraph 28 of the Third ARIO (and of the draft Fourth ARIO). These amounts included sums owed under the MRP Charge (see details in the following section), the Medicentres KERP Charge and the DIP Charge.

- 7.3. The Monitor is supportive of the relief sought in this respect.
- 7.4. As it relates to future distributions to be made from the net proceeds of transactions, a future distribution order will be sought in due time and will require the completion of the process pertaining Intercompany Transactions Report and the Proposed Allocation (as defined and detailed at paragraphs 28 and following of the Third ARIO (and of the draft Fourth ARIO)).

8. DETAILS REGARDING AMOUNTS OWED UNDER THE MRP CHARGE

- 8.1. As mentioned at paragraph 75 of the Application, the Subscription Price of the Medicentres transaction is amply sufficient to allow for the repayment of pre-filing amounts owed to physicians which are guaranteed under the MRP Charge, which forms part of the CCAA Charges.
- 8.2. The process that is contemplated by the Medicentres RVO (at paragraph 31a)), to proceed with payments to beneficiaries of the MRP Charge provides that: the Monitor shall send within five (5) days of the issuance of this Order to each of the doctors affiliated with the Corporation, and other affiliated individual healthcare providers, as applicable, a letter (i) indicating the amounts which are owed under the MRP (according to information provided by Medicentres), (ii) requiring confirmation of such amounts as well as information and payment details of same, or any correction deemed necessary, with supporting documentation, and (iii) advising that, within ten (10) business days upon receipt of such confirmation or determination of any disputed amount, and subject to the issuance of the Monitor's Certificate, payment will be issued in accordance with the information on record or as corrected by the beneficiaries of the MRP Charge.
- 8.3. In the event that certain physicians dispute the amount indicated in the letter and no determination is possible, or do not answer to the letter from the Monitor, by a certain date, the Monitor intends to keep the amount in trust and deal with these issues at the time of the distribution order.

9. CHANGE IN CASH POSITION

- 9.1. Since the Third Report, the Monitor continued to supervise the business, operations and financial situation of the Applicants on a daily basis, and obtained all the necessary collaboration from the Applicants, Management and the CFO.
- 9.2. Furthermore, the financial situation and change in cash position is reviewed and communicated weekly to the interim lender and its counsel, as part of the reporting obligations under the DIP Facility.
- 9.3. The Monitor's analysis essentially consists of enquiries, analytical procedures and discussions related to information supplied by Management. This work does not constitute an audit or review of the financial statements in accordance with generally accepted auditing standards established by CPA Canada or by the American Institute of Certified Public Accountants

(AICPA). No audit work has been carried out by the Monitor and, consequently, it does not express an opinion on these financial statements or hypotheses.

- 9.4. Below is a comparison of actual and projected changes in cash position for the six-week period ended April 11, 2025:

(In thousands of \$)	As at April 11, 2025 (6 weeks)		
	Actual	Budget	Variances
Receipts			
Opening AR and Subsequent sales	10,807	10,355	452
Evalumedic - Dividends	153	120	33
DIP Drawdown	2,100	2,100	-
M-Health - Line of credit Drawdown / (Reimbursement)	-	500	(500)
	13,061	13,075	(15)
Disbursements			
Subsequent purchases			
Laboratory direct costs, medical supplies, office furnitures and other expenses	2,943	2,847	(96)
Physicians - Medicentres and m-Health	3,973	4,286	313
Salary and social benefits	3,670	3,612	(58)
Rent	1,497	1,740	243
Restructuring professional fees (pre-filing and post-filing) and M&A fees	1,450	2,233	783
Contingency reserve	-	78	78
NBC - M-Health loan - Interests	77	88	11
Obligation under capital leases	24	17	(7)
Bank fees and interest on DIP facility	236	219	(17)
Sales taxes	122	296	173
	13,992	15,415	1,423
(Decrease) / Increase in cash	(931)	(2,340)	1,408
Cash - Opening balance	2,387	2,387	(0)
Cash - Ending balance	1,456	48	1,408

- 9.5. As at April 11, 2025, cash totaled \$1.5 million, \$1.4 million more than forecasted, mostly due to timing differences related to disbursements. The main variances are summarized on the following page.

