CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36)

No.: 500-11-

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

ELNA MEDICAL GROUP INC. / GROUPE MÉDICAL ELNA INC., a corporation existing under the laws of Canada, having its registered office at 5990 Chemin de la Côte-des-Neiges, Montréal, Québec, H3S 1Z5

-and-

9508503 CANADA INC., a corporation existing under the laws of Canada, having its registered office at 5990 Chemin de la Côte-des-Neiges, Montréal, Québec, H3S 1Z5

-and-

THE OTHER APPLICANTS LISTED IN SCHEDULE A HERETO

Applicants

-and-

LAURENT AMRAM, a physical person having his professional domicile at 5990 Chemin de la Côte-des-Neiges, Montréal, Québec, H3S 1Z5

Impleaded Party

-and-

RAYMOND CHABOT INC., having its head office at 600, De La Gauchetière West, Suite 2000, Montréal, Québec, H3B 4L8.

Proposed Monitor

APPLICATION FOR AN INITIAL ORDER, AN AMENDED AND RESTATED INITIAL ORDER, A SISP APPROVAL ORDER AND OTHER ANCILLARY RELIEF

(Sections 9, 10, 11 and ff, and 23 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36)

TO THE HONOURABLE JUSTICE MARTIN F. SHEEHAN OF THE SUPERIOR COURT SITTING IN THE COMMERCIAL DIVISION, IN THE JUDICIAL DISTRICT OF MONTRÉAL, THE APPLICANTS RESPECTFULLY SUBMIT AS FOLLOWS:

I. INTRODUCTION

1. By the present *Application for an Initial Order, an Amended and Restated Initial Order, a SISP Approval Order and other ancillary relief* (the "**Application**"), Elna Medical Group Inc. ("**EMG**"), 9508503 Canada Inc. ("**950 Canada**"), and the other Applicants listed in Schedule A hereto (collectively with EMG and 950 Canada, the "**Applicants**") hereby seek that this honourable Court issue an initial order, an amended and restated initial order, an order approving a sale and investment solicitation process and other ancillary relief, pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") and in respect of the Applicants.

2. Founded in Québec over 30 years ago through its wholly owned subsidiary, CDL Laboratories, the ELNA group has become a leading Canadian medical clinic consolidator and operator, offering comprehensive primary and specialty medical care, including state-of-the-art laboratory diagnostics and leading remote patient monitoring services (collectively the "**ELNA Group**").

3. The ELNA Group's mission is to transform the healthcare experience for both doctors and patients and ultimately improve patient outcomes by providing quick access to preventive, personalized, accessible and patient-centric care of the highest quality.

4. Through its approximately 1,000 physicians and more than 1,000 employees and healthcare professionals, the ELNA Group serves approximately three (3) million Canadians from Québec to Alberta, transforming the future of healthcare delivery and continuity of care by providing a seamlessly integrated care ecosystem, serving patients in its clinics, virtually and in-home.

5. With more than 100 clinics and points of care in five provinces, including 10 medical complexes (with nine (9) in Québec), the ELNA Group is Canada's largest network of integrated medical clinics, diagnostic laboratory services, and remote patient monitoring service.

6. The ELNA Group generates approximately $200 million of annual gross revenue.

7. With more than 30 in-house specialties and leading practices in family medicine, pediatrics, cardiology, urology, mental health, weight loss and sexual wellness, the ELNA Group continues to expand its comprehensive omnichannel offering through continuous investment in R&D and disruptive cutting-edge technologies, including artificial intelligence (“**AI**”).

8. Founded by Mr. Laurent Amram and supported by a team of seasoned executives, the ELNA Group’s head office is in Montreal, Québec, with satellite administrative offices in Edmonton (AB) and Hamilton (ONT). The ELNA Group is the only Québec-based healthcare organization to expand beyond the province and become a leader and disruptor in the Canadian healthcare industry.

9. Its goal is to continue raising quality standards, continue investing in innovation, in new clinic models and advanced technologies powered by AI to maintain its national leadership, and become the most trusted healthcare brand in the country.

10. Across its complex corporate structure, the ELNA Group operates under the following banners, many of which have become household names in the Canadian healthcare space, including, *inter alia*, the following:

<u>ELNA Clinic Network:</u>

- ELNA branded clinics (which for the purposes hereof included those clinics identified in Schedule B and operating under various brands) (“**ELNA Clinics**”);
- Brunswick Health Group Inc. and related entities (“**Brunswick Health Group**”);
- La Cité Médicale Inc. – Ste-Foy and Charlesbourg (“**La Cité Médical**”);
- Physimed Health Group Inc. and related entities (“**Physimed Health Group**”);
- Gestion Privamed Inc. and related entities (“**Privamed**”);
- Medicentres Canada Inc. and related entities (“**Medicentres**”);

<u>Diagnostic Laboratory:</u>

- CDL Laboratories Inc. and related entities[1] (“**CDL**”);

[1] For the purposes hereof the CDL entities include CDL Laboratories Inc., 11247603 Canada Inc., Évalumedic Inc., 7159099 Canada Inc., CDL Cardiology Inc., CDL Protontherapy Center Inc. and CDL Proton Management Inc.

Remote Monitoring:

- M-Health Solutions Inc. and related entities[2] ("**M-Health**").

11. In order to facilitate the reading of the present Application, the entities forming part of the ELNA clinic network are identified according to their operating banner in **Schedule B** hereto and are collectively referred to herein as the "**ELNA Clinic Network**".

12. Notwithstanding the growth of the business including the improved performance of certain of the recently acquired clinics, including La Cité Médicale, the Physimed Health Group, Medicentres and the Brunswick Health Group, the ELNA Group is currently facing liquidity challenges and significant financial hardship. In fact, as of the date hereof, the ELNA Group cannot meet its obligations as they become due, nor can it continue its operations in the normal course without additional funding.

13. In order to fund its growth strategy and address its liquidity needs, the ELNA Group retained the services of National Bank Financial Inc. as its financial advisor ("**NBF**") in May 2023 to initiate an Equity Raise Process (as defined below).

14. Given the delays associated with the Equity Raise Process, NBF was also retained in September 2024 to initiate, in parallel with the Equity Raise Process, a sale and investment solicitation process ("**SISP**"), the details of which are further set out below.

15. While both of these initiatives are still ongoing and generating interest for certain assets, the Applicants' limited financial resources leave them with no alternative but to continue these efforts in the context of CCAA proceedings, while maintaining reduced uninterrupted operations.

16. Consequently, the Applicants are seeking the relief sought herein in the best interest of the Applicants' stakeholders, including their over three (3) million patients across Canada.

17. Moreover, the continued uninterrupted operation of the ELNA Group, including notably the ELNA Clinic Network, is essential to maximizing the value of the business, while ensuring the delivery of healthcare to the patients of the ELNA Group and relieving significant pressure on the Canadian healthcare public system.

18. The Applicants' ultimate objective in the context of these CCAA proceedings is to propose a plan of arrangement to their creditors and exit CCAA protection as a revived going-concern business in the shortest possible timeframe.

19. Finally, since 1992 over 90% of the profits of the ELNA Group have been reinvested in the business, for the operations of the business, allowing it to grow over the last three decades, the whole for the benefit of its stakeholders. In

[2] For the purposes hereof the M-Health entities include M-Health Solutions Inc. and 1000224328 Ontario Inc.

addition, in the last couple of years alone, Mr. Laurent Amram has fully leveraged his personal assets to support the business, and its cash flow needs, again for the benefit of its stakeholders.

20. The present CCAA proceedings are solely in respect of the ELNA Group entities operating under the following banners: ELNA Clinics, Medicentres, Privamed, CDL, and M-Health.

21. At the first day hearing, the Applicants are seeking the issuance of an initial order providing for, *inter alia*, the following relief (the "**Initial Order**"), a draft copy of which is communicated herewith as **Exhibit P-1**:

    i. declaring that the CCAA applies to the Applicants;

    ii. staying all proceedings and remedies taken or that might be taken in respect of the Applicants, Laurent Amram, 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**");

    iii. appointing Raymond Chabot Inc. ("**RCI**" or the "**Proposed Monitor**") as the monitor of the Applicants in these proceedings (the "**Monitor**") and granting the Monitor the powers sought by the present Application;

    iv. ordering the procedural consolidation of these CCAA proceedings in respect of each of the Applicants, for administrative purposes only;

    v. granting the Administration Charge (as defined below);

    vi. granting a D&O Charge (as defined below);

    vii. authorizing the engagement of the CFO (as defined below);

    viii. authorizing National Bank of Canada ("**NBC**") to provide the DIP Facility (as defined below) to the Applicants and granting a DIP Charge (as defined below) in relation thereto;

    ix. authorizing the Applicants, with the consent of the Proposed 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 does not exceed $300,000 in the aggregate;

    x. authorizing the Applicants to pay, with the consent of the Proposed Monitor, any pre-filing unpaid claims of suppliers it deems critical, up to an aggregate amount of $300,000;

xi. authorizing the Applicants to establish the MRP and granting the related MRP Charge (as these terms are defined below);

xii. the scheduling of a comeback hearing for December 17, 2024 (the “**Comeback Hearing**”);

xiii. ordering the sealing of certain confidential exhibits supporting this Application; and

xiv. granting any other relevant first day relief.

22. A comparison of the draft Initial Order (Exhibit P1) and the Model CCAA Initial Order issued by the Bar of Montréal is communicated herewith as **Exhibit P-1A.**

23. In addition, at the First Day Hearing, the Applicants are seeking an order approving the initiation of a revised SISP in the context of these CCAA proceedings, as further described herein (the “**SISP Approval Order**”), a draft copy of which is communicated herewith as **Exhibit P-2**.

24. At the Comeback Hearing, the Applicants intend to seek an Amended and Restated Initial Order (the “**ARIO**”) substantially in the form of the copy of the draft ARIO which is communicated herewith as **Exhibit P-3**, and provides for, *inter alia,* the following additional relief:

i. extending the Stay Period until on or about February 12, 2025;

ii. authorizing the Applicants, with the consent of the Proposed 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;

iii. increasing certain CCAA Charges; and

iv. granting any other relevant relief sought by the Applicants or deemed necessary by this Court.

25. A comparison of the draft ARIO (Exhibit P-3) and the Model CCAA Initial Order issued by the Bar of Montréal is communicated herewith as **Exhibit P-3A**.

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II. THE ELNA CORPORATE GROUP AND THE BUSINESS

A. History and Overview

26. As Canada's largest integrated network of medical clinics, the ELNA Group is a medical service provider formed of clinics, a state-of-the-art medical diagnostics laboratory, as well as remote real-time medical monitoring service.

27. Founded by Mr. Laurent Amram in 1993, with just 8 employees, the ELNA Group initially focused on operating medical laboratories under the CDL banner.

28. In fact, CDL was Québec's first computerized lab, developing its own laboratory information management system. By 2001, CDL inaugurated its clinical research department and became operational 24h/day - 7 days/week – a feature that continues to distinguish CDL to this day. In 2015, CDL became the first lab in North America to utilize Roche Diagnostics' latest robotic analyzers, providing fully automated and improved processes.

