

CANADA
Province of Quebec
District of Montréal
Division No.: 01-Montréal
Court No.: 500-11-065571-255
Estate No.: 41-3214502

SUPERIOR COURT
(Commercial Division)
Bankruptcy and Insolvency Act

IN THE MATTER OF THE PROPOSAL:

MOBI724 GLOBAL SOLUTIONS INC.

a duly constituted legal person having its principal place of business at 500-1275 Avenue des Canadiens-de-Montréal, Montréal, QC H3B 0G4

Debtor

-and-

RICHTER INC.

Proposal Trustee

REPORT OF THE PROPOSAL TRUSTEE
ON THE FINANCIAL SITUATION OF THE DEBTOR AND ON THE AMENDED PROPOSAL
(Sections 50(5) and 50(10)(b) of the *Bankruptcy and Insolvency Act*)

1. The purpose of the Meeting of Creditors ("**Meeting**") is to consider the proposal filed on October 22, 2025, subsequently amended on October 23, 2025, (hereinafter the "**Amended Proposal**") by Mobi724 Global Solutions Inc. (the "**Debtor**" or the "**Company**").
2. Pursuant to Sections 50(5) and 50(10)(b) of the *Bankruptcy and Insolvency Act* (the "**Act**"), and in order to assist the Ordinary Creditors in considering the Amended Proposal, the Proposal Trustee is hereby submitting its report on the financial situation of the Debtor and on the Amended Proposal ("**Report**").
3. All the capitalized items that are not otherwise defined herein shall have the meaning ascribed thereto in the Amended Proposal.
4. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

INTRODUCTION

5. On April 22, 2025, the Company filed a Notice of Intention to Make a Proposal ("**NOI**") under the Act naming Richter Inc. as trustee ("**Richter**" or "**Proposal Trustee**").

6. On April 25, 2025, the Debtor filed a motion entitled *Application for an Order (1) Approving Interim Financing and Interim Financing Charge, and (2) Approving an Administration Charge* (the “**Financing and Charge Motion**”) and on May 1, 2025, the Financing and Charge Motion was granted by the Court.
7. On May 16, 2025, the Debtor filed a motion entitled *Debtor’s First Application for Extension of Delay to File Proposal* (the “**Stay Extension Motion**”) and on May 22, 2025, the Court granted the Stay Extension Motion, extending the delay to file a proposal to July 7, 2025.
8. On July 3, 2025, the Debtor filed a motion entitled *Debtor’s Second Application for Extension of Delay to File Proposal* (the “**Second Stay Extension Motion**”), and on July 7, 2025, the Court granted the Second Stay Extension Motion, extending the delay to file a proposal to August 21, 2025.
9. On July 18, 2025, the Debtor filed a motion entitled *Application for the Issuance of a Sale Approval and Vesting Order* and on July 23, 2025, the Court approved the sale transaction (“**Transaction**”) between the Company and 9538-5613 Quebec Inc. (the “**Purchaser**”) and issued an approval and vesting order (“**AVO**”).
10. On August 18, 2025, the Debtor filed a motion entitled *Debtor’s Third Application for Extension of Delay to File Proposal* (the “**Third Stay Extension Motion**”) and on August 21, 2025, the Court granted the Third Stay Extension Motion, extending the delay to file a proposal to October 5, 2025.
11. On September 30, 2025, the Debtor filed a motion entitled *Debtor’s Fourth Application for Extension of the Delay to File a Proposal* (the “**Fourth Stay Extension Motion**”) and on October 3, 2025, the Court granted the Fourth Stay Extension Motion, extending the delay to file a proposal to October 22, 2025.
12. On October 22, 2025, the Debtor filed a proposal (subsequently amended on October 23, 2025) to their creditors. The Amended Proposal will be submitted for creditors’ approval at the Meeting on November 11, 2025.
13. This Report summarizes the relevant information and key elements that may assist the Ordinary Creditors in evaluating the Debtor’s affairs and the Amended Proposal, presented as follows:
 - a. Overview of the Debtor and Causes of Insolvency
 - b. Restructuring Initiatives and Sale Transaction
 - c. Financial Information
 - d. Amended Proposal
 - e. Estimated Distribution to the Unsecured Creditors
 - f. Proposal Trustee’s Conclusion and Recommendation