Receipts

- 9.5.1. Opening AR and Subsequent sales - \$452,000 (4%) higher than forecasted: higher than forecasted services provided by m-Health and Medicentres physicians. Considering that the amount remitted to physicians in regards to these services was \$313,000 lower than forecasted, the net collection for these two business units represented a total positive variance of \$765,000.

Disbursements

- 9.5.2. Rent: \$243,000 lower than forecasted: April cheques that were issued, but not cleared as at April 11, 2025, and timing difference for the payment of the rent relating to the Metro-Medic clinic, following the execution of a temporary lease agreement in April.
- 9.5.3. Restructuring professional fees (pre-filing and post-filing) and M&A fees - \$ 783,000 lower than forecasted: timing difference given that accruals, including invoices and work in progress balance of all professionals, totaled \$834,000 as at April 11, 2025.
- 9.5.4. Sales taxes - \$122,000 lower than forecasted: for administrative reasons, post-filing sales taxes assessments of Medicentres totaling \$147,000 were filed and paid on April 24, 2025.

10. DIP FACILITY AND DIP CHARGE

- 10.1. Additional financing in the amount of \$1.5M will be required during the proposed Stay Period, in order to maintain the operations of the ELNA Group, to close the m-Health and Medicentres transactions, to complete the Privamed Transaction and one or more additional transaction(s) as part of Phase 3 of the SISP, for the benefit of all stakeholders and of the general public.
- 10.2. Information pertaining to additional required interim financing funding is presented in the updated cash-flow forecast.
- 10.3. At the time of issuance of this Fourth Report, the Applicants and the interim lender have agreed in principle, subject to the final approval of NBC and the approval of the Court, to increase the amount of the DIP Facility from \$6.5M up to an amount of \$8M, which is expected to be sufficient to allow for the continuation of operations during the proposed Stay Period, subject to certain assumptions present in the cash-flow forecast including relating to the m-Health line of credit and forecasted intercompany payments to other Applicant entities.
- 10.4. Given the potential increase of the DIP Facility which is expected to be sought prior to the hearing, a correlative increase of the DIP Charge would also be required, up to the amount of \$9.6 million (being \$8 million + 20%).
- 10.5. It is the intention that the increase of the DIP Facility and DIP Charge will be sought on April 25, 2025.

11. INTERCOMPANY TRANSACTIONS

- 11.1. An updated summary of Intercompany Transactions, as at April 11, 2025 is presented at **Schedule E**.

12. CASH FLOW FORECAST

12.1. Management, with the assistance of the Monitor, prepared a projected cash flow statement, which is summarized in the table presented below.

(in thousands of \$)	Week 1 4/18/2025	Week 2 4/25/2025	Week 3 5/2/2025	Week 4 5/9/2025	Week 5 5/16/2025	Week 6 5/23/2025	Week 7 5/30/2025	Total
Receipts								
Opening AR and Subsequent sales	3,308	1,778	876	468	2,378	-	-	8,808
Evalumedic - Dividends	-	-	-	-	-	120	-	120
DIP Drawdown	-	-	750	750	-	-	-	1,500
M-Health - Line of credit Drawdown	-	-	500	-	-	-	-	500
Transfer from (to) non consolidated accounts	-	-	-	-	-	-	-	0
	3,308	1,778	2,126	1,218	2,378	120	-	10,928
Disbursements								
Purchases								
Direct costs - Laboratory	84	84	84	84	84	84	-	504
Physicians (Medicentres and m-health)	1,409	529	642	-	629	-	-	3,208
Salary and social benefits	312	861	326	691	35	553	18	2,796
Professionnal fees	8	8	8	8	8	8	-	49
Rent	38	172	584	-	32	-	-	826
Office furnitures	55	55	55	22	22	22	-	231
Medical supplies	245	144	253	138	82	22	-	883
Others	127	141	123	77	77	77	-	622
Restructuring and M&A professional fees (post-filing)	92	275	634	731	481	155	155	2,524
NBC - M-Health loan - Interests	11	-	88	-	-	-	-	99
Obligation under capital leases	6	1	32	5	1	-	1	46
Interest and bank fees (including DIP)	19	3	98	0	0	-	98	218
Sales taxes	-	172	-	-	-	-	100	272
	2,406	2,446	2,928	1,757	1,451	920	371	12,279
Decrease (Increase) in cash / bank advances	902	(668)	(802)	(539)	927	(800)	(371)	(1,351)
Cash (Bank advances) - Opening balance	1,456	2,358	1,690	888	349	1,276	476	1,456
Cash - Ending balance	2,358	1,690	888	349	1,276	476	105	105