29. Since then, CDL has become one of the most accredited laboratories in Canada with high quality standards and a comprehensive service offering. For over 20 years, the ELNA Group solely operated the CDL business line.

30. In 2016, the ELNA Group opened the first "ELNA" branded medical clinic and began operating the ELNA Clinic Network for which the brand is known today.

31. Supported by organic growth and sustained acquisitions, the ELNA Clinic Network has grown rapidly since its establishment in 2016. Today, the ELNA Group's ever-growing clinic network includes close to 1,000 medical professionals offering a wide array of quality primary and specialty medical services virtually, in-home and at more than 100 clinics and points of care throughout Canada.

32. The ELNA Clinic Network operates in both the public and private healthcare sectors.

33. Since entering into the healthcare clinics sphere, the ELNA Group has acquired several well known and established clinics across the country, such as: Tiny Tots (Québec's premier pediatric clinics), Medicentres clinics (Alberta, Manitoba, Ontario, Saskatchewan), the Brunswick Health Group and the Physimed Health Group.

34. The three most recent acquisitions in the ELNA Clinic Network include the Physimed Health Group (Montreal, Québec), and La Cité Médicale (Québec City region, Québec) both acquired in 2023, as well as the Brunswick Health Group (Montreal, Québec) acquired in early 2024.

35. Finally, in 2022, the ELNA Group entered into in-home patient monitoring with the acquisition of M-Health. M-Health specializes in remote monitoring solutions for

cardiac and sleep apnea testing using devices to measure vitals with real-time connection to the ELNA Group's proprietary tech platform to diagnose conditions.

36. Over 4,300 physicians practicing in over 60 hospitals and 1600 clinics in Ontario and Québec rely on M-Health's services for patient monitoring.

37. In accordance with the ELNA Group's rapid expansion and growth strategy, the ELNA Clinic Network was on track to increase its footprint materially with the anticipated addition of more than 50 clinics in the next year.

38. Additional detail in respect of the ELNA Group and its principal business lines is provided below.

B. Corporate Structure, Principal Lines of Business and Revenue Streams

39. The ELNA Group's head office operations are located in Montreal, Québec.

40. As indicated above, the ELNA Group predominantly operates the following three (3) business lines:

- medical clinics;
- a diagnostic laboratory; and
- remote monitoring services.

41. In addition, the ELNA Group is focused on innovation and the development of technological tools to revolutionize patient care and the patient experience, including through the use of AI.

42. These business endeavours are operated through various corporate entities which are collectively under the ELNA Group umbrella.

43. Accordingly, certain key services and general oversight are provided by the head office and management team to all members of the ELNA Group.

44. The Applicants are all directly or indirectly owned by Mr. Laurent Amram, the president, founder and the ultimately sole shareholder of the ELNA Group.

45. A summary of the Applicants' corporate structure is filed in support hereof as **Exhibit P-4**.

46. As of the date hereof, the ELNA Group has a total of approximately 1000 employees and healthcare professionals working across the various principal business lines, in addition to approximately 1000 physicians.

47. The majority of the employees of the ELNA Group are located in Québec.

Finally, the ELNA Group holds a minority interest in a number of specialty clinics with third-party partners, with certain clinics operating under the “ELNA” banner. These clinics are not subject to the present CCAA proceedings.

i. Head Office

48. EMG is a privately held corporation incorporated under the *Canada Business Corporations Act*, which is itself 100% owned by Mr. Laurent Amram through the holding company 950 Canada.

49. Gestion ELNA 1 Inc. (“**Gestion**”) is also a privately held corporation, incorporated under the *Québec Business Corporations Act*, with its majority shareholder being EMG. Gestion and EMG operate out of the same premises in Montreal, Québec which serves as the ELNA Group’s head office.

50. Both EMG and Gestion operate as head offices and centralize most of the corporate expenses of the three business lines of the ELNA Group, including but not limited to: finance and administrative services, human resources, marketing & communications, information technology, and treasury management.

51. Additionally, while Medicentres administrative operations are located in Alberta, all strategic and corporate decisions are made by the ELNA Group’s management team.

52. Finally, the ELNA Group relies on an experienced and seasoned management team, working out of the head office to oversee, *inter alia*, clinic operations, marketing & communications, human resources, information technology, finance, legal, physician recruitment, business development initiatives and overall technological innovation.

ii. Clinics

53. Founded in 2016, the ELNA Clinic Network has 100 clinics and points of care as well as ten (10) medical complexes offering primary and specialty care, including preventative and personalized medicine.

54. As Canada’s largest network of medical clinics (81), the ELNA Clinic Network operates in Québec (49), Ontario (7), Alberta (21), Saskatchewan (2) and Manitoba (2).

55. The vast majority of the ELNA Clinic Network operates out of leased premises in strategic locations in major metropolitan centres.

56. The ELNA Clinic Network is a leader in family medicine and specialty care, such as pediatrics, mental health, cardiology, urology, weight loss, sexual health, and endoscopy amongst others. The ELNA Clinic Network operates in both the public and private healthcare sectors.

57. Moreover, the ELNA Clinic Network is well regarded with physicians and in the medical community, as evident from its 91% physician retention rate and +50 Net Promoter Score.

58. In order to enhance the patient experience, and increase uniformity within the ELNA Clinic Network, the ELNA Group has developed a standardized operational structure to offer high quality service, support growth and optimize the profitability of its clinics.

59. Additionally, the ELNA Group has also developed a series of information technology protocols and procedures to optimize clinic operations and secure patient data.

60. The ELNA Group's operational structure utilizes a collection of procedures, policies and employee handbooks designed to standardize operations and best practices across its entire healthcare platform to create "*One ELNA Brand*".

61. As a public and private network of healthcare clinics, the ELNA Clinic Network generates revenues through various streams including physician rent, private appointment and procedure fees, annual memberships, and government subsidies (ex.: RAMQ).

62. The majority (60%) of the ELNA Clinics are located in Québec with Medicentres being the only clinic banner operating outside the province.

63. In Québec, the ELNA Clinic Network includes 49 clinics, comprising of 26 public primary and specialty care clinics, 11 private family medicine clinics, and 12 private wellness or procedure clinics, with approximately 500 general practitioners and specialty doctors across the province. It is the largest branded conglomerate of clinics within the ELNA Clinic Network.

64. Outside of Québec, the ELNA Clinic Network operates 32 family healthcare clinics with an established presence in Alberta, and a growing presence in other Canadian provinces under the Medicentres banner.

65. Acquired in late 2020 by the ELNA Group, Medicentres is a recognized healthcare brand which has been operating since 1979. Medicentres provides family medicine services covered by provincial insurance, targeting walk-in patients for in-person and virtual consultations.

66. Medicentres benefits from a strategic partnership and co-location agreement with Rexall Pharmacies which has continued to drive patients towards the ELNA Clinic Network.

iii. Diagnostics Laboratory

67. Founded in 1993, CDL is a leading provider of diagnostic laboratory services in Québec and is one of only two private labs with head office operation located within the province.

68. CDL is one of the most accredited laboratories in Canada with high quality standards, and providing leading turnaround times for hematology, biochemistry, endocrinology, serology and toxicology, with results available within 5 hours on average (for routine tests). CDL also holds two (2) highly coveted accreditations such as ISO15189, ISNPQ and CAP (*Gold standard of accreditations*). It is the only private medical diagnostic laboratory in Canada to obtain both ISO15189 and CAP accreditations.

69. CDL has been a Roche Diagnostics showcase for over 25 years, and as set out above was the first lab in North America to utilize Roche Diagnostics' latest robotic analyzers.

70. Centrally located in proximity to multiple hospital centers in Montreal, the CDL lab operates 24 hours-a-day with a capacity of 100,000 tests per day.

71. Overall, the CDL lab's clientele extends far beyond the ELNA Group as it serves overs 250 clinics and approximately 2,500 physicians.

72. During the pandemic, CDL was among the first major labs to introduce rapid COVID testing in Canada. Indeed, as early as April 2020 CDL was offering COVID testing results in 12 – 24 hours as compared to the 2–3-day delay for competitors.

73. Backed by seasoned professionals and over 30 years of experience, CDL is a cornerstone of the ELNA Group.

iv. Remote Monitoring

74. Acquired by the ELNA Group in 2022, M-Health specializes in remote patient monitoring of vital signs and cardiac diagnostics.

75. By using devices to measure patient vitals with systems connected in real time to ELNA Group proprietary tech platforms powered by AI, M-Health enables doctors to diagnose cardiac conditions such as arrhythmia and sleep apnea.

76. M-Health has an extensive team of approximately 275 physicians (mostly cardiologists) under contract who review the results and reports generated by the devices in real time, and pre-interpreted by cardiac technicians.

77. M-Health currently operates in Ontario, offering public and private services, as well as Québec, where they offer privately funded services. Moreover, M-Health is partnered with over 60 hospitals and 1,600 clinics in Ontario, where its cardiac services are covered by OHIP.

78. Notwithstanding the benefits of real time medical analysis provided by M-Health, a key feature of the business line is that patients have easy access to the service, which is delivered at the patient's doorstep.

79. Moreover, the easy-to-wear ambulatory technologies allow patients to be fully mobile and go about their daily routine, which significantly improves patient compliance.

80. Considering M-Health’s integrated use of technology, the business line pairs very well with the other operations of the ELNA Group and provide significant growth opportunities.

v. Innovation

81. In addition to the operation of the three business lines described above, the ELNA Group is actively involved and investing in the development of state-of-the-art technology to transform the patient and physician experience.

82. In fact, in recent years the ELNA Group has invested millions in innovation, including the creation and development of a mobile application.

C. Unaffected Entities

83. As set out above, the present CCAA proceedings are solely in relation to the Applicants, listed in Schedule A, which are ELNA Group entities operating under the following banners: ELNA Clinics, Medicentres, Privamed, CDL, and M-Health.

84. Consequently, the real estate holding entities as well as the entities operating under the Brunswick Health Group, Physimed Health Group and La Cité Médicale banners are not affected by these proceedings and are not parties hereto.

85. Additional detail in respect of the aforementioned unaffected entities is more amply set out below.

(i) **Gestion Privamed Inc.**

86. Gestion Privamed Inc. is a real estate holding company established to purchase and hold two (2) properties on the south shore of Montreal out of which Privamed and Clinique Santé Dix30 Inc. (part of the ELNA Clinic Network) operate their clinics, being namely:

- 1052 Lionel-Daunais #203, Boucherville; and
- 5955, Marie-Victorin Boulevard, Brossard.

87. The purchase of these two (2) properties was financed by the Business Development Bank of Canada (“**BDC**”).

88. On March 10, 2023, Gestion Privamed Inc. as borrower, together with certain entities related to the ELNA Group as guarantor[3], entered into a financing agreement with the BDC, as lender (“**BDC Loan Agreement**”).

89. The BDC Loan Agreement is secured by first ranking immovable hypothecs on the following properties (the “**BDC Security**”):

[3] The BDC Loan Agreement Guarantors are: CDL Laboratories Inc., 9074-2743 Québec, and Mr. Laurent Amram.

- 5970, Côte-des-Neiges, Montreal.
- 5990, Côte-des-Neiges, Montreal.
- 3400 Rue du Marché, Dollard-Des Ormeaux.
- 1052 Lionel-Daunais #203, Boucherville.
- 5955, Marie-Victorin Boulevard, Brossard.