14. In preparing this Report, the Proposal Trustee has relied upon certain unaudited financial information prepared by the Debtor's representatives, the Debtor's books and records, and discussions with the Debtor's representatives and legal counsel (the "**Information**").
15. Except as otherwise described in this Report, the Proposal Trustee 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 Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information. The Information has been provided by the management of the Company and only the Company is responsible for the accuracy of such Information
16. All prior reports of the Proposal Trustee have been filed in the court record and can be found on the Proposal Trustee's website at <https://www.richter.ca/insolvencycase/mobi724-global-solutions-inc/>.

OVERVIEW OF THE DEBTOR AND CAUSES OF INSOLVENCY

17. The Company is a fintech corporation which has developed a sophisticated technology platform that conducts data analysis and transaction processing for existing networks, card issuers and payment systems (the "**Platform**").
18. The Platform, using proprietary AI-based predictive-analysis analyzes consumer experiences generating valuable incremental commercial opportunities for banks, fintech card issuers and merchants, thereby enabling them to increase their transaction revenues and improve the performance and profitability of their card portfolios through data monetization.
19. The Company's head office is located in Montreal, Quebec and at the time of the filing of the NOI, employed 9 employees.
20. Given the nature of the Company's business in the fintech and AI sectors, a highly specialized workforce is required resulting in significant development costs.
21. The Company's insolvency was caused by a number of factors, including but not limited to:
 - a. The substantial costs associated with maintaining a public listing on the TSX Venture Exchange and the Company's inability to reduce operating costs;
 - b. The adverse impact of COVID-19 during the Company's capital-raising efforts, which hindered its ability to commercialize products and generate sales;
 - c. The Company's inability to raise additional working capital; and
 - d. Revenu Québec initiating a third-party garnishment against the Company's principal client for unremitted deductions at source.

RESTRUCTURING INITIATIVES AND SALE TRANSACTION

22. As previously indicated, the Company was unable to raise additional working capital which inhibited its ability to operate in the normal course, causing significant pressures from its creditors. Prior to the NOI filing the Company was able to secure an interim financing term sheet, from a related party ("**DIP Lender**"), in the amount of \$868K. Following the filing of the NOI, the Debtor filed the Financing and Charge Motion pursuant to which the Court granted an interim financing charge. This approval enabled the Company to maintain its operations in the normal course, after the NOI was filed.
23. The stabilization of the operations in the short term permitted the Company to focus on a going concern sale of the business with the implementation of a sale and investment process ("**SISP**"). The Proposal Trustee initiated and oversaw the SISP. Ultimately ninety (90) parties were contacted, and three (3) parties signed confidentiality agreements and were given access to a data room.
24. After the initiation of the SISP, the Proposal Trustee received a stalking horse bid for substantially all of the Company's assets, from a corporation controlled by the CEO of the Company, 9538-5613 Quebec Inc. Ultimately, no other offers were received by the bid deadline (which was extended on two occasions). Thus, the Trustee accepted the offer from the Purchaser and sought Court approval. On July 23, 2025, the Court issued the AVO authorizing the Transaction. The purchase price paid for the assets was approximately \$1.6 million through the assumption of various liabilities including the DIP advances.
25. The Transaction has been closed in escrow pending the payment of various professional fees that have accrued during the NOI proceedings (which are due to be paid no later than November 15, 2025). As a result, the Proposal and this Report have been prepared on the basis that Debtor no longer holds any assets of value and has ceased all business activities as the Purchaser is continuing the operations. The professionals hold a court ordered charge which will be released upon payment of the outstanding professional fees.