12.2. These projections have been prepared based on assumptions which reflect the approach expected to be taken by Management, given the financial and economic conditions and hypotheses which, in the opinion of Management are reasonable and expected. The projected cash flow is also based on recent average weekly receipts and disbursements and is based on the assumption that all of the assets of the group would be sold by the end of May 2025.

12.3. The Monitor's involvement was limited to presenting, in the form of a projected cash flow statement, information provided by Management and evaluating the support for the assumptions or other information underlying the forecast. Given that these projections are based on assumptions regarding future events, actual results will vary from the information presented and the variances may be material.

12.4. As mentioned above, given the uncertain collection of GMF subsidy, no such receipt has been forecasted by Management.

12.5. Considering the above, additional interim financing is required in the amount of \$1.5 million during the proposed Stay Period.

12.6. In addition to the required increase in the DIP Facility, the cash-flow forecast assumes that the Applicants will be able to drawdown on the m-Health line of credit in the amount of \$500K, which

amount would be made available to other entities of the ELNA Group by way of intercompany transactions and in accordance with paragraphs 28 and following of the Third ARIO (and of the draft Fourth ARIO). Moreover, after the contemplated closing of the m-Health transaction, m-Health's available cash would be transferred to other Applicant entities by way of additional intercompany transactions (again in accordance with paragraphs 28 and following of the Third ARIO (and of the draft Fourth ARIO)). In light of certain representations that were made at the time of the hearing of December 17, 2024, that led to the ARIO, the Monitor's counsel has had discussions with Norea's counsel regarding these forecasted intercompany transactions.

- 12.7. In light of the mechanics provided by paragraphs 28 and following of the Third ARIO (and of the draft Fourth ARIO) and given particularly the expected recovery resulting from the m-Health transaction providing that Norea will be repaid in full, the Monitor is of the view that such intercompany transactions are to the benefit of the restructuring process and that Norea suffers no prejudice resulting therefrom, such that Norea should consent to such relief.

13. UPDATE ON MATTERS RELATING TO NON-APPLICANT ENTITIES SINCE THE ISSUANCE OF THE THIRD REPORT

13.1. Gestion Elna Pierrefonds Inc.:

13.1.1. As indicated in the Third Report, this non-applicant entity no longer has any significant operations but owns an immovable property which is secured in favor of Banque Laurentienne du Canada ("**BLC**") and certain subordinate creditors (the "**Pierrefonds Immovable**"), some of which having announced and/or begun enforcement measures.

13.1.2. Following the reception of a summary valuation opinion letter obtained on February 28, 2025, discussions were held between Management, representatives of BLC and respective legal counsel to determine the most cost-effective path forward to realize this asset.

13.1.3. As these discussions are still ongoing, an update will be presented in due time.

13.2. Transition Service Agreements with Physimed:

13.2.1. The final draft agreement was sent by the Applicant's' legal counsel to Physimed's representatives, for signature, on March 19, 2025. As of today, the agreement has not yet been executed.

13.2.2. Multiple e-mails were since exchanged between the Monitor's legal counsel and Physimed's legal counsel, as Physimed alleges that the Applicants and/or the Monitor have agreed to a 36-month undertaking that CDL/ELNA provide special pricing to Physimed, notwithstanding the ongoing CCAA proceedings. The Monitor's counsel has responded in detail, with supporting documentation, that no such undertaking was ever given by the Applicants or the Monitor.

13.2.3. Certain exchanges have occurred to seek the finalization of an agreement, notwithstanding Physimed's alleged claim, which appears ill founded.