90. As of the date hereof, Gestion Privamed Inc. currently owes approximately $4,253,000, subject to interest and adjustment, to BDC pursuant to the terms of the BDC Loan Agreement.

91. On November 20, 2024, BDC served notices pursuant to Section 244 of the *Bankruptcy and Insolvency Act* to Gestion Privamed Inc.

92. Concurrently, on November 20, 2024, Gestion Privamed Inc., as borrower, other entities related to the ELNA Group, as guarantors, and BDC, as lender, entered into a Forbearance Agreement (the "**BDC Forbearance Agreement**").

93. The BDC Forbearance Agreement sets out the terms and conditions under which, *inter alia,* BDC has agreed to tolerate the defaults to the BDC Loan Agreement. The tolerance period under the BDC Forbearance Agreement is set to expire on January 31, 2025.

94. Additionally, Gestion Privamed Inc. is a limited guarantor of the NBC Borrowers (as defined below) indebtedness towards NBC.

95. Gestion Privamed Inc. is not an Applicant in these proceedings and is unaffected by such. It is expected that the Privamed clinics will continue operating and paying their rent to Gestion Privamed Inc. in the normal course throughout these proceedings.

(ii) **9074-2743 Québec Inc. and Gestion Elna Pierrefonds Inc.**

96. 9074-2743 Québec Inc. is a real estate holding company within the ELNA Group which owns the following immovables:

- 5970, Côte-des-Neiges, Montreal.
- 5990, Côte-des-Neiges, Montreal.
- 3400 Rue du Marché, Dollard-Des Ormeaux.

97. The acquisition costs of the aforementioned properties were principally financed by BDC.

98. Gestion Elna Pierrefonds Inc. is a real estate holding company within the ELNA Group which owns 12774, boulevard Gouin Ouest, Pierrefonds. The acquisition cost of the property was financed the Laurentian Bank of Canada ("**LBC**").

99. The ELNA Group head office operations as well as certain clinics are located within these properties.

100. On December 14, 2018, Gestion Elna Pierrefonds Inc. as borrower, together with certain entities related to the ELNA Group as guarantor, entered into a financing agreement with the LBC, as lender pursuant to which LBC agreed to provide financing in an amount of $5,500,000. In addition, on March 24, 2023, Gestion Elna Pierrefonds Inc., entered into an additional financing agreement with the LBC, as lender (together the "**LBC Loan Agreement**") pursuant to which LBC agreed to provide financing in an amount of $322,162.

101. The LBC Loan Agreement is secured by a first ranking immovable hypothec on the following property: 12774, boulevard Gouin Ouest, Pierrefonds.

102. As of the date hereof, Gestion Elna Pierrefonds Inc. owes approximately $4,880,822, subject to adjustments, to LBC pursuant to the terms of the LBC Loan Agreement.

103. As of the date hereof, all payments to LBC are current, however certain events of defaults have occurred.

104. Additionally, as set out above, three (3) immovable properties of 9074-2743 Québec Inc. form part of the BDC Security guaranteeing the obligations of Gestion Privamed Inc. under the BDC Loan Agreement.

105. 9074-2743 Québec Inc. is not an Applicant in these proceedings and is unaffected by such.

(iii) Brunswick Health Group

106. As described above, in February 2024 the ELNA Group acquired the Brunswick Health Group in the context of the latter's CCAA proceedings, docket number: 500-11-062636-234 ("**Brunswick CCAA"**).

107. Although the transaction closed and the Brunswick Health Group now operates within the ELNA Clinic Network, there remains a balance of the purchase price payable in relation to the transaction in the amount of approximately $1,800,000, which amount is due and outstanding**.**

108. The assets of the Brunswick Health Group remain encumbered in favour of RCGT in its capacity as monitor in the Brunswick CCAA, as *fondé de pouvoir* for the existing secured creditors in the Brunswick CCAA, namely Toronto-Dominion Bank ("**TD**") and BDC. In addition, as security RCGT as *fondé de pouvoir* for TD and BDC was granted certain a pledge of certain shares of 950 Canada.

109. Moreover, in December 2023 and January 2024, DeltaX Inc. ("**DeltaX**") entered into certain loan agreements with 15529301 Canada Inc. (part of the Brunswick Health Group) pursuant to which DeltaX provided an aggregate amount of approximately $6.3 million to support the acquisition of the Brunswick Health Group ("**DeltaX BHG Loans**").

110. Pursuant to various personal loan agreements entered into between Mr. Laurent Amram and DeltaX, the former is currently indebted for approximately $800,000 (together with the DeltaX BHG Loans the "**DeltaX Loans**").

111. The obligations owed pursuant to the DeltaX Loans are secured by the following hypothecs:

- An immovable hypothec on the property located at 1052 Lionel-Daunais #203, Boucherville (lot 4 108 254); and
- An immovable hypothec on the property located at 5955, Marie-Victorin Boulevard, Brossard (lot 4 535 095).
- A universal movable hypothec on the assets of Brunswick Health Group Inc. and Brunswick Lab & Tests Inc.
- A pledge of certain shares of 950 Canada;
- A pledge of certain shares of Gestion Privamed Inc;
- A pledge of certain shares in 9074-2743 Québec Inc.
- A pledge of the shares of 15529301 Canada Inc.

112. As of the date hereof, the ELNA Group owes $6,893,045 subject to interest and adjustment, under the DeltaX Loans.

113. The Brunswick Health Group entities are not Applicants in these proceedings and are unaffected by such. It is expected that the Brunswick Health Group will continue operating in the normal course throughout these proceedings.

(iv) Physimed Health Group

114. A leader in occupational health and safety since 1988, the Physimed Health Group offers a multitude of medical and paramedical services to public and private companies.

115. The Physimed Health Group operates a medical centre out of leased premises located in Montreal, Québec.

116. On July 4, 2023, Fiera Enhanced Private Debt Fund LP ("**Fiera**"), as lender, and 9491-7812 Québec Inc. (the parent entity operating the Physimed Health Group) (in this capacity the "**Fiera 1 Borrower"**) as well as certain related entities as

guarantors[4] entered into a credit agreement (as amended, modified or renewed from time to time, the "**Fiera 1 Credit Agreement"**) pursuant to which Fiera agreed to provide certain credit facilities to the Fiera 1 Borrower.

117. The Fiera 1 Credit Agreement is secured by the following movable hypothecs on the property and assets of the Physimed Health Group ("**Fiera 1 Security**")**:**

- Various movable hypothecs without delivery by the Fiera 1 Borrower in favour of Fiera on all movable property of the Fiera 1 Borrower, corporeal and incorporeal, present and future, of every nature and wherever situated, including a pledge of shares.

- Various movable hypothecs without delivery by the Fiera 1 Guarantors in favour of Fiera on all movable property of the Fiera 1 Guarantors, corporeal and incorporeal, present and future, of every nature and wherever situated, including certain intellectual property trademarks.

- A movable hypothec with delivery (pledge of shares) by 950 Canada in favour of Fiera on certain shares of the Fiera 1 Guarantors.

118. Additionally, in conjunction with the acquisition of the Physimed Health Group, 143956 Canada Inc. ("**143 Canada**") entered into a loan agreement with 9491-7812 Québec Inc. (the parent company of the Physimed Health Group) pursuant to which 143 Canada provided a term loan to support the acquisition ("**143 Term Loan**").

119. The obligations owed pursuant to the 143 Term Loan are secured by a second ranking movable hypothec on the assets of the Physimed Health Group.

120. As of the date hereof, there is approximately $ 6,000,000, subject to interest and adjustments, owing under the 143 Term Loan.

121. On November 5, 2024, Fiera issued and served unto the Fiera 1 Borrower and the Fiera 1 Guarantors a letter recalling all of its advances under the Fiera 1 Credit Agreement.

122. Fiera also served the Fiera 1 Borrower and the Fiera 1 Guarantors with prior notices of the exercise of a hypothecary right (sale under judicial authority) and notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA**").

123. Concurrently, the Fiera LCM Borrower (La Cité Médicale) guaranteed the obligations of the Fiera 1 Borrower under the Fiera 1 Credit Agreement and, as consideration for *inter alia* the entering into of a forbearance agreement, granted

[4] The Fiera 1 Credit Agreement Guarantors are: Mr. Laurent Amram, E-Medispa International Inc./E-Médispa International Inc., Group, Santé Physimed Inc./Physimed Health Group Inc., and la Clinique Physimed Inc./Physimed Clinic Inc. (In this capacity the "**Fiera 1 Guarantors**").

security over all of its property to secure *inter alia* the Fiera 1 Borrower's obligations under the Fiera 1 Credit Agreement and its obligations under the guarantee.

124. The Physimed Health Group entities are not Applicants in these proceedings and are unaffected by such. It is expected that the Physimed Health Group will continue operating in the normal course throughout these proceedings.

(v) La Cité Médicale

125. On December 15, 2023, Fiera, as lender, and La Cité Médicale (in this capacity the "**Fiera LCM Borrower**") as well as certain related entities as guarantors[5] entered into a credit agreement (as amended, modified or renewed from time to time, the "**Fiera LCM Credit Agreement**") pursuant to which Fiera agreed to provide certain credit facilities to the Fiera LCM Borrower.

126. La Cité Médicale operates two (2) healthcare clinics in the Québec City region.

127. The Fiera LCM Credit Agreement is secured by the following movable hypothecs on the property and assets of the La Cité Médicale ("**Fiera LCM Security**")**:**

- Various movable hypothecs without delivery by the Fiera LCM Borrower in favour of Fiera on all movable property of the Fiera LCM Borrower, corporeal and incorporeal, present and future, of every nature and wherever situated, including a pledge of shares and a security interest on certain intellectual property trademarks.

- A movable hypothec with delivery (pledge of shares) by Mr. Laurent Amram in favour of the Fiera on certain shares of La Cité Médicale.

128. As mentioned, the Retained Fiera 1 Indebtedness is secured by the Fiera LCM Security.

129. On November 5, 2024, Fiera issued and served unto the Fiera LCM Borrower and the Fiera LCM Guarantor a letter recalling all of its advances under the Fiera LCM Credit Agreement.

130. Concurrently, Fiera also served the Fiera LCM Borrower and the Fiera LCM Guarantor with prior notices of the exercise of a hypothecary right (sale under judicial authority) and notices of intention to enforce security pursuant to section 244 of the BIA.

131. As of the date hereof, the Fiera LCM Borrower currently owes approximately $4,500,000, subject to interest and adjustments, to Fiera.

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[5] The Fiera LCM Credit Agreement Guarantor is Mr. Laurent Amram (in this capacity the "**Fiera LCM Guarantor**").

III. ASSETS, INDEBTEDNESS AND LIABILITIES

A. Assets

132. As at the date hereof, the Applicants' assets and property, on a consolidated basis, consist primarily of a combination of intangible assets, including, *inter alia*, patient data, contractual and service revenue, intellectual property, laboratory, medical and office equipment.