FINANCIAL INFORMATION

Statement of Earnings

26. Set out below is a summary of the Company's unaudited financial results for the years ended December 31, 2022 and December 31, 2023 and the Company's unaudited internal financial results for the 9-month period ended September 30, 2024:

Mobi724 Global Solutions Inc.			
Financial Results	F2022	F2023	YTD Sept 2024
<i>(000's)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Months:</i>	<i>12 mths</i>	<i>12 mths</i>	<i>9 mths</i>
Net Revenues	\$ 379	\$ 1,314	\$ 773
Operating Expenses	(5,204)	(3,449)	(2,314)
Operating Loss	(4,825)	(2,136)	(1,541)
Non-Operating Expenses	(434)	(805)	(768)
Net Loss	\$ (5,259)	\$ (2,941)	\$ (2,309)

27. Consequently, due to the accumulated losses exceeding \$10 million in the last few years and without the ability to raise additional capital, the Debtor was unable to generate sufficient liquidity to meet its obligations as they became due.

September 30, 2024, Balance Sheet

28. Presented below is an overview of the Company's balance sheet as of September 30, 2024, the most recent date available prior to the commencement of the NOI proceedings:

Mobi724 Global Solutions Inc.	As at
Balance Sheet	30-Sep-24
<i>(000's)</i>	<i>(Unaudited)</i>
Assets	
Cash	\$ 78
Trade and Other Receivables	783
Prepays and Deposits	72
Property and Equipment	3
	\$ 935
Liabilities	
Accounts Payables & Accruals	\$ 5,672
Convertible Debt	9,589
Derivative Financial Instruments	500
Long-Term Debt	2,936
Future Income Taxes	(482)
	18,215
Shareholders' Equity	
Share Capital	39,648
Contributed Surplus	15,511
Convertible Equity	73
Warrant	1,778
Stock Option	432
Retained Earnings	(74,721)
	(17,279)
Liabilities & Equity	\$ 935

29. As per the September 30, 2024 balance sheet, the Debtor reported a negative working capital of \$4.7 million and a net deficit of approximately \$17.3 million.

Debtor's Statement of Affairs

30. We have summarized the assets and liabilities of the Company as per the Debtor's Statement of Affairs dated October 22, 2025.

a. Assets

As a result of the Transaction previously described, the Debtor no longer holds any assets of value.

b. Liabilities

Liabilities indicated below are based on the books and records of the Debtor, the Statement of Affairs and management's representations.

Mobi724 Global Solutions Inc.		
Estimated Liabilities		
(000's)		
Secured creditors	\$	6,189
Crown claims		741
Preferred creditors		-
Unsecured creditors		
Suppliers and other debt		4,151
Convertible debt		6,614
Employees		979
	\$	18,674

Secured Creditors

31. At the time of the filing of the NOI, the Debtor had three secured creditors:
- a. \$1.9 million - Business Development Bank of Canada ("**BDC**");
 - b. \$3.8 million - Investissement Québec ("**IQ**") – comprised of two loans; and
 - c. \$0.4 million – R&D Capital
32. The BDC holds a first ranking hypothec on intellectual property ("**IP**") and a second ranking hypothec on the moveable property.
33. IQ is the first ranking secured lender on the moveable property and is second ranking on the IP.
34. R&D Capital is the first ranking secured lender on research and development tax credits.
35. The Proposal Trustee understands that in addition to the Transaction, the Purchaser is settling various pre-filing secured liabilities as follows:

- a. BDC's agreement to an out-of-court settlement in connection with BDC's proceedings against the Debtor and to provide for a full release and discharge of its security upon receipt of a payment of \$150,000, to be made no later than 90 days after the Court granted the AVO (being October 23, 2025) or the close of the first round of financing expected on or about November 30, 2025.
 - b. IQ's agreement to provide for a full release and discharge of its security upon receipt of a payment of \$50,000, to be made no later than 90 days after the Court granted the AVO (being October 23, 2025), or the close of the first round of financing expected on or about November 30, 2025.
 - c. R&D Capital's agreement to have its debt assumed by the Purchaser.
 - d. Following assumption of the R&D Capital debt and the agreed upon payments to BDC and IQ, a balance of \$5.6 million would be treated as an unsecured claim in the Proposal.
36. The Proposal Trustee has been advised that in connection with the advances of \$868,000 from the DIP Lender, a portion of these funds will be converted into shares of the Purchaser as part of the Transaction, in satisfaction of the outstanding debt, while the remaining portion would be assumed by the Purchaser.

