

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
DIVISION NO.: 01-MONTRÉAL
COURT NO.: 500-11-065082-246
ESTATE NO.: 41-345114

SUPERIOR COURT

Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP
OF:

LA CITÉ MÉDICALE INC.

Debtor

-and-

FIERA ENHANCED PRIVATE DEBT
FUND LP

Secured Creditor

-and-

RICHTER INC.

Receiver

FINAL REPORT OF THE RECEIVER

INTRODUCTION

1. On December 20, 2024, Fiera Enhanced Private Debt Fund LP ("**Fiera**" or "**Secured Creditor**"), filed a *Motion for the Appointment of a Receiver and Related Relief* ("**Receivership Motion**"), in accordance with Section 243 of the *Bankruptcy and Insolvency Act* ("**BIA**") with respect to all the property, of every nature and kind whatsoever, wherever situated, and regardless of whose possession it may be in ("**Property**"), of La Cité Médicale Inc. ("**LCM**" or "**Debtor**").
2. On December 20, 2024, Richter Inc. issued the Report of the Proposed Receiver ("**First Report**") in support of the Receivership Motion.
3. On December 23, 2024, the Quebec Superior Court (the "**Court**") issued an order (the "**Receivership Order**"), appointing Richter Inc. ("**Richter**" or the "**Receiver**") as receiver to the Debtor's movable and immovable property, in whatever they may be, and in any place and in any hands whatsoever (the "**Property**").

4. On January 20, 2025, the Receiver filed an application to court for the approval of a sales solicitation process ("**SSP**") to be conducted in respect of the Debtor's business and / or assets in accordance with the procedures, terms and conditions set out therein (the "**Bidding Procedures**"). On January 23, 2025, the Court issued an order approving the SSP ("**SSP Order**").
5. On April 29, 2025, the Receiver filed an *Application for the Issuance of an Approval and Vesting Order* ("**Sale Approval Application**") authorizing the sale of substantially all of the Debtor's assets (the "**Transaction**") to 9537-4633 Québec Inc. (the "**Purchaser**"). On May 9, 2025, the Court issued an approval and vesting order ("**Approval and Vesting Order**").
6. On October 7, 2025, the Receiver filed an *Application for the Issuance of an Order for the Receiver's Discharge* ("**Distribution and Discharge Application**")

PURPOSE OF THIS REPORT

7. The purpose of this report (the "**Third Report**") is to provide the Court with information pertaining to the:
 - i. Activities of the Receiver since the Second Report;
 - ii. The sale transaction;
 - iii. The Receiver's recommendations for an order (the "**Distribution and Discharge Order**"):
 - a. Authorizing and directing the Receiver to distribute the remaining funds in the receivership estate, net of payment of professional fees, to the Secured Creditor;
 - iv. Request for the approval of the professional fees;
 - v. Statement of receipts and disbursements dated October 5, 2025;
 - vi. Discharging and releasing Richter as Receiver; and
 - vii. The Receiver's conclusion and recommendation.

QUALIFICATIONS

8. Unless otherwise noted, all monetary amounts contained in this Third Report are expressed in Canadian dollars.
9. In preparing this Third Report, the Receiver has relied upon certain unaudited information from the Secured Creditor and the Debtor and discussions with the Secured Creditor and the Debtor's representatives (the "**Information**").

10. Except as otherwise described in this Third Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountant of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. The Information has been provided by the Secured Creditor and the Debtor, who are responsible for the accuracy of such Information.

BACKGROUND AND OPERATIONS OF THE DEBTOR

11. Please refer to the First Report and the Receivership Motion for a detailed summary of the background and operations of the Debtor.

ACTIVITIES OF THE RECEIVER

12. Since the granting of the Second Report, the Receiver has:
- i. Finalized the sale transaction and transition of the operations / assets to the Purchaser;
 - ii. Worked with the Debtor and Purchaser to ensure proper cutoff of transactions pre and post closing date;
 - iii. Monitored the daily cash flow / bank transactions for post-closing adjustments as per the terms of the Asset Purchase Agreement (“**APA**”) entered into between the Purchaser and the Debtor;
 - iv. Responded to creditors queries; and
 - v. Prepared this Third Report.

THE SALE TRANSACTION

13. The Approval and Vesting Order contemplated the issuance of a certificate by the Receiver (“**Receiver’s Certificate**”) once the APA has been executed and delivered and all the conditions to the closing (“**Closing Conditions**”) of the transaction were satisfied or waived by the Purchaser and Vendor.
14. The Closing Conditions included, but were not limited to, the following:
- i. Payment of the purchase price;
 - ii. The filing of the appropriate tax election forms, duly completed by the Debtor and the Purchaser, to ensure that no sales taxes are payable in connection with the Transaction; and
 - iii. Execution by the Purchaser of an agreement confirming the assumption of the specified liabilities as outlined in the APA.