133. As described above, the annual aggregate gross revenue generated by the ELNA Group is in excess of $200 million.

B. Liabilities

134. The liabilities of the Applicants are set out below.

i. Secured Debt

135. The Applicants' operations are principally financed by a number of secured creditors, each of which hold security on various assets of the ELNA Group, as well as in certain instances personal guarantees from Mr. Laurent Amram.

136. The Applicants' secured creditors include NBC, Fiera, Norea Capital ("**Norea**"), Investissement Québec ("**IQ**"), Crawford & Finchley Capital ("**CFC**"), 143 Canada, La Corporation McKesson Canada **("McKesson")**, Les Placements SP Canada Inc. ("**Placements SP**"), K&S Financial Group Inc. ("**K&S**") as well as certain individuals.

A. National Bank of Canada

137. On October 14, 2022, EMG, as borrower, (in this capacity the "**EMG NBC Borrower**") and certain related entities, as guarantors[6], and NBC, as lender, entered into a credit agreement (as amended, supplemented, replaced, restated or otherwise modified from time to time, notably, but without limitation, by a joinder agreement dated October 14, 2022, a first amending agreement to the credit agreement dated May 12, 2023, a second amending agreement to the credit agreement dated August 11, 2023 and a joinder and third amending agreement

[6] The guarantor entities under the EMG Credit Agreement are: EMG, 950 Canada, CDL Laboratories Inc., 11247603 Canada Inc., Clinique Métro-Médic Centre-Ville Inc., 7159099 Canada Inc., CDL Cardiology Inc., ELNA Pediatrics Inc., Tiny Tots Medical Centre Ltd., 7503881 Canada Inc., Montreal Perfusion Centre Inc., Clinique Médicale ELNA Décarie Inc., Gestion ELNA 1 Inc., ELNA Technologies Inc., ELNA Rockland Management Inc., Clinique Médicale ELNA Rockland Inc., ELNA Mental Health Inc., Clinique Médicale ELNA Châteauguay Inc., ELNA Acquisitions Inc., Medicentres Canada Inc., Omni-Med Stillview Inc., GBMC Medical Office Management Inc., Crea-Med Clinique de Médecine Privée Inc., ELNA Group Inc., ELNA Clinique A Inc., 9248-5994 Québec Inc., Gestion ELNA 2 Inc., ELNA Anti-Aging Inc., Gestion Privamed Inc., Privamed Clinic Inc., ELNA Plus Décarie Square Inc., Clinique Médicale ELNA Unimed Inc., CDL Protontherapy Center Inc., CDL Proton Management Inc., 1000224328 Ontario Inc., Gestion Privamed Inc., 9472-1024 Québec Inc., Mr. Laurent Amram, M-Health Solutions Inc., (in this capacity the "**EMG Guarantors**").

dated November 24, 2023) (the "**EMG Credit Agreement**"), pursuant to which NBC agreed to provide certain credit facilities to EMG.

138. The credit facilities extended by NBC to EMG under the EMG Credit Agreement are as follows:

- Operating Credit: maximum amount of $3,000,000;
- Overdraft: $2,442,875
- Term loan: initial amount of $24,885,000;
- Treasury Risk Credit Facility: maximum exposure of $3,500,000; and
- MasterCard Facility: maximum amount of $400,000.

139. EMG's obligations towards NBC are secured in favour of NBC pursuant to a complex security package comprised of both security, registered in Québec and in other provinces, and guarantee agreements (the "**EMG Security Package**").

140. Pursuant to the EMG Security Package, payment and performance of all present and future obligations and liabilities of EMG, including without limitation under the EMG Credit Agreement, are secured / guaranteed by, *inter alia*:

- first ranking (other than in respect of m-Health Solutions Inc., 1000224328 Ontario Inc. and 950 Canada) movable hypothecs and/or general security agreements, as applicable, charging the universality of all present and future movable property of EMG and of the EMG Guarantors (except for Gestion Privamed Inc. and Mr. Laurent Amram, as personal guarantor), in the principal amount of $75,000,000, ranking *pari passu* with the security granted by the same entities in favour of NBC under the M-Health Credit Agreement (as defined below) other than the movable hypothecs and/or general security agreements, as applicable, granted by m-Health Solutions Inc. and 1000224328 Ontario Inc. under the EMG Credit Agreement, which are intended to be third ranking;
- a pledge agreement (movable hypothec with delivery) by 950 Canada pledging all of EMG's shares in favour of the NBC; and
- guarantees granted by the EMG Guarantors, including Mr. Laurent Amram as personal guarantor.

141. As of the date hereof, and subject to the applicable interest, costs and adjustments, EMG's indebtedness toward NBC under the EMG Credit Agreement (the **"EMG Indebtedness**") is of approximately amount $ 32,909,294.45

142. Additionally, on October 14, 2022, m-Health Solutions Inc., as borrower (in this capacity the "**M-Health Borrower**" together with the EMG NBC Borrower the "**NBC**

Borrowers"), and certain related entities as guarantors[7] and NBC, as lender, entered into a credit agreement (as amended, supplemented, replaced, restated or otherwise modified from time to time, notably, but without limitation, by a joinder agreement dated October 14, 2022, a first amending agreement to the credit agreement dated October 16, 2023, and a joinder and second amending agreement dated November 24, 2023) (the "**M-Health Credit Agreement**" and collectively with the EMG Credit Agreement, the "**NBC Credit Agreements**"), pursuant to which NBC agreed to provide certain credit facilities to m-Health Solutions Inc.

143. The credit facilities extended by NBC under the M-Health Credit Agreement are as follows:

- Operating Credit: maximum amount of $500,000;
- Term loan: initial amount of $11,676,000;
- Treasury Risk Credit Facility: maximum exposure of $800,000; and
- MasterCard Facility: maximum amount of $100,000.

144. The M-Health Borrower's obligations toward NBC are secured pursuant to a security package similar to the EMG Security Package, but with m-Health Solutions Inc. as borrower and EMG as one of the guarantors, and is comprised of both security registered in Québec and in other provinces and guarantee agreements (the "**M-Health Security Package**" together with the EMG Security Package the "**NBC Security Package**").

145. Pursuant to the M-Health Security Package, payment and performance of all present and future obligations and liabilities of m-Health Solutions Inc, including without limitation under the M-Health Credit Agreement, are secured / guaranteed by, *inter alia*:

- first ranking (other than in respect of 950 Canada Inc.) movable hypothecs and/or general security agreements, as applicable, charging the universality of all present and future movable property of m-Health Solutions Inc. and of the M-Health Guarantors (except for Gestion Privamed Inc. and Mr. Laurent Amram, as personal guarantor), in the principal amount of $25,000,000,

[7] The M-Health Guarantors under the m-Health Credit Agreement are EMG, CDL Laboratories Inc., 11247603 Canada Inc., Clinique Métro-Médic Centre-Ville Inc., 7159099 Canada Inc., CDL Cardiology Inc., ELNA Pediatrics Inc., Tiny Tots Medical Centre Ltd., 7503881 Canada Inc., Montreal Perfusion Centre Inc., Clinique Médicale ELNA Décarie Inc., Gestion ELNA 1 Inc., ELNA Technologies Inc., ELNA Rockland Management Inc., Clinique Médicale ELNA Rockland Inc., ELNA Mental Health Inc., Clinique Médicale ELNA Châteauguay Inc., ELNA Acquisitions Inc., Medicentres Canada Inc., Omni-Med Stillview Inc., GBMC Medical Office Management Inc., Crea-Med Clinique de Médecine Privée Inc., ELNA Group Inc., ELNA Clinique A Inc., 9248-5994 Québec Inc., Gestion ELNA 2 Inc., ELNA Anti-Aging Inc., Privamed Clinic Inc., Gestion Privamed Inc., ELNA Plus Décarie Square Inc., 1000224328 Ontario Inc., Clinique Médicale ELNA Unimed Inc., CDL Protontherapy Center Inc., CDL Proton Management Inc., 9508503 Canada Inc., Gestion Privamed Inc., 9472-1024 Québec Inc. (in this capacity the "**M-Health Guarantors**" together with the EMG Guarantors the "**NBC Guarantors**").

ranking *pari pass*u with the security granted by the same entities in favour of NBC under the EMG Credit Agreement other than the movable hypothecs and/or general security agreements, as applicable, granted by m-Health Solutions Inc. and 1000224328 Ontario Inc. under the EMG Credit Agreement, which are intended to be third ranking;

- a pledge agreement (movable hypothec with delivery) by EMG pledging all of m-Health Solutions Inc's shares in favour of NBC; and

- guarantees granted by the M-Health Guarantors, including Mr. Laurent Amram as personal guarantor.

146. As of the date hereof, and subject to adjustment for interest, costs and fees, M Health's indebtedness toward NBC under the M-Health Credit Agreement (collectively with the EMG Indebtedness, the "**NBC Indebtedness**") is of approximately the following amount $10,616,350.11.

147. In summary, the NBC Borrowers owe approximately $43,525,644.56, subject to adjustment, for interest, costs and fees, in NBC Indebtedness.

148. Since May 12, 2023, and despite the ELNA Group's numerous defaults under the NBC Credit Agreements, the ELNA Group and NBC spent significant time and efforts attempting to find a solution to the financial hardships faced by the ELNA Group.

149. Pursuant to nine (9) separate forbearance agreements, NBC agreed to forbear from exercising its rights as against the ELNA Group on seven occasions (May 13, 2023; August 11, 2023; September 22, 2023; November 14, 2023; January 5, 2024; February 1, 2024; June 13, 2024) mainly for the purpose of giving the ELNA Group sufficient time to stabilize its operations and prepare a viable restructuring plan.

150. On November 14, 2023, NBC issued notices pursuant to Section 244 of the *Bankruptcy and Insolvency Act* to the NBC Borrowers as well as to the NBC Guarantors. Also on November 14, 2023, the NBC Borrowers as well as the NBC Guarantors executed consents to prior enforcement of the security, thereby effectively waiving the statutory 10-day delay.

151. On November 29, 2024, once again NBC issued notices pursuant to Section 244 of the *Bankruptcy and Insolvency Act* to the NBC Borrowers as well as to the NBC Guarantors. On December 8, 2024, the NBC Borrowers as well as to the NBC Guarantors executed consents to prior enforcement of the security, thereby effectively waiving the statutory 10-day delay.

152. In conjunction with these CCAA proceedings, on December 10, 2024, the NBC Borrowers as well as the NBC Guarantors and NBC entered into a new Forbearance Agreement (the "**NBC Forbearance Agreement**") pursuant to which NBC has agreed to continue to support the ELNA Group in the context of these

CCAA proceedings and to provide additional interim financial to the ELNA Group through the DIP Facility (as defined below), the as whole set in further detail below.

153. The NBC Forbearance Agreement sets out the terms and conditions under which, *inter alia*, NBC shall support the operations of the NBC Borrowers and NBC Guarantors throughout these proceedings. The tolerance period under the NBC Forbearance Agreement is set to expire on February 12, 2025. In the context of the NBC Forbearance Agreement, the Applicants have agreed that NBC shall be treated as an unaffected creditor for all purposes in these CCAA proceedings, including in any plan resulting therefrom.