13.2.4. It is not expected at this stage that an agreement will be reached, and discussions have been interrupted. The Monitor is reviewing the situation in terms of what steps are required to be implemented given Physimed's refusal to enter into an agreement and provide payment for the services performed.

13.3. Brunswick receivership proceedings:

13.3.1. On February 19, 2025, Business Development Bank of Canada and the Toronto-Dominion Bank notified in Court file number 500-11-065293-256 an application for the appointment of a receiver to the assets of Brunswick, a non-applicant entity, which was granted on March 11, 2025.

13.3.2. On that date, a separate team from Raymond Chabot Inc. was appointed receiver to the assets of Brunswick.

13.3.3. In the Third Report, the Monitor indicated that a TSA was in discussion between the Applicants, the Monitor and the Receiver, to determine if any services were required to be maintained.

13.3.4. At this stage, no TSA appears required.

14. EXTENSION SOUGHT

14.1. Considering the ongoing Phase 3 of the SISP and the contemplated closing of the proposed transactions, an extension of the Stay Period up to and including May 30, 2025, is required in order notably to:

14.1.1. Maintain the going concern of the Applicants;

14.1.2. Consider and implement other restructuring measures, as required;

14.1.3. Provide sufficient time for the closing of the m-Health and Medicentres transactions;

14.1.4. Seek the approval of the Privamed Transaction and of one or more transactions pertaining to the CDL and Some Québec Medical Clinics Assets and Business, and work to closing of all said transactions.

14.2. The Monitor is supportive of such relief, which is in the best interest of all stakeholders.

15. CONCLUSIONS AND RECOMMENDATIONS

- 15.1. Based on the information presented previously in this Fourth Report as well as the work performed to date, the Monitor has no reason to question the Applicants' diligence, good faith and proper intentions in pursuing the current restructuring proceedings.
- 15.2. Considering the above, the Monitor supports the relief sought in the Fourth ARIO Application and in the Application.
- 15.3. Moreover, the Monitor recommends that the Court approve the two proposed transactions and grant the proposed m-Health AVO and Medicentres RVO. Both proposed transactions are advantageous for the Applicants and all stakeholders, the general public, notably physicians, employees, patients, landlords and creditors and meet the requirements for the approval of such transactions.

SCHEDULE A – LIST OF APPLICANT ENTITIES

SCHEDULE A – LIST OF APPLICANT ENTITIES

- 9508503 Canada Inc.
- ELNA Medical Group Inc.
- ELNA Pediatrics Inc.
- Tiny Tots Medical Centre Ltd.
- 7503881 Canada Inc.
- Clinique Médicale ELNA Unimed Inc.
- Gestion ELNA 2 Inc. (ELNA Plateau Mont Royal)
- CDL Protontherapy Center Inc.
- CDL Proton Management Inc.
- Clinique Médicale ELNA Châteauguay Inc.
- Clinique Métro-Medic Centre-Ville Inc.
- 9248-5994 Québec Inc. (ELNA Pierrefonds)
- Créa-Med Clinique de Médecine Privée Inc.
- GBMC Medical Office Management Inc.
- Omni-Med Stillview Inc.
- Elna Rockland Management Inc.
- ELNA Rockland Clinic Inc.
- ELNA Clinique A Inc.
- ELNA Group Inc. (ELNA Cosmetics)
- ELNA Anti-Aging Inc.
- Clinique Médicale ELNA Décarie Inc.
- ELNA Plus Decarie Square Inc.
- ELNA Mental Health Inc.
- ELNA Technologies Inc.
- Montreal Perfusion Centre Inc.
- Gestion ELNA 1 Inc.
- Clinique Privamed Inc.
- M-Health Solutions Inc.
- 1000224328 Ontario Inc.
- CDL Laboratories Inc.
- 11247603 Canada Inc.
- 7159099 Canada Inc.
- CDL Cardiology Inc.
- ELNA Acquisitions Inc.
- Medicentres Canada Inc.
- 9472-1024 Québec inc.
- Gestion Privamed Inc.