15. All Closing Conditions were either satisfied or waived by the Purchaser and the Debtor on May 14, 2025, and the Receiver thereafter issued the Receiver's Certificate on the same date.

DISTRIBUTION

16. The Approval and Vesting Order authorized and directed the Receiver to distribute (the "**Distribution**") a portion of the proceeds held by the Receiver as a result of the realization of the assets of the Debtor, net of a reserve ("**Proceeds Reserve**"), as agreed upon between the Secured Lender and the Receiver. Pursuant to the approved Distribution, the Receiver distributed the following amounts:
- i. An amount of \$708,450 to Fiera FP Business Financing Fund LP, as interim lender, representing the full repayment of the interim financing; and
 - ii. An amount of \$4,200,000 to the Secured Creditor, representing a partial repayment of the secured debt.
17. As at October 5 2025, the remaining cash held by the Receiver equals \$1,394,892.52. The table below summarizes the proposed distribution to the Secured Creditor:

LCM	
Projected Final Distribution to Secured Creditor	
Cash in Trust with Richter	1,394,893
Less:	
Prof. Fees McCarthy (as of October 6, 2025)	(27,500)
Prof. Fees Norton Rose (as of October 6, 2025)	(54,001)
Prof. Fees Richter Fees (as of October 6, 2025)	(97,820)
Est. Professional Fees for Closing File	-
	(179,321)
Est. Distribution to Secured Creditor	\$ 1,215,572

18. The Proceeds Reserve was held by the Receiver for the payment of various liabilities, including transaction related liabilities to suppliers, payroll and professional fees.
19. The current indebtedness owing by the Debtor to the Secured Creditor following the Distribution as at October 6, 2025, is \$3,814,817.89, plus any further accrued interest and costs.
20. As indicated in the Second Report, the Receiver has obtained an independent opinion from its legal counsel, Norton Rose Fulbright Canada ("**Norton Rose**") confirming that the security granted in favour of the Secured Creditor is valid and enforceable and may be set up against third persons.
21. Based on the foregoing, the Receiver is of the view that the Secured Creditor that is to receive payment pursuant to the proposed distribution has valid entitlements to such distribution and that no other creditors will be prejudiced by the proposed distribution.

REQUEST FOR APPROVAL OF PROFESSIONAL FEES

22. The Receiver and its Counsel, Norton Rose, have maintained detailed records of their professional fees in the receivership proceedings.
23. The Receiver's fees for services rendered for the period ended October 5, 2025, amount to \$458,097.17, plus disbursements in the amount of \$19.42 (all excluding sales taxes). These amounts

represent professional fees not approved by the Court. A summary statement of fees is attached to this report as **Appendix A (under seal)**.

24. The fees of Norton Rose's services rendered for the period ended September 30, 2025, amount to \$143,169.87, plus disbursements in the amount of \$719.39 (all excluding taxes). These amounts represent fees not approved by the Court. A summary statement of fees is attached to this report as **Appendix A (under seal)**.
25. The Receiver has approved Norton Rose's accounts and has determined that the services have been duly authorized and duly rendered, and the charges are reasonable given the circumstances.

RECEIPTS AND DISBURSEMENTS

26. Attached as **Appendix B** is the Receiver's Final Statement of Receipts and Disbursements for the period of December 24, 2024, to October 5, 2025.

RECEIVER'S DISCHARGE

27. The Receiver has completed the Transaction and issued the Receiver's Certificate attesting that all conditions were met or were waived by the Purchaser and the Vendor.
28. The Receiver has fulfilled its obligations as per the APA for post-closing adjustments including transferring funds received in the Debtor's account, dealing with creditors, and other matters.
29. The Receiver has completed all required statutory work in accordance with its duties.
30. As indicated above, all assets were sold in accordance with the APA and for which an Approval and Vesting Order was granted.

CONCLUSION AND RECOMMENDATION

31. The Receiver has substantially concluded its administration of the receivership.
32. To the best of the Receiver's knowledge, the Receiver will have completed its administration of the receivership estate in accordance with the terms of the Receivership Order, and the various other Orders rendered by the Court in the course of these receivership proceedings. The Receiver is not aware of its services being required for any further purpose other than as set out in accordance with the Distribution and Discharge Order.
33. The Receiver recommends that the Court grant the relief sought for the approval of the professional fees, which fees are fair and reasonable and have been approved by the Secured Creditor, the only party affected by this payment.
34. For the reasons listed above, the Receiver respectfully requests that the Court approve its conduct as described in this Third Report and issue an Order discharging the Receiver from its duties, responsibilities and obligations in connection with this receivership, subject to the completion of any residual matters.