B. Norea

154. On October 14, 2022, M-Health Solutions Inc. (in this capacity the "**Norea Borrower**"), entered into a loan agreement with Norea (then Fonds Croissance PME Banque National S.E.C.) to which 1000224328 Ontario Inc (an entity of the M-Health group) intervened as guarantor (the "**Norea Loan Agreement**") pursuant to which Norea agreed to provide certain credit facilities to the Norea Borrower.

155. The purpose of the Norea Loan Agreement was to provide the ELNA Group with financing for the acquisition of M-Health in 2022.

156. The Norea Loan Agreement is secured by the following agreements and hypothecs:

- A general security agreement governed by the laws of the Province of Ontario granted by the Norea Borrower in favour of the Norea.

- A movable hypothec governed by the laws of the Province of Québec granted by the Norea Borrower in favour of the Norea.

157. As of the date hereof, the Norea Borrower currently owes Norea approximately $6,148,000.00, subject to interest and adjustments, pursuant to the terms of the Norea Loan Agreement and are in default of their obligations thereunder.

C. IQ

158. On May 1, 2023, CDL Laboratories Inc. (in this capacity the "**IQ Borrower**") entered in a loan agreement with IQ ("**IQ Loan Agreement**") pursuant to which IQ provided the IQ Borrower with a term loan for research and development initiatives.

159. The IQ Loan Agreement is secured by the following movable hypothecs:

- A movable hypothec without delivery by the IQ Borrower in favour of IQ on all movable property of the IQ Borrower, corporeal and incorporeal, present and future, of every nature and wherever situated.

- A movable hypothec without delivery by the 950 Canada in favour of IQ on all movable property of the 950 Canada, corporeal and incorporeal, present and future, of every nature and wherever situated.

- A movable hypothec without delivery by EMG in favour of IQ on all movable property of EMG, corporeal and incorporeal, present and future, of every nature and wherever situated.

160. As of the date hereof, the IQ Borrower currently owes approximately $2,146,588.00, subject to interest and adjustments, to IQ pursuant to the terms of the IQ Loan Agreement.

D. CFC

161. Pursuant to various personal loan agreements entered into in 2023 between Mr. Laurent Amram and CFC, the former is currently indebted for approximately $2,500,000**,** subject to interest and adjustments ("**CFC Loans**").

162. The proceeds of the CFC Loans were advanced to fund the operations of the ELNA Group.

163. The obligations owed pursuant to the CFC Loans are secured by an immovable hypothec on the property located at 3400 Rue du Marché, Dollard-Des Ormeaux, as well as a pledge of certain shares of 950 Canada.

E. 143956 Canada Inc.

164. Pursuant to various personal loan agreements entered into in recent years between Mr. Laurent Amram and 143 Canada, the former is currently indebted for approximately $4,500,000, subject to interest and adjustment (the "**143 LA Loans**", and collectively with the 143 Term Loan, the "**143 Loans**"). The 143 LA Loans having been guaranteed by EMG and CDL Laboratories Inc.

165. The proceeds of the 143 LA Loans were advanced to fund the operations of the ELNA Group.

166. Notices of default have been issued in respect of the 143 Loans.

F. McKesson

167. On October 29, 2024, Medicentres Canada Inc. (in this capacity the "**McKesson Borrower**"), entered into a term loan agreement with McKesson to which EMG, 950 Canada and Mr. Laurent Amram intervened as guarantors (the "**McKesson Loan Agreement**") pursuant to which McKesson agreed to provide a term loan to the McKesson Borrower.

168. The McKesson Loan Agreement is secured by the following agreements and hypothecs:

- A general security agreement granted by the McKesson Borrower in favour of the McKesson.

- A movable hypothec in favour of McKesson on all movable property of the EMG, corporeal and incorporeal, present and future, of every nature and wherever situated.

- A movable hypothec in favour of McKesson on all movable property of the 950 Canada, corporeal and incorporeal, present and future, of every nature and wherever situated.

- A corporate guarantee granted by EMG, 950 Canada as well as a personal guarantee granted by Mr. Laurent Amram in favour of McKesson.

169. As of the date hereof, the McKesson Borrower currently owes McKesson approximately $2,800,000, subject to interest and adjustments, pursuant to the terms of the McKesson Loan Agreement.

G. Placements SP

170. Pursuant to two (2) personal loan agreements entered into in 2023 and 2024 between Mr. Laurent Amram and Placement SP, the former is currently indebted for approximately $3,200,000, subject to interest and adjustments ("**Placement SP Loans**").

171. The proceeds of the Placement SP Loans were advanced to fund the operations of the ELNA Group.

172. To secure these loans, Placement SP was granted a charge on all of the movable assets of EMG as well as an immovable hypothec on the property located at 3400 Rue du Marché, Dollard-Des Ormeaux, Québec.

H. K&S

173. On April 25, 2023, K&S advanced the sum of $750,000 to Mr. Laurent Amram the proceeds of which were used to fund the operations of the ELNA Group (the "**K&S Loan**").

174. As of the date hereof, approximately $750,000, subject to interest and adjustments, is outstanding in respect of the K&S Loan, subject to adjustment.

175. The obligations owed pursuant to the K&S Loan are secured by an immovable hypothec on the property located at 3400 Rue du Marché, Dollard-Des Ormeaux, Québec and are guaranteed by EMG and CDL.

I. BDC

176. On May 21, 2020, CDL Laboratories Inc. entered into a secured loan agreement with BDC with respect to a working capital loan (the "**BDC CDL Loan**"). The BDC CDL Loan is secured by, *inter alia*, a movable hypothec on CDL Laboratories Inc.'s movable property.

177. As of the date hereof, CDL Laboratories Inc. owes approximately $231,966 to BDC pursuant to the BDC CDL Loan, subject to interest and fees.

178. On November 14, 2024, BDC issued a notice pursuant to Section 244 of the BIA to CDL Laboratories Inc.

J. Secured Business Loans

179. On January 31, 2024, EMG entered into a secured loan agreement with Mr. Jason Rabin for an amount of USD $1,500,000. To secure this loan, Mr. Rabin was granted a charge on all of the movable assets of Clinique Privamed Inc. as well as a pledge of certain shares of 950 Canada.

180. As of the date hereof, the EMG owes Mr. Jason Rabin approximately USD $1,500,000, subject to interest and adjustments.

181. In the last year, m-Health Solution Inc., CDL Laboratories Inc. and Clinique Privamed Inc. entered into several secured loan agreements with Merchant Capital Group LLC for an amount of approximately $428,500, subject to interest and adjustments. To secure this loan, was granted a charge on all of the movable assets of m-Health Solution Inc., CDL Laboratories Inc. and Clinique Privamed Inc. as well as a personal guarantee from Mr. Laurent Amram.

182. In addition to the foregoing, various personal loans to Mr. Laurent Amram, the proceeds of which were advanced to fund the operations of the ELNA Group (collectively referred to herein as the "**Secured Business Loans**"). As security for the repayment of some of these loans, certain pledges of shares and corporate guarantees were granted.

ii. Unsecured Debt and other Obligations

A. Unsecured Business Loans

183. The Applicants' unsecured debt includes funds indirectly advanced to the ELNA Group in recent years to fund certain acquisitions and cash flow requirements ("**Unsecured Business Loans**"). The Unsecured Business Loans were borrowed by Mr. Laurent Amram directly, for the sole benefit and use of the ELNA Group.

184. In addition, there remains a balance owing to the prior owner/vendor in connection with the M-Health acquisition and related working capital needs in the amount of approximately $1,500,000.

B. Tax Authorities

185. As of the date hereof, the Applicants currently owe approximately the following amounts to various provincial and federal tax authorities ("**Tax Authorities**");

- GST/QST: $654,000;
- Corporate Income Tax: $4,370,000

186. As appears from the Cashflow attached to the Pre-Filing Report of the Proposed Monitor (as defined below), the post-filing Source Deductions and GST/QST will be paid in the normal course of business.

C. Trade Liabilities

187. As of December 6, 2024, the Applicants' indebtedness to their suppliers, landlords and other unsecured creditors (excluding the Unsecured Business Loans) is in the aggregate amount of approximately $24,000,000.

D. Employee Liabilities and Doctor Compensation

188. As set out above, the ELNA Group has approximately 1000 employees across the country.

189. As of the date hereof, all normal pay obligations are current. The aggregate gross employee pay obligations total approximately $3,000,000 per month.

190. Additionally, the estimated amount of accrued, unused vacation time as of the date hereof is approximately $1,870,000.

191. All Medicentres doctors operate within the public healthcare system, rely on the ELNA Group to provide billing and collections services with respect to the provincial healthcare authorities. The ELNA Group also provides these same services to a minority of Québec-based physicians operating within the public healthcare system as well as to the doctors of the ELNA Group practicing in private clinics.

192. With respect to the aforementioned doctors, the ELNA Group, following billing and collection, remits the amounts owing to each doctor pursuant to their respective agreements.

193. The majority of the Québec-based physicians of the ELNA Group are practicing in the public healthcare system attend to their own billings and collections directly with the healthcare authorities, and pay a monthly fee to the ELNA Group.

194. Other than with respect to certain amounts owing to the Medicentres' doctors for certain services rendered in November 2024, as set out below in the section regarding the Medicentres Doctors Retention Program, all amounts owing to the doctors of the ELNA Group for services rendered both prior to and following the date of these CCAA proceedings are intended to be paid in full in the ordinary course.

IV. FINANCIAL DIFFICULTIES AND TURNAROUND EFFORTS

A. Financial Difficulties and Operational Restructuring Efforts

195. Throughout the COVID-19 pandemic, the ELNA Clinic Network struggled as a result of diminishing patient visits and accordingly suffered material revenue losses.

196. The Medicentres and Brunswick Health Group acquisitions are both turnaround acquisitions where the know-how and expertise of the ELNA Group are critical to bringing both businesses back to profitability.

197. While significant improvements have been made on both fronts, additional time is required to attain profitability and full integration.

198. In both cases, while the cash burn has reduced since the acquisition, the operations remain cash flow negative such that additional funds are required on a monthly basis to meet their obligations in the ordinary course.

199. While the certain clinics of the ELNA Clinic Network, CDL and M-Health are successful, the very material cost of capital to fund the acquisition costs and the cash flow requirements are not sustainable and cannot be supported by the business as a whole.

200. In an effort to address its immediate financial needs and to improve its financial performance, the ELNA Group implemented, and continues to implement, the following restructuring initiatives since 2022:

    - Identified underperforming clinics within the ELNA Clinic Network and proceeded to close certain clinics and are in the process of transitioning certain unprofitable clinics out of the ELNA Group;

    - Identified operational, medical and administrative synergies between the ELNA Group business lines in order to reduce costs and improve efficiency;

    - Reduced administrative expenses within the ELNA Group;

    - Increased its recruitment efforts and onboarded approximately 100 doctors/year over the last two (2) years, which resulted in increased revenues.

201. As a result of these efforts, the ELNA Group is projecting to reach profitability in certain underperforming clinics in the course of financial-year 2025.

202. Unfortunately, the turnaround initiatives described above have not generated sufficient revenues quickly enough to address the lack of sufficient liquidity and cash flow needs.

203. Notwithstanding the substantial efforts deployed by the ELNA Group, the clinics operating within the public healthcare system remain significantly hampered by the

systemic challenges affecting the public healthcare system, including notably insufficient government funding.