SCHEDULE B – SUMMARY OF PHASE 2 OFFERS – UNDER SEAL

SCHEDULE C – COMMUNICATIONS TO RECIPIENTS OF NOTIFICATION OF THE APPLICATION

De : Boucher, Marc-Etienne

Envoyé : mardi, avril 22, 2025 17:57

Cc : ELNA <ELNA@rcgt.com>; Perreault, Jocelyn <jperreault@mccarthy.ca>; Fontaine, Benoit <fontaine.benoit@rcgt.com>; Atallah, Raymond <atallah.raymond@rcgt.com>

Objet : TR: NOTIFICATION - In the CCAA matter of ELNA Medical Group Inc. et al. - Application for the Approval of an AVO and an RVO [MT-MTDOCS.FID4083132]

Dear all,

We act for Raymond Chabot Inc., in its capacity as Court-appointed Monitor in the restructuring proceedings under the CCAA of Medicentres Canada Inc. ("**Medicentres**"), and certain affiliates.

You will have received late Thursday service of an application and certain exhibits. This application seeks Court-approval of a transaction pursuant to which Medavie Inc. ("**Medavie**") will acquire substantially all of the assets and business of Medicentres, subject to closing and certain conditions (and to the approval of the Court being sought). You will also in certain cases have received an explanatory note from Wayne Samuels to employees and physicians, prior to service of the application (which we enclose for convenience).

The term "returnable" in the notification email refers to the date of presentation of the application before the Court (in other words, the Court hearing), which is scheduled for April 25, 2025. This transaction contemplates the going concern and continuation of the business, as well as the retention of employees and several contracts to which Medicentres is party, including the ones with physicians, and is thus a very positive outcome for all stakeholders and will allow the clinics to continue operating in the normal course of business.

In that context, service of the application is required to counterparties identified by the company, including in some cases physicians, and that is the reason why the application was sent, in transparency for all involved. There is no action required on your part to ensure that your contract be continued and retained and the order being sought in relation to retained contracts will not affect the rights and obligations of counterparties, such that the transition should be essentially seamless for you and the patients. Note that the transaction only concerns Medicentres and not other entities of the ELNA Group.

We hope that this email clarifies the situation. If you have any additional questions, you may contact us or the representatives of the Monitor at elna@rcgt.com.

Kind regards,



Marc-Étienne Boucher

Sociétaire | Associate

Faillite et restructuration | Bankruptcy and Restructuring

T: 514-397-5463

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McCarthy Tétrault LLP

Bureau MZ400

1000, rue De La Gauchetière Ouest

Montréal QC H3B 0A2



MedicentresTM
Family Health Care Clinics

Dear Medicentres Physicians and Staff,

This has been a challenging time for everyone at Medicentres, but I'm very excited to let you know that we are entering into the final stages of Project Phoenix. I am pleased to be able to share with you today that, subject to Court approval and closing of the transaction, the successful bidder for the Medicentres network is **Medavie**, a Canadian not-for-profit health organization based in Atlantic Canada. This represents an exciting new step for Medicentres, as we look towards the future.

For those of you not familiar with Medavie (www.medavie.ca), their origins are in health insurance; Medavie is the largest Blue Cross provider in the country with \$6.9 billion in claims, covering over 3.5 million Canadians, and is Canada's largest private administrator of federal and provincial government-sponsored health programs. They are also Canada's largest contracted provider of emergency medical services with operations in Alberta, Saskatchewan, Ontario and Atlantic Canada, and are a national leader in primary and community health care solutions, including the operation of a network of 10 medical clinics in New Brunswick.

Medavie focuses on the patient, provider, and employee experience across all of their various business lines and they have been recognized by several organizations for their workplace culture and commitment to their employees. As a not-for-profit organization they don't have shareholders; this allows them to reinvest in their programs and support other health-focused organizations. While not a charity themselves, their foundation works with charities and non-profits across Canada to support programs for Healthy Living, Youth Mental Health, and Post-Traumatic Stress.

As I mentioned in my earlier note, the Senior Team and I have had the chance to spend a considerable amount of time with the Medavie team during the bidding process, and since they were identified as the successful bidder. What stands out to me most about when I think about how Medicentres and Medavie will fit together is their values, and their mission to help people across Canada live fuller, healthier lives.