DATED AT MONTREAL, this 7th day of October 2025

Richter Inc.

Licensed Insolvency Trustee

A handwritten signature in blue ink, appearing to read 'Benchaya', is written over the printed name.

Olivier Benchaya, CPA, CIRP, LIT

Appendix A

Summary Statement of Fees

FILED UNDER SEAL

Appendix B

Receipts & Disbursement

CANADA
PROVINCE DE / OF QUÉBEC
DISTRICT DE / OF MONTRÉAL
NO. COUR / COURT NO.: 500-11-065082-246
DOSSIER NO. / ESTATE NO.: 41-345114

COUR SUPÉRIEURE /
SUPERIOR COURT
Insolvency and Bankruptcy Act

IN THE MATTER OF THE RECEIVERSHIP OF LA CITÉ MÉDICALE INC., duly incorporated according
to law and having its head office and its principal place of business at 5990, ch. De la Côte-des-Neiges, Montreal, (Quebec) H3S 1Z5

RECEIVER

FINAL RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

RECEIPTS

1. Transfer from Bank account (Note 1)		\$	252,640.54
2. Sale of assets (Note 2)			6,525,000.00
3. Revenues (Note 3)			4,516,802.20
4. Interim Financing (Note 4)			700,000.00
5. Taxes			
a) GST collected	131,204.00		
b) QST collected	261,667.06		
d) GST recovered	9,633.16		
e) QST recovered	19,358.26		421,862.48
6. Interest			23,854.81
TOTAL RECEIPTS			12,440,160.03

DISBURSEMENTS

7. Fees paid			
a) Receivership filing fees to the Official Receiver			80.42
8. Operating costs for sale of assets (note 5)			
a) Occupation rent	585,296.92		
b) Payroll	1,346,869.07		
c) Doctors Payroll	1,176,033.74		
d) Insurance	33,716.57		
e) Trade suppliers	1,474,628.08		
f) Other Operating costs	182,505.24		
g) Other professional fees	23,400.00		4,822,449.62
9. Interim Distribution of funds to the Interim Lender and Secured Creditor (note 6)			
a) Interim Distribution to the Interim Lender	704,526.73		
b) Interim Distribution to the Secured Creditor	4,200,000.00		4,904,526.73
10. Interest on interim financing			37,315.89
11. Commitment Fees to Secured Lender			25,000.00
TOTAL DISBURSEMENTS BEFORE RECEIVER'S FEES AND LEGAL FEES			9,789,372.66

12. Taxes			
a) GST paid	146,147.11		
b) QST paid	293,042.87		
c) HST paid	33,320.64		
d) GST remitted	38,652.34		
e) QST remitted	79,577.94		590,740.88
13. Receiver's fees (Note 7)			448,097.17
14. Legal counsel's fees (Note 8)			396,377.72
TOTAL DISBURSEMENTS			11,224,588.43

EXCESS OF RECEIPTS OVER DISBURSEMENTS

\$ 1,215,571.60

15. DISTRIBUTION TO SECURED LENDER

1,215,571.60

16. FUNDS AVAILABLE FOR DISTRIBUTION

\$ -

IN THE MATTER OF THE RECEIVERSHIP OF LA CITÉ MÉDICALE INC.

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

All defined terms not otherwise defined herein shall have the same meaning ascribed to them in the Final Report.

Notes:

1. Represents cash in the Company's bank accounts as at the date of the Receivership Order.
2. Represents the proceeds from the sale of the Company's assets as described in our Second Report.
3. Represents collections made by the Company since the date of the Receivership Order, including revenues from private esthetics services, family doctor fees, corporate receipts, and other sources.
4. The Receiver borrowed \$700,000 from the Interim Lender to fund the Receiver's administration. The borrowings plus accrued interest were repaid as part of the first distribution.
5. Represents various costs paid by the Company since the date of the Receivership Order, funded through the Company's operations.
6. Represents the distribution made to the Interim Lender of \$704,526.73 including accrued interest and the distribution made to the Secured Creditor of \$4.2 million, all in accordance with the Approval and Vesting Order.
7. Represents fees and disbursements of the Receiver, net of \$20,000 deposit.
8. Includes fees and disbursements of the Receiver's counsel, Norton Rose Fulbright, and the Secured Lender's counsel, McCarthy Tétrault LLP.

Richter Inc.
Licensed Insolvency Trustee



Olivier Benchaya, CPA, CIRP, LIT

October 7, 2025

Date