204. In parallel to these restructuring efforts, the ELNA Group initiated an Equity Raise Process (as defined below) to raise the equity necessary to support their growth strategy and support their cash flow needs.

B. Equity Raise Financing Processes

205. In May 2023, the ELNA Group retained NBF and launched an equity raise process with the goal of raising approximately $50,000,000 (the "**Equity Raise Process**").

206. While the market conditions were difficult, the Equity Raise Process resulted in a non-binding letter of intent for 10% of the equity of the ELNA Group in the amount of $25 million (the "**Equity Offer**"), representing an overall valuation of no less than $250 Million as at September 2024.

207. The Equity Offer is currently in the due diligence process.

208. However, given the Applicants' current financial situation and the time required to close on the Equity Offer, they are unable to pursue the Equity Raise Process without initiating the present CCAA proceedings.

209. Given the Applicants' liquidity situation, the Applicants determined it was in the best interest of all stakeholders to initiate the SISP in parallel to the Equity Raise Process, as set out below.

C. Sale and Investment Solicitation Process

210. As indicated above, in September 2024, the Applicants, retained NBF to initiate the SISP with a view to identifying one or more transactions in respect of the sale, investment in, or refinancing of all or part of the business and/or the property and/or assets of the Applicants that could, ideally, permit the Applicants to repay its indebtedness, and provide the financing which would allow for the continuation of all or part of the Applicants' activities on a going-concern basis.

211. Prior to the initiation of the SISP, the ELNA Group, in consultation with NBF, set the terms governing the conduct of the SISP.

212. NBF, with the assistance of the Applicants, managed all SISP-related documents (including the preparation of a teaser letter ("**Teaser**") and confidential information memorandum regarding the business ("**CIM**"), a target list of potential purchasers or investors, and non-disclosure agreements) and provided all required information to potential bidders.

213. On or about October 7, 2024, the SISP was initiated by the communication of the Teaser to potential bidders from both strategic and financial sectors.

214. All parties who signed confidentiality agreements were provided with a copy of the CIM, and invited to submit non-binding letters of intent by no later than November 19, 2024.

215. The Applicants received non-binding letters of interest from potential bidders ("**LOIs**"), and after carefully reviewing the LOIs, the Applicants, on the recommendation of NBF, advised potential bidders that they would be proceeding to Phase 2 of the SISP.

216. Unfortunately, given the ELNA Group's financial situation, the Applicants do not have the required liquidity to carry the SISP to its conclusion.

217. Through the DIP Facility (as defined below), NBC is offering to provide interim financing on reasonable terms and conditions which shall allow for the continuation of the SISP in the context of these CCAA proceedings.

218. In light of the foregoing and these CCAA proceedings, the Applicants are seeking to continue the SISP, subject to the modifications described below, for the benefit of all their stakeholders, the whole as is further set out below.

V. RESTRUCTURING OBJECTIVES

219. Following extensive analysis and consideration, in light of the Applicants' financial situation, the Applicants have concluded that the only realistic option is to engage in a formal restructuring process in order to achieve the best possible outcome for stakeholders, including the over three (3) million annual patients who rely on the ELNA Group medical services.

220. With the assistance of their advisors, the Applicants have determined that the best course of action in the current circumstances includes the immediate initiation of these court-supervised CCAA proceedings, and the continuation of the SISP, subject to the modifications described below, and Equity Raise Process, in order to maximize the value of the business while maintaining going concern operations (to the greatest extent possible).

221. In the context of these CCAA proceedings the Applicants, with the assistance of the Proposed Monitor, will be conducting a review of the clinics within the ELNA Clinic Network with a view towards progressively closing certain underperforming clinics and reducing their footprint.

222. Pending completion of the aforementioned analysis, the ELNA Group intends to maintain uninterrupted operations at its clinics and will ensure that its doctors, healthcare professionals and employees continue to be paid and retain access to all technology, services and software necessary to practice in the normal course.

223. As set out above, through its restructuring efforts, the ELNA Group's ultimate objective is to propose a plan of arrangement to its creditors and exit CCAA

protection as a going-concern business, and a leader in Canadian healthcare services.

224. In order to achieve their restructuring objectives, the Applicants are seeking from this Court the relief more fully described below.

225. The Proposed Monitor has advised the Applicants that it supports the initiation of the present CCAA proceedings, and the relief sought herein, and will be filing its report to the Court in advance of the hearing on this Application (the "**Pre-Filing Report of the Proposed Monitor**").

VI. RELIEF SOUGHT AT THE FIRST DAY INITIAL ORDER HEARING

A. Application of the CCAA and Administrative Consolidation

226. As set out above, the Applicants are affiliated debtor companies indebted towards various creditors in an aggregate amount that well exceeds the $5 million requirement of the CCAA.

227. Furthermore, the ELNA Group is unable to meet its obligations as they become due given the ongoing liquidity crisis.

228. Considering the number of Applicant entities (37) it is in the best interest of all stakeholders that this Court order the administrative consolidation of the Applicants filings under a single CCAA proceeding.

B. Appointment and Powers of the Monitor

229. The Applicants request that this Court appoint the Proposed Monitor, namely Raymond Chabot Inc., a licensed insolvency trustee, as monitor, in accordance with the provisions of the CCAA.

230. The Proposed Monitor has significant experience acting as monitor in the context of CCAA proceedings, and in the restructuring of debtors in the healthcare sectors.

231. None of the restrictions to who may be appointed monitor provided by subsection 11.7(2) of the CCAA are applicable to the Proposed Monitor.

232. The Proposed Monitor has agreed to act as court-appointed monitor to the ELNA Group, as appears from the Pre-Filing Report of the Proposed Monitor and from a copy of the RCI Consent Letter communicated herewith as **Exhibit P-5.**

233. The granting of the Monitor's powers is appropriate to help the Applicants achieve their restructuring objectives, the Applicants therefore request that this Court grant the Proposed Monitor the powers, rights, obligations and protections detailed in the Initial Order (Exhibit P-1) and subsequently, the Amended and Restated Initial Order (Exhibit P-3).

C. Stay of Proceedings

234. The Applicants request that all proceedings against the Applicants as well as Mr. Laurent Amram, and any of their property and assets be stayed for an initial period of ten (10) days in order to preserve the status quo during the initial Stay Period.

235. The Applicants are concerned that unless the stay of proceedings is granted, certain creditors and other stakeholders may take steps that will deplete their estates to the detriment of all stakeholders.

236. In fact, to date various creditors have already taken legal recourses as against several of the ELNA Group entities as well as against Mr. Laurent Amram personally.

237. As described above Mr. Amram is the sole director, shareholder and founder of the ELNA Group. As a result of these roles, he gave personal guarantees and entered into loan agreements for the sole benefit and use of the ELNA Group.

238. At this stage, any proceedings, actions or claims against Mr. Amram will likely not be resolved until the restructuring efforts described herein can be fully implemented in respect of the Applicants.

239. Thus, any litigation against Mr. Amram while these CCAA proceedings are ongoing would be contrary to the purpose of the Applicants' proposed restructuring and would only result in distraction and delay while Mr. Amram addresses said potential matters.

240. Given that Mr. Amram's personal wealth is intimately tied to the value of the ELNA Group, he is unable to independently satisfy these personal obligations until the restructuring efforts can be fully implemented. Consequently, there is no detriment to creditors if Mr. Amram benefits from the stay of proceeding during the initial the Stay Period.

241. The Stay Period is therefore necessary to preserve the value of the ELNA Group's business, while it seeks to implement its restructuring objectives.

242. The Stay Period will preserve the status quo and prevent creditors and others from taking steps to try to improve their positions to the detriment of other creditors. All stakeholders generally, including creditors, will benefit from the relief sought herein.

D. Continuation of the Sale and Investment Solicitation Process

243. As set out above, the Applicants' financial situation forced the initiation of restructuring proceedings under the CCAA. Following an extensive review of their available options, as well as the progress of the SISP, the Applicants, and the Proposed Monitor are of the opinion that the SISP should continue in the context of these proceedings and is in the best interest of the ELNA Group's stakeholders.

244. While the SISP included a broad canvass of the market, given these CCAA proceedings it is appropriate that the potential interested party list be expanded to include additional strategic and financial players, in order to provide the best possible outcome for all stakeholders.

Osler, Hoskin & Harcourt LLP

245. Given the current context, the revised SISP will be continued and conducted by the Proposed Monitor, with the assistance of Raymond Chabot Grant Thornton LLP.

246. In the context of the revised SISP, the Applicants, and Proposed Monitor, will further canvass the market for investment and refinancing opportunities as well as for potential transactions in respect of the business, the whole in the best interest of the Applicants' stakeholders.

247. Accordingly, with the present Application, the Applicants are asking this Court to approve the SISP bidding procedures ("**SISP Guidelines**"), filed in support hereof as **Exhibit P-6.**

248. The SISP Guidelines, developed by the Applicants and the Proposed Monitor, are in line with those used in other recent comparable insolvency proceedings.

249. The SISP Guidelines contemplate a two (2) phase bidding process and timeline which was agreed to by the Applicants, and the Proposed Monitor**,** in compliance with the terms and conditions of the DIP Term Sheet**,** as well as the achievement of the following milestones (subject to any extensions and modifications that may be made pursuant to the SISP Guidelines):

STEPS	**DATE**
Launch of SISP	Upon issuance of SISP Approval Order
Due Date for Phase 1 Bids	January 31, 2025
Due Date for Phase 2 Bids	March 7, 2025
Signature of Binding Agreement(s)	No later than the week of March 24, 2025
Service of Application for Approval of the Agreement(s) by the Court	No later than the week of March 24, 2025
Hearing Seeking Court Approval of the Agreement(s) (subject to Court Availability)	No later than the week of March 24, 2025
Closing of the transaction(s)	No later than week of March 31, 2025

250. The SISP Guidelines outline the terms and procedures for a fair and efficient sale and investment process so as to (i) maximize the chances of concluding an

investment and refinancing transaction, and (ii) one or more going concern transactions in respect of the Applicants business in accordance with the highest or otherwise best offer for the assets, property and undertakings of the Applicants, all in the best interest of the Applicants' stakeholders, including their employees, doctors and over three (3) million patients across the country.

251. Given the liquidity constraints, it is essential that the SISP Guidelines be approved as soon as possible in order to initiate the revised SISP in very short order.

252. As appears from the Pre-Filing Report of the Proposed Monitor, the Proposed Monitor is of the view that the SISP Guidelines are reasonable and appropriate in the circumstances and supports the issuance of the SISP Approval Order.

E. Debtor In Possession (DIP) Financing and DIP Charge

253. In light of their current liquidity challenges, and as demonstrated in the Pre-Filing Report of the Monitor, the Applicants require interim financing to provide the stability required to continue their operations, while pursuing their restructuring efforts under these CCAA proceedings, including the revised SISP and Equity Raise Process.

254. Subject to certain terms and conditions, NBC has agreed to continue to support the Applicants through their restructuring efforts, with a view to maximizing recoveries for all stakeholders, and to provide the Applicants with a debtor-in-possession facility (the "**DIP Facility**"). The related term sheet (the "**DIP Term Sheet**") is filed, *under seal*, as **Exhibit P-7**.