Crown Claims

37. As per the initial creditors' list, the Debtor owes Revenue Canada ("**CRA**") and Revenu Québec ("**RQ**") a total of approximately \$741K, whereas the Amended Proposal indicates a revised amount of \$629K, representing estimated unremitted deductions at source. The proposed settlement of these Crown Claims is outlined in the Amended Proposal and further detailed in the sections that follow.

Unsecured Creditors

38. The amounts reflected above are based on the books and records of the Debtor. We summarize the amounts as follows:
- a. Trade creditors (\$4.2M);
 - b. Convertible debt (\$6.6M); and
 - c. Employees (\$1M) consisting of unpaid wages and vacation pay, mainly owed to employees that are continuing their employment with the Purchaser.
39. Proofs of claim forms are being sent to all known creditors. However, as of the present date, the Trustee is unable to confirm if the Debtor's records align with those of its creditors. Upon receipt of the proofs of claim, the Trustee will review and reconcile any discrepancies for the purpose of claim collocation.
40. The Proposal Trustee cautions that these amounts may change as proofs of claim are filed and such changes may be significant.

AMENDED PROPOSAL

41. The Proposal Trustee notes that the following is only a summary of the terms of the Amended Proposal. Creditors are advised to read the Amended Proposal for complete details.
42. The terms of the Amended Proposal are summarized as follows:
 - a. Crown Claims – refers to amounts that were outstanding and subject to Section 60 (1.1) of the Act, which reflects that no proposal shall be approved by the Court that does not provide for the payment in full of Crown Claims. The Amended Proposal outlines the proposed agreement with the government authorities as follows (which agreement is still to be confirmed with the government authorities):
 - CRA – to receive an amount up to \$350,000 less any offsets with respect to all Federal tax credits/refunds that have yet to be assessed prior to the filing of the NOI, in 24 equal monthly instalments commencing 60 days after the approval of the Amended Proposal by the creditors and Court approval (“**Approval**”);
 - RQ – to receive an amount up to \$279,000 less any offsets with respect to all Revenu Québec tax credits/refunds that have yet to be assessed prior to the filing of the NOI, in 24 equal monthly instalments commencing 60 days after Approval;
 - b. Employee Claims – refers to all claims of all employees and former employees of the Company for amounts that would have been received under paragraph Section 136(1)(d) of the Act, if the Company had become bankrupt on the date of the filing of the NOI, as well as wages, salaries, commissions or compensation after the filing of the NOI and before the Approval of the Amended Proposal. The Amended Proposal provides that :
 - All employee claims, if any, shall be paid in full after Approval, in accordance with Section 60 (1.3) of the Act; other than,
 - Employees who are continuing on with the Purchaser. These amounts will be assumed by the Purchaser, net of any amounts to be paid as a distribution to the unsecured creditor pool.;
 - c. Claims of Preferred Creditors – shall be paid in priority to the Ordinary Creditors out of the Settlement Fund, as defined below;
 - d. Claims of Ordinary Creditors – shall be settled in full by the payment of a dividend, on a pro-rata basis out of a settlement fund (“**Settlement Fund**”) totaling \$320,000, in two instalments; \$160,000 on July 1, 2026 and \$160,000 on February 1, 2027; and
 - e. Proposal Expenses – to the extent not already paid by the Debtor in the ordinary course of the Debtor’s business, shall be paid by the Company outside of the Amended Proposal.
43. The Amended Proposal applies only to Unsecured Claims, Preferred Claims (if any) and Employee Claims. For further clarity, the Amended Proposal does not apply to Secured Claims, nor to Subsequent Claims.

44. The Superintendent's Levy shall be withheld from each of the above-noted distributions in accordance with the provisions of the Act.
45. The Amended Proposal also provides for in accordance with Section 50 (13) of the Act, a compromise of Claims against the Directors of the Debtor arising before the commencement of the NOI proceedings and that relate to obligations of the Company where the directors are liable by law in their capacity as director for payment of such obligations.