At this stage in the process, the deal has been signed and now will be presented to the Court by the Monitor for approval on April 25th, 2025. The Medicentres Senior Team will be working with the Monitor, ELNA, and the Medavie team to complete the closing process thereafter. While there is still much to be done, our joint focus is to make it as smooth a transition as possible, allowing you to maintain your focus on providing care to patients.

Some of you may receive directly from the Monitor a copy of the court application for approval of this transaction (as well as for an unrelated transaction in respect to an affiliate of the ELNA group), as a part of a legal process surrounding the approval of the transaction in the context of the CCAA proceedings. Not everyone will receive notice of the application from the Monitor– it is only being sent to certain individuals whose specific employment or contractual arrangements require legal notification for the approval of the transaction. **Please rest assured that if you do not receive notice of the application, there is no cause for concern, it is only part of the legal process.** We (the Senior Team and I) will continue to share updates as we move through the final steps about how things are progressing.

For physicians in Alberta, I know the most pressing questions surround the timing of the payments owing under the MRP. As a reminder, the MRP provides for payments to be made thereunder following closing of the transaction. Once there is more clarity on the precise timing and details of the closing, the Monitor will be able to provide concrete information in connection with the MRP. **We are happy to report that, subject to closing of the transaction, there will be sufficient proceeds to pay all amounts owing under the MRP.**

At this stage in the process, I will continue to ask that you keep this exciting news within the organization – there will be very few (if any) public statements until the deal is completed, at which point we will be able to share the news widely. In the interim, if there are any questions that you receive from the media or others outside the organization, please refer them to me (wsamuels@medicentres.com).

As always, I want to thank you for your dedication to our patients throughout this process, and all of the effort you put in to ensure they continue to receive excellent care while we worked through Project Phoenix. Medavie being selected as the successful bidder gives me so much optimism about the future of Medicentres, and our efforts to improve the way that care is delivered in Canada!

Thank you once again for everything you do, every day, for our patients.

Regards,

A handwritten signature in black ink, appearing to read 'Wayne', with a stylized, cursive script.

Wayne Samuels
General Manager
Medicentres Canada (a part of ELNA Medical)