255. The DIP Facility includes the following commercial terms:

- ➢ Facility size: $5,000,000
- ➢ Term: February 12, 2025

256. The DIP Facility is proposed to be secured by a Court-ordered charge (the "**DIP Charge**") on all of the present and future assets, property and undertakings of the Applicants up to a maximum amount of $1,200,000 in the Initial Order, to be increased to $6,000,000 in the ARIO. The DIP Charge will have priority over all other security interests, hypothecs, charges and liens, except the Administration Charge, and the MRP Charge (as these terms are defined below).

257. NBC has indicated that the DIP Charge is a key condition of the DIP Term Sheet, and that it is not prepared to provide interim financing to the Applicants without the DIP Charge.

258. The DIP Facility will allow the Applicants to generally continue operating their business during the conduct of the SISP and the Equity Raise Process, the whole for the benefit of all stakeholders, most notably their patients.

259. The funds available under the DIP Facility will be used to meet the Applicants' funding requirements during the CCAA proceedings in accordance with (i) the

terms and conditions of the DIP Term Sheet, and (ii) the cashflow projections in the Pre-Filing Report of the Proposed Monitor, including the uninterrupted and full payment of all medical professionals including the doctors, as well as payment of professional fees and other costs and expenses in connection with the CCAA proceedings.

260. Without interim financing, the Applicants will not be able to continue to operate and will not have sufficient liquidity to effectuate their restructuring strategy.

261. The Applicants believe that the consequential effects of such measures could greatly impair the outcome of the SISP and as a result, the value of their business and assets, to the detriment of their creditors and other stakeholders.

262. The Applicants respectfully submit that it is in the interest of all stakeholders, including its employees and patients, that the DIP Facility and related DIP Charge be approved by this Court.

263. The Proposed Monitor is supportive of the proposed DIP Facility and the DIP Charge, as appears from the Pre-Filing Report of the Proposed Monitor which also comments on the applicable factors set out at section 11.2(4) of the CCAA.

F. Medicentres Doctors Retention Program

264. As of the date hereof, there is an aggregate amount of approximately $1.5 million owing to the Medicentres' doctors for services rendered up November 30, 2024.

265. Unfortunately, the DIP Facility is not sufficient to cover these amounts in full in the normal course. Therefore, with a view to securing their ongoing support, the Applicants, with the consent of NBC, are seeking approval of a Medicentres doctors retention program ("**MRP**") for an amount of up to $3,000,000.

266. The MRP was developed by the Applicants, with the consent of the Proposed Monitor, to facilitate and encourage the continued participation of the Medicentres doctors, who are necessary to continue operating the Medicentres clinics throughout these proceedings, maintain patient care, and preserve value for all stakeholders.

267. Under the MRP, the Medicentres doctors will be paid for their services from and after the date of the initial order in the usual course and any outstanding amounts, including the amounts referenced above, shall be paid in priority following either: (i) the closing of a single, or multiple transaction(s) for substantially all of the Medicentres' assets, property and undertakings, or (ii) the implementation of a plan of arrangement or compromise in respect of Medicentres.

268. In order to secure the payments owed to the above-mentioned doctors in accordance with the MRP, the Applicants seek an order granting to such doctors a superpriority charge on all of the present and future assets, property and undertakings of Medicentres, ranking ahead of all other secured and unsecured

creditors, other than the Administration Charge, up to a maximum amount of $3,000,000 (the “**MRP Charge**”).

269. The Applicants submit that the approval of the MRP and the MRP Charge are essential to the success of their restructuring efforts. The Applicants are hopeful that the MRP and the MRP Charge will help secure the ongoing support of the Medicentres doctors.

270. As appears from the Pre-Filing Report of the Proposed Monitor, the Proposed Monitor is supportive of the DRP and the DRP Charge.

G. Engagement of the Chief Financial Officer

271. In the context of these CCAA proceedings, the Applicants are seeking the approval of the engagement of Crowe BGK LLP (Mr. Patrick Ifergan) to act in a role akin to that of a chief financial officer of the ELNA Group (the “**CFO**”).

272. In fact, Mr. Ifergan was named Chief Financial Officer of the ELNA Group in June 2023, a position he held until August 2024, when he joined Crowe BGK LLP as a partner.

273. However, since joining Crowe BGK LLP, Mr. Ifergan has continued to act as the *de facto* Chief Financial Officer of the ELNA Group in accordance with a consulting agreement entered into between the ELNA Group and Crowe BGK LLP.

274. In light of these proceedings, this agreement was amended on December 9, 2024 (“**CFO Agreement**”). The CFO Agreement contemplates that (i) it be ratified and approved by the Court in the circumstances where insolvency proceedings are initiated in respect of Applicants, and (ii) obligations owed to the CFO by the ELNA Group be secured by a charge, as appears from a copy of the CFO Agreement disclosed in support hereof as **Exhibit P-8.**

275. As appears from the CFO Agreement, the CFO’s compensation for services rendered is in the form of a weekly fee payment by EMG, for an on behalf of the ELNA Group, to Crowe BGK LLP.

276. Therefore, it is contemplated that the Administration Charge (as defined below) shall notably enure to the benefit of the CFO with respect to the weekly fee.

277. It is in Applicants’ stakeholders’ best interest that the CFO Agreement be approved and ratified by the Court, and that Applicants’ obligations owed to the CFO be secured as part of the Administration Charge (as defined below).

278. The services provided by the CFO will be essential to a successful and timely restructuring of the Applicants’ business, as the CFO has an intimate knowledge of the Applicants’ affairs and has been providing them extensive support.

279. As appears from the Pre-Filing Report of the Proposed Monitor, the Proposed Monitor is supportive of the CFO Agreement.

280. Accordingly, the Applicants respectfully request that the CFO Agreement be approved and ratified by this Court.

H. D&O Charge

281. The Applicants will only be able to bring the current proceedings to fruition with the continued participation of Laurent Amram, the sole director and founder of the ELNA Group (the "**Director and Officer**"). He is essential to the viability of the restructuring efforts, especially in the context of the SISP.

282. The Applicants maintain directors' and officers' liability insurance in respect of Medicentres, but there is no insurance coverage for any other Applicant entities.

283. However, the current amount of coverage provided by the Medicentres Director and Officer's insurance may not be sufficient to protect Mr. Laurent Amram from all potential claims and as mentioned it is critical that he be fully focused on the restructuring efforts.

284. The Applicants therefore request a Court ordered charge ("**D&O Charge**") in the amount of $725,000 as part of the Initial Order, to take rank after the Administration Charge (as defined below), the MRP Charge, and the DIP Charge.

285. The D&O Charge is intended to allow Mr. Amram to focus his efforts on these restructuring proceedings, for the benefit of all stakeholders.

286. The Applicants believe that the amount of the D&O Charge is fair and reasonable in the circumstances, and the issuance of the D&O Charge is supported by the Proposed Monitor.

I. Administration Charge and Ranking of Charges

287. The support of the Proposed Monitor, its counsel, the CFO, and the Applicant's counsel (collectively, the "**Professionals**") is essential to ELNA Group's restructuring. As such, the Professionals have requested that their respective fees and disbursements be secured by a Court Charge in an initial aggregate amount of $750,000 to cover the work done to prepare the present proceedings and the work required until the Comeback Hearing in connection to the Applicants ("**Administration Charge**", together with the DIP Charge, the MRP Charge, and the D&O Charge the "**CCAA Charges**").

288. The Professionals have requested that their respective fees and disbursements be secured by an administration charge, ranking ahead of the claims of all secured and unsecured creditors, and have indicated that the granting of an administration charge is essential to their support throughout the proceedings.

289. The Administration Charge will be secured by a charge on all of the Applicants present and future assets, property and undertakings ranking ahead of all Applicants' other secured and unsecured creditors.

290. The Applicants respectfully request that this Court grant the following super-priority charges in the following order of priority:

- The Administration Charge;
- The MRP Charge (only on the Medicentres assets, property and undertakings);
- The DIP Charge; and
- The D&O Charge.

291. Moreover, the proposed Initial Order provides that the CCAA Charges will not rank ahead of any statutory deemed trusts in favour of the Crown in right of Canada or of any Province. The Applicants will be seeking such relief at the comeback hearing as appears from the proposed ARIO.

292. The Proposed Monitor is supportive of the Administration Charge, and the ranking of the court ordered super-priority charges, which are to the benefit of all stakeholders.

J. Critical Suppliers and Key Expenses

293. During the course of these CCAA proceedings, the Applicants intend to make payments for post-filing goods and services supplied in the ordinary course.

294. Given that certain critical suppliers are located abroad or may be highly dependent on continuous payment from the Applicants in order to ensure uninterrupted business operations during the CCAA proceedings, the Applicants are proposing in the Initial Order that they be authorized, with the consent of the Proposed Monitor, to make certain payments, including payments owing in arrears, to certain third parties that are critical to the Applicants business and ongoing operations.

295. The Applicants therefore seek to be authorized to pay, with the consent of the Proposed Monitor, or the Court, any pre-filing unpaid claims of third parties it deems critical, up to an initial aggregate amount of $300,000.

K. Intercompany Transactions

296. In the ordinary course of their business operations, certain of the Applicants enter into transactions with each other, including without limitation (a) intercompany funding transactions, (b) purchase and sale transactions for goods or services in the ordinary course of the business, (c) allocation and payments of costs, expenses and other amounts for the benefit of the Applicants, including, without limitation, debt repayments and interest costs, head office, shared services and restructuring costs (collectively, "**Intercompany Transactions**").

297. It is essential that all Intercompany Transactions among the Applicants continue on terms consistent with existing arrangements or past practice, subject to such

changes or to such governing principles, policies or procedures as the Monitor may require.

VII. RELIEF SOUGHT AT THE COMEBACK HEARING

298. At the comeback hearing, the Applicants intend to seek the inclusion of Gestion Privamed Inc. as a debtor to these CCAA proceedings for the purposes of extending the stay of proceedings and to providing that the CCAA Charges will be secured by a charge on all movable property and undertakings ranking ahead of all secured and unsecured creditors of Gestion Privamed Inc.

B. Stay of Proceedings

299. At the comeback hearing, the Applicants will seek a further extension of the Stay Period until February 12, 2025, to allow for the full deployment of the SISP, as appears from draft ARIO (Exhibit P-3).

300. This will allow the Applicants, Mr. Laurent Amram, and the Proposed Monitor to fully focus on the SISP and the Equity Raise Process, which will accelerate the restructuring efforts and reduce the costs associated with the present CCAA proceedings.

301. No creditor of the Applicants, nor of Mr. Laurent Amram, will be materially prejudiced if the Applicants' request for an extension is granted. Rather it will be to the benefit of all stakeholders as the restructuring process, including the SISP and the Equity Raise Process, will continue until their respective conclusions.

302. The Applicants have acted, are acting, and will continue to act in good faith and with diligence in the context of these CCAA proceedings.

303. If the DIP Facility is approved, the ELNA Group will have sufficient cash flow to continue operations and its restructuring initiatives under the CCAA up to and including February 12, 2025, as appears from the Pre-Filing Report of the Proposed Monitor.