ESTIMATED DISTRIBUTION TO THE UNSECURED CREDITORS

46. In the event that the creditors reject the Amended Proposal, the Debtors will automatically be bankrupt. The following information serves to inform the creditors of the Proposal Trustee's estimate as to the distribution to creditors under the Amended Proposal in comparison to the estimated distribution under a bankruptcy scenario.

Amended Proposal

47. Based on the Claims reflected in the Debtor's Statement of Affairs, the amount of the Amended Proposal would be distributed as follows:

Mobi 724 Global Solutions Proposal Summary (in \$000's)	# of creditors	Estimated Claims	Proposal	
			Estimated Distribution	Recovery %
Secured creditors (Note 1)	3	\$ 6,189	\$ -	N/A
Crown claims	2	629	629	100.0%
<u>Unsecured creditors</u>				
Preferred creditors (Note 2)	-	-	-	N/A
Unsecured portion of secured loans	2	5,589	103	1.8%
Unsecured creditors	60	11,744	217	1.8%
Total unsecured creditors	62	\$ 17,333	\$ 320	1.8%

Note 1: All Secured Claims will be paid/settled in accordance with agreements between the Debtor and the secured creditors.

Note 2: The Debtor is unaware of any Preferred Creditors other than employee claims which are being dealt with separately.

48. It is estimated that the \$320,000 Settlement Fund would represent a 1.8% recovery to unsecured creditors based on estimated claims known to the Proposal Trustee. We caution that these amounts may change as proofs of claim are filed, and as such changes may be significant.
49. As mentioned above, the Amended Proposal provides for the payment of the Crown Claims estimated at \$629K (prior to compensation for outstanding tax credits) over a 24-month period, subject to the Debtor coming to an agreement with the CRA and RQ.

Bankruptcy

50. As previously noted, subject to the Transaction being released from escrow, essentially all of the Company's assets were sold as part of the Transaction, leaving no remaining assets to be realized. Accordingly, in a bankruptcy scenario, the following are the expected results for each class of creditors:
- a. General Unsecured Creditors – no recovery;
 - b. Employees - employees can file a claim under the Wage Earners Protection Program Act (“**WEPPA**”) for unpaid wages, salaries, commissions or compensation in the 6-month period prior to the NOI filing. Services Canada determines the eligible portion of the amount claimed up to a maximum amount of \$8,844.

Other Considerations

51. Sections 95 to 101 of the Act will not be applicable to the Amended Proposal. The remedies pursuant to these provisions relate to the recovery of certain amounts under reviewable transactions, preferential treatments and asset disposals.
52. At the time of the preparation of this Report, the Proposal Trustee is attempting to gather information to perform a cursory review of the transactions that occurred during the three-month period (with unrelated third parties) and 12-month period (for transactions with related parties), prior to the filing of the NOI. The Trustee will provide an update at the Meeting on November 11, 2025.

PROPOSAL TRUSTEE'S CONCLUSION AND RECOMMENDATION

53. The Amended Proposal presented by the Debtor, which will be funded from an investment or financing from a third party, will provide a nominal recovery to the Unsecured Creditors of approximately 1.8%. Alternatively, given the fact that the Debtors have no remaining assets, there will be no dividend to the Unsecured Creditors in the event of a bankruptcy, with the exception of employees who will be entitled to file claims under WEPPA.
54. The Trustee recommends that the Unsecured Creditors vote in favour of the Amended Proposal for the following reasons:
- a. While the recovery to Unsecured Creditors is nominal, it is more than would be recovered in a bankruptcy;
 - b. Employee creditors that will have their claims assumed by the Purchaser will be in the same or better position under the Amended Proposal versus a bankruptcy. These employees will have continued employment and their claims will be fully assumed by the Purchaser. However, any employee that is not continuing with the Purchaser would be better off in a bankruptcy and filing a claim under WEPPA; and

- c. The CRA and RQ have a means for recovery of the Crown Claims.

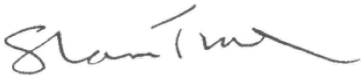
Respectfully submitted at Montreal, this 31st day of October 2025.

Richter Inc.

Licensed Insolvency Trustee



Andrew Adessky CPA, CIRP, LIT



Shawn Travitsky CPA, CIRP, LIT