**SCHEDULE D- ESTIMATED NET PROCEEDS RELATED TO THE PROPOSED
TRANSACTIONS - UNDER SEAL**

SCHEDULE E – SUMMARY OF INTERCOMPANY TRANSACTIONS

Intercompany transactions

(in thousands of \$) - Note 1	EMG	GE1	CDL	Unimed	Décarie	Perf.	CDL Cardio	Medi- centres	TT DDO	TT Dec.	Château- guay	Méto- Medic	Pierre- fonds	Créa- Med	Stat- care	Omni- Med	Clin. A	Décarie Plus	Priva- med	Gest. Priv.	Total
Goods and services - Note 2																					
Week ended December 20, 2024	-	-	-	-	(100)	-	-	-	-	100	-	-	-	-	-	-	-	-	-	-	-
Week ended December 27, 2024																					
G2692000002338	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	26	-
G2692000002342	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	(3)	-	-
Week ended January 3, 2025																					
G2692000002349	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	3	-	-
CP108000000227	-	3	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CP1080000000493	-	1	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-
Week ended January 10, 2025																					
G2692000002384	-	-	-	-	-	-	-	-	(55)	55	-	-	-	-	-	-	-	-	-	-	-
CP1080000003574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38)	38	-
Week ended January 17, 2025																					
Week ending January 24, 2025																					
Week ended February 7, 2025																					
CP1080000000238	-	3	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CP1080000000508	-	1	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-
CP10800000003614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38)	38	-
CP10900000000908	-	-	-	(10)	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002454	-	-	-	-	-	-	-	-	(61)	61	-	-	-	-	-	-	-	-	-	-	-
Week ended February 14, 2025																					
G26920000002467	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-
CP10800000003639	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-
CP10800000000527	-	-	-	12	-	-	-	-	-	-	-	-	-	(12)	-	-	-	-	-	-	-
CP10800000003640	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20)	-	-
CP10800000003641	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8)	-	-
CP10800000003642	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-
CP10800000003643	-	-	-	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17)	-	-
Week ended February 21, 2025																					
LABORATOIRES CDL INC	-	-	-	(16)	-	-	-	-	-	-	-	-	-	-	-	-	16	-	-	-	-
G26920000002479	-	7	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended March 7, 2025																					
CP10800000000248	-	3	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CP10800000000519	-	1	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-
CP109000000000954	-	-	-	(10)	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002503	-	-	-	-	-	-	-	-	(51)	51	-	-	-	-	-	-	-	-	-	-	-
G26920000002508	-	22	-	(22)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002509	-	10	-	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CP10800000000262	-	-	-	2	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended March 14, 2025																					
CP10800000000539	-	-	-	26	-	-	-	-	-	-	-	-	-	(26)	-	-	-	-	-	-	-
CP10800000000267	-	-	-	3	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended March 21, 2025																					
G26920000002530	-	-	-	-	-	-	(12)	-	12	-	-	-	-	-	-	-	-	-	-	-	-
CP10800000003720	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22)	-	-
G26920000002533	-	-	-	(20)	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-
G26920000002534	-	-	-	(10)	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended March 28, 2025																					
G26920000002550	-	-	-	(10)	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-	-
G26920000002552	-	-	-	26	-	(26)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002554	-	-	-	(15)	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002555	-	-	-	(18)	-	-	-	-	-	-	-	18	-	-	-	-	-	-	-	-	-
G26920000002553	-	-	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-	46	-	-	-	-
CP10800000003741	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)	-	-
Week ended April 4, 2025																					
G26920000002561	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	0	-	-	-	-
G26920000002562	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	0	-	-	-	-
CP10800000000258	-	3	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002573	-	-	-	-	-	-	-	-	(2)	2	-	-	-	-	-	-	-	-	-	-	-
Week ended April 11, 2025																					
G26920000002581	-	-	-	-	-	-	-	-	(43)	43	-	-	-	-	-	-	-	-	-	-	-
G26920000002595	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
G26920000002594	-	7	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	16	28	(7)	(100)	-	10	-	(113)	221	-	-	(7)	(14)	-	5	16	-	(155)	102	-
Intercompany advances																					
Week ended December 13, 2024																					
G26920000002312	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	(20)	-	-
G26920000002313	-	-	-	-	-	-	-	-	(11)	-	-	-	-	-	-	-	-	11	-	-	-
G26920000002314	-	-	-	-	-	-	-	-	(6)	-	-	6	-	-	-	-	-	-	-	-	-
G26920000002315	-	-	-	-	-	-	-	-	(33)	-	-	-	-	-	33	-	-	-	-	-	-
Week ended December 20, 2024																					
G26920000002327	-	7	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002333	-	-	-	-	-	-	-	-	5	(5)	-	-	-	-	-	-	-	-	-	-	-
CP10800000000842	-	-	-	(10)	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended January 24, 2025																					
115	115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(115)	-	-
Week ended January 31, 2025																					
35848327	400	-	-	-	-	-	-	(400)	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002433	(115)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115	-	-
Week ended February 7, 2025																					
(400)	(400)	-	-	-	-	-	400	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended February 14, 2025																					
G26920000002461	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(150)	-	-
G26920000002462	25	-	-	-	-	-	-	-	-	-	-	-	(25)	-	-	-	-	-	-	-	-
Week ended February 21, 2025																					
G26920000002478	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(150)	-	-
CT 35961524	300	-	-	-	-	-	-	(300)	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended February 28, 2025																					
100	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(100)	-	-
Week ended March 28, 2025																					
250	250	-	-	-	-	-	-	(250)	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended April 4, 2025																					
(250)	(250)	-	-	-	-	-	-	250	-	-	-	-	-	-	-	-	-	-	-	-	-
Week ended April 11, 2025																					
CP10800000000844	(50)	-	-	-	-	-	-	50	-	-	-	-	-	-	-	-	-	-	-	-	-
G26920000002584	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(150)	-	-
G26920000002596	(50)	-	-	-	-																