304. As appears from the Pre-Filing Report of the Proposed Monitor, the Proposed Monitor supports the requested extension of the Stay Period until February 12, 2025.

C. Increase of Certain CCAA Charges

305. At the comeback hearing, the Applicants will request an increase of the Administration Charge in the amount of $250,000 for a total aggregate amount of $1,000,000 to secure the professional fees and disbursements to be incurred in connection with the present CCAA proceedings.

306. Additionally, the Applicants will request an increase of the DIP Charge for a total aggregate amount of $6,000,000, and an increase of the D&O Charge for a total aggregate amount to be determined.

VIII. SEALING OF CONFIDENTIAL DOCUMENTS

307. The Applicants seek an order declaring that Exhibit P-7 be strictly kept confidential and filed under seal considering that it contains commercially sensitive information regarding the business and assets of the Applicants, which disclosure risks impacting the SISP and Equity Raise Process.

308. Indeed, the Applicants have no obligation to disclose their projections and financial statements to the public and disclosure of such information to the general public and potential trade competitors and partners is highly prejudicial to the Applicants, the Equity Raise Process and the SISP.

309. At the same time, this will cause no prejudice to the Applicants' creditors, as the information will nevertheless be filed with this Court and may be made available to said creditors upon the execution of a confidentiality agreement or undertaking.

IX. EXECUTION NOTWITHSTANDING APPEAL

310. Given the urgency and severity of the circumstances confronting the Applicants, it is essential that the execution of the orders sought herein be granted notwithstanding appeal.

311. Considering the urgency of the situation, the Applicants respectfully submit that the notices given of this Application for the purposes of all orders sought herein are proper and sufficient.

X. CONCLUSION

312. For the reasons set forth above, the Applicants believe that it is both appropriate and necessary that the relief being sought herein be granted. With such relief, the Applicants will be able to pursue their turnaround initiatives for the benefit of all stakeholders.

313. The Applicants secured lender (NBC) informed the Applicants that they consent to the issuance of the orders sought herein.

314. As mentioned, the Proposed Monitor has informed the Applicants that it supports the present Application and the issuance of the orders sought herein, as will appear from the Pre-Filling Report of the Proposed Monitor.

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the present *Application for an Initial Order, an Amended and Restated Initial Order, a SISP Approval Order and other ancillary relief* (the "**Application**");

AT THE INITIAL HEARING OF THE APPLICATION:

ISSUE an order substantially in the form of the draft Initial Order communicated in support of the Application as **Exhibit P-1**;

ISSUE an order substantially in the form of the draft SISP Approval Order communicated in support of the Application as **Exhibit P-2**;

AT THE COMEBACK HEARING OF THE APPLICATION:

ISSUE an Amended and Restated Initial Order substantially in the form of the draft order communicated in support of the Application as **Exhibit P-3;**

THE WHOLE without costs, save in the case of contestation.

MONTRÉAL, December 10, 2024

Osler, Hoskin & Harcourt LLP

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SCHEDULE A

List of Applicant Entities

- 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 Décarie Square Inc.
- ELNA Mental Health Inc.
- ELNA Technologies Inc.
- Montreal Perfusion Center 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.

SCHEDULE B

ELNA Clinic Network

La Cité Médicale Entity:

1. La Cité Médicale Inc.

Brunswick Health Group Entities:

2. 15529301 Canada Inc.
3. Brunswick Health Group Inc.
4. Brunswick Medical Center Inc.
5. The Children's Clinic @ Pointe-Claire Inc.
6. Brunswick Research Inc.
7. 6892094 Canada Inc. (JV Holdco)
8. 6892116 Canada Inc. (Radiology Centre) (Owned with a Third-Party Partner)
9. Brunswick Labs & Tests Inc.
10. SanoMed Solutions Inc.
11. Brunswick Minor Surgery Center Inc.
12. Brunswick Endoscopy Inc.
13. 10162884 Canada Inc. (Starbucks)

Privamed Entities:

14. 9074-2743 Québec Inc. (Real Estate Holding)
15. Gestion Privamed Inc. (Real Estate Holding)
16. Clinique Privamed Inc.

ELNA Clinics Entities:

17. 9508503 Canada Inc.
18. Gestion ELNA Pierrefonds Inc. (Real Estate Holding)
19. Clinique Santé DIX30 Inc. (Owned with a Third-Party Partner)
20. ELNA Medical Group Inc.

21. ELNA Pediatrics Inc.
22. Tiny Tots Medical Centre Ltd.
23. 7503881 Canada Inc.
24. Clinique Médicale ELNA Unimed Inc.
25. Gestion ELNA 2 Inc. (ELNA Plateau Mont-Royal)
26. 9472-1024 Québec Inc.
27. Clinique Médicale ELNA Châteauguay Inc.
28. Clinique Métro-Medic Centre-Ville Inc.
29. 9248-5994 Québec Inc. (ELNA Pierrefonds)
30. Créa-Med Clinique de Médecine Privée Inc.
31. GBMC Medical Office Management Inc.
32. Omni-Med Stillview Inc.
33. ELNA Rockland Management Inc.
34. ELNA Rockland Clinic Inc.
35. ELNA Clinique A Inc.
36. ELNA Group Inc. (ELNA Cosmetics)
37. ELNA Anti-Aging Inc.
38. Clinique Médicale ELNA Décarie Inc.
39. ELNA Plus Décarie Square Inc.
40. ELNA Mental Health Inc.
41. ELNA Technologies Inc.
42. Montreal Perfusion Center Inc.
43. Gestion ELNA 1 Inc.
44. ELNA Medical Clinic SMB
45. 9134-5394 Québec Inc. (Neurothérapie)
46. ELNA Private Care – Old Montreal Inc.

47. ELNA Sexual Wellness Gatineau Inc. (<u>Owned with a Third-Party Partner</u>)

48. MD Connected Ltd. (<u>Owned with a Third-Party Partner</u>)

49. ELNA Urology Inc. (<u>Owned with a Third-Party Partner</u>)

50. 9079467 Canada Inc. (Circumcision Montreal)

51. Clinique Médic-Elle Inc. (<u>Owned with a Third-Party Partner</u>)

52. 7818963 Canada Inc.

53. ELNA Esthetics Clinic SMB (<u>Owned with a Third-Party Partner</u>)

54. ELNA Esthetics Clinic A Inc. (<u>Owned with a Third-Party Partner</u>)

55. 7294531 Canada Inc. (ELNA Prestige) (<u>Owned with a Third-Party Partner</u>)

56. ELNA Sexual Wellness Inc. (<u>Owned with a Third-Party Partner</u>)

57. ELNA Sexual Wellness Mississauga Inc. (<u>Owned with a Third-Party Partner</u>)

58. ELNA Sexual Wellness Clinic A (<u>Owned with a Third-Party Partner</u>)

<u>Physimed Health Group Entities:</u>

59. 9491-7812 Québec Inc.

60. Physimed Health Group Inc.

61. Physimed Clinic Inc.

62. E-Medispa International Inc.

<u>Medicentres Entities:</u>

63. ELNA Acquisitions Inc.

64. Medicentres Canada Inc.

<u>CDL Laboratories Inc. Entities:</u>

65. CDL Laboratories Inc.

66. 11247603 Canada Inc.

67. Évalumedic Inc.

68. 7159099 Canada Inc.

69. CDL Cardiology Clinic

70. CDL Protontherapy Center Inc.

71. CDL Proton Management Inc.

M-Health Solutions Inc. Entities:

72. M-Health Solutions Inc.

73. 1000224328 Ontario Inc.

AFFIDAVIT

I, the undersigned, Laurent Amram, having my professional domicile at 5990 Ch. De la Côte-des-Neiges, Montréal, Québec, H3S 1Z5 solemnly declare the following:

1. I am the President and Sole Shareholder of the Elna Medical Group Inc. as well as the other Applicants, and a duly authorized representative of the Applicants for the purposes hereof.

2. I have taken cognizance of the attached *Application for an initial order, an amended and restated initial order, a SISP approval order and other ancillary relief* (the "**Application**").

3. All of the facts alleged in the Application of which I have personal knowledge are true.

4. Where I have obtained facts alleged in the Application from others, I believe them to be true.

AND I HAVE SIGNED:

Laurent Amram

SOLEMNLY DECLARED BEFORE ME IN MONTRÉAL, QUÉBEC, ON DECEMBER 10th, 2024.

Commissaire à l'assermentation
LYNE ST-AMOUR
189,450
Pour le Québec

Lyne St-Amour
Commissioner for Oaths for the Province of Québec

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-●

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36)

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

ELNA MEDICAL GROUP INC. / GROUPE MÉDICAL ELNA INC.

-and-

9508503 CANADA INC.

-and-

THE OTHER APPLICANTS LISTED IN SCHEDULE A HERETO

Applicants

-and-

LAURENT AMRAM

Mise-en-Cause

-and-

RAYMOND CHABOT INC.

Proposed Monitor

NOTICE OF PRESENTATION
COMMERCIAL DIVISION
(ROOM 16.07)

TO: **Service List**

PRESENTATION OF THE PROCEEDING

TAKE NOTICE that the *Application for an initial order, an amended and restated initial order, a SISP approval order and other ancillary relief*, will be presented for adjudication before the Honourable Justice Martin F. Sheehan of the Commercial Division of the Superior Court of Québec, on **December 11, 2024, at 9:30 in room 16.07**.

HOW TO CONNECT TO THE HEARING VIRTUALLY

The coordinates for you to join the virtual hearing in room 16.07 are as follows:

By Teams: by clicking on the link available at http://www.tribunaux.qc.ca: ("*Liens TEAMS pour rejoindre les salles du Palais de justice*")

You must fill in your name and click on «Join now» (« *Rejoindre maintenant* »). To facilitate the process, we invite you to fill in your name as follows:

Lawyers: Me First name, Last name (Name of the party you represent)

Trustees: First name, Last name (Trustee)

Superintendent: First name, Last name (Superintendent)

Parties not represented by a lawyer: First name, Last name (specify: Plaintiff, Defendant, Petitioner, Respondent, Creditor, Opponent or Other)

For individuals attending a public hearing: the mention can be limited to: (public)

By telephone:

Canada, Québec (Charges may apply): +1 581-319-2194

Canada (Toll-free number): (833) 450-1741

Conference ID: 648 463 187#

By VTC videoconference: teams@teams.justice.gouv.qc.ca

Videoconference ID: 1154813145

PLEASE GOVERN YOURSELF ACCORDINGLY.

MONTRÉAL, December 10, 2024

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No. : 500-11-

SUPERIOR COURT
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

ELNA MEDICAL GROUP INC./GROUPE MÉDICAL ELNA INC. et al

Applicants

-and-

LAURENT AMRAM

Impleaded Party

-and-

RAYMOND CHABOT INC.

Proposed Monitor

APPLICATION FOR AN INITIAL ORDER, AN AMENDED AND RESTATED INITIAL ORDER, A SISP APPROVAL ORDER AND OTHER ANCILLARY RELIEF **(Section 9,10,11 and ff, and 23 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36)**, AFFIDAVIT, NOTICE OF PRESENTATION

ORIGINAL

CODE : BO 0323 O/F : 1249999

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