Intercompany transactions

(in thousands of \$) - Note 1	EMG	GE1	CDL	Unimed	Décarie	Perf.	CDL Cardio	Medi- centres	TT DDO	TT Dec.	Château- guay	Métro- Medic	Pierre- fonds	Créa- Med	Stat- care	Omni- Med	Clin. A	Décarie Plus	Priva- med	Gest. Priv.	Total
DIP transfers (from/to EMG)																					
Week ended December 20, 2024	(318)	196	5	11	-	9	-	-	-	-	18	23	20	29	7	-	-	-	-	-	-
Week ended January 3, 2025	(593)	180	242	1	33	-	-	-	11	14	17	(2)	9	17	16	10	36	-	11	-	-
Week ended January 10, 2025	(166)	41	-	65	4	-	-	-	0	0	12	-	11	28	5	-	-	10	(11)	-	-
Week ended January 17, 2025	(201)	140	-	-	46	-	-	-	-	-	0	-	0	-	4	-	-	11	-	-	-
Week ended January 24, 2025	97	0	-	-	-	(9)	-	-	-	13	-	(20)	(16)	(55)	-	-	-	(10)	-	-	-
Week ended January 31, 2025	21	138	(95)	-	(20)	-	-	-	-	1	-	(25)	(19)	-	-	-	-	-	-	-	-
Week ended February 7, 2025	(157)	80	-	-	-	-	-	-	-	43	3	-	-	30	-	-	-	-	-	-	-
Week ended February 14, 2025	(227)	140	-	19	35	-	-	-	5	(8)	0	21	-	-	0	1	-	13	-	-	-
Week ended February 21, 2025	10	-	-	(8)	-	-	-	-	17	31	-	(21)	-	-	(5)	-	-	(23)	-	-	-
Week ended February 28, 2025	(172)	137	-	-	35	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
Week ended March 7, 2025	(134)	75	-	-	19	-	-	-	-	31	-	-	-	-	-	-	-	10	-	-	-
Week ended March 14, 2025	(241)	135	144	18	(34)	-	-	-	(15)	(27)	-	22	-	-	-	-	-	-	-	-	-
Week ended March 21, 2025	(23)	1	(74)	-	31	-	-	-	22	12	-	-	-	39	(5)	6	2	(10)	-	-	-
Week ended March 28, 2025	(78)	137	-	13	-	-	-	-	-	-	(4)	(33)	-	(25)	(1)	-	(8)	-	-	-	-
Week ended April 4, 2025	(116)	-	-	-	21	-	-	-	3	28	-	-	-	37	0	6	(12)	33	-	-	-
Week ended April 11, 2025	(214)	141	-	28	32	-	-	-	-	-	-	-	-	-	0	0	-	14	-	-	-
	(2,514)	1,539	222	147	201	-	-	-	43	135	48	(11)	0	81	22	23	18	47	-	-	-
	(1,739)	1,561	234	140	121	-	20	(250)	(116)	351	48	45	(32)	67	55	28	34	58	(725)	102	-

Note 1 :

Legal Names

Elna Medical Group Inc.
Gestion ELNA 1 Inc.
CDL Laboratories Inc.
CDL Cardiology Inc.
Medicentres Canada Inc.
Tiny Tots Medical Centre Ltd.
7503881 Canada Inc.
Clinique Médicale ELNA Unimed Inc.
Clinique Médicale ELNA Châteauquay Inc.
Clinique Méto-Medic Centre-Ville Inc.
9249-5984 Québec Inc. (ELNA Pierrefonds)
Créa-Med Clinique de Médecine Privée Inc.
GBMC Medical Office Management Inc.
Omni-Med Stilview Inc.
ELNA Clinique A Inc.
Clinique Médicale ELNA Décarie Inc.
ELNA Plus Décarie Square Inc.
Montreal Perfusion Center Inc.
Clinique Privamed Inc.
Gestion Privamed Inc.

Naming Convention

EMG
GE1
CDL
CDL Cardio
Medicentres
TT DDO
TT Dec.
Unimed
Châteauquay
Méto-Medic
Pierrefonds
CréaMed
Statcare
Omni-Med
Clin. A
Décarie
Décarie Plus
Perf.
Privamed
Gest. Priv.

Note 2 : As of the date of this report, some transfers have not yet been made between different companies of the group for post-filing services rendered. These transfers will be completed over the next weeks.