

C A N A D A  
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 NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF:

**MOBI724 GLOBAL SOLUTIONS INC.**

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

**Debtor / Applicant**

-and-

**RICHTER INC.**

**Proposal Trustee**

---

FOURTH REPORT OF THE PROPOSAL TRUSTEE  
ON THE STATE OF THE DEBTOR'S BUSINESS AND FINANCIAL AFFAIRS  
AND THE PROPOSED SALE OF ASSETS  
(Section 65.13 of the *Bankruptcy and Insolvency Act*)  
July 18, 2025

Richter Inc. ("**Richter**" or the "**Proposal Trustee**"), in its capacity as trustee under the Notice of Intention to Make a Proposal (the "**NOI**"), pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") filed by Mobi724 Global Solutions Inc. ("**Debtor**" or the "**Company**"), an insolvent person, does hereby report to the Court the following:

**INTRODUCTION**

1. On April 22, 2025, the Company sought protection under the BIA by filing a NOI with the Proposal Trustee. A copy of the Certificate of Filing issued by the Superintendent of Bankruptcy was annexed as Exhibit A of the First Report of the Proposal Trustee (the "**First Report**").
2. On April 25, 2025, the Company 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.

3. 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.
4. 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 22, 2025, the Court granted the Second Stay Extension Motion, extending the delay to file a proposal to August 21, 2025.
5. On July 18, 2025, the Debtor filed a motion entitled *Application for the Issuance of a Sale Approval and Vesting Order* (the "**Sale Approval and Vesting Order Motion**"), seeking the Court approval of a sale transaction between the Company and 9538-5613 Quebec Inc. (the "**Purchaser**").
6. In order to monitor the affairs and finances of the Debtor, the Proposal Trustee has been provided with access to certain books, records and other important documents of the Debtor.

#### PURPOSE OF THIS REPORT

7. The purpose of this fourth report of the Proposal Trustee (the "**Fourth Report**") is to provide this Court with information pertaining to:
  - (i) Activities of the Proposal Trustee since the issuance of its third report (the "**Third Report**"), dated July 3, 2025;
  - (ii) Post-filing operations and cash flow projections;
  - (iii) The sale and investment solicitation process (the "**SISP**") and the proposed transaction; and
  - (iv) The Proposal Trustee's recommendation.

#### TERMS OF REFERENCE

8. Unless otherwise noted, all monetary amounts contained in this Fourth Report are expressed in Canadian dollars.
9. In preparing this Fourth 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**").
10. Except as otherwise described in this Fourth 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.

11. Future oriented financial information relied upon in this Fourth Report is based on the Debtor's representatives' assumptions regarding future events; actual results achieved may vary from the Information presented even if the hypothetical assumptions occur and these variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether projections will be achieved.

#### ACTIVITIES OF THE PROPOSAL TRUSTEE

12. Since the issuance of the Third Report, the Proposal Trustee has, *inter alia*:
  - (i) Monitored the disbursements and the Company's current operations;
  - (ii) Reviewed weekly variances between the actual cash flow results and the projections;
  - (iii) Assisted the Company with the NOI process and planning for next steps; and
  - (iv) Prepared this Fourth Report.

#### POST-FILING OPERATIONS AND CASH FLOW PROJECTIONS

13. The Company is a fintech corporation which has developed a sophisticated platform that conducts data analysis and transaction processing for existing networks, card issuers and payment systems. We refer to the First Report and the Financing and Charge Motion for further details.
14. Subsequent to the filing of the NOI, the Company has continued its operations in the ordinary course.
15. We refer to **Exhibit "A"** which reflects the reported results of the Debtor's cash versus the projections, for the period June 21, 2025 to July 11, 2025 (the "**Period**"). Overall, the net cash flow for the Period is slightly better than projected, due mainly to favorable timing differences.

#### SALE AND INVESTMENT SOLICITATION PROCESS ("SISP") AND THE PROPOSED TRANSACTION

16. As noted in the First Report, the primary objective of the restructuring was to provide time to focus on a sale of the Company on a going concern basis through the implementation of a SISP. The Company engaged the Proposal Trustee to initiate the SISP.
17. On May 14, 2025, the Proposal Trustee implemented a formal SISP. The results of the SISP are detailed in the Third Report. The table below is a summary of the SISP milestones and results, as well as certain terms included in the Asset Purchase Agreement ("**APA**") (included as Exhibit R-6 of the Sale Approval and Vesting Order Motion).

<u>Milestone / Date</u>	<u>Outcome / Comments</u>
<b>1. <u>Teaser Document</u></b> On May 14, 2025, approximately 90 entities, both strategic and private equity companies, were sent a Teaser Document.	Three interested parties executed an NDA and were granted access to a virtual data room (“VDR”), which included relevant information to assess the business opportunity.
<b>2. <u>Bid Deadline</u></b> Bid Deadline to submit offers was originally set for June 4, 2025.	N/A
<b>3. <u>Stalking Horse Bid</u></b> On May 30, 2025, 9538-5613 Québec Inc., a related party, the interim financing lender (“Interim Lender”) and a corporation controlled by Marcel Vienneau, the CEO of the Company, submitted a stalking horse bid to purchase the assets and assume various liabilities of the Company.	The stalking horse bid as well as the bidding procedures reflected in the SISP rules were included in the VDR.
<b>4. <u>Extension of the Bid Deadline</u></b> The bid deadline was extended to June 9, 2025, to permit the interested parties additional time to assess the stalking horse bid.	N/A
<b>5. <u>Due Diligence Period</u></b> One of the interested parties conducted an extensive due diligence and submitted numerous requests for additional information, including interviews with certain employees.	With the assistance of the Company, the Trustee responded to the majority of the requests as promptly as possible. The interested party requested an extension to submit its bid. The Trustee permitted this request and extended the bid deadline to June 18, 2025.
<b>6. <u>Final Bid Deadline Extension</u></b> Deadline to submit offers was extended to June 18, 2025.	No offers were received.
<b>7. <u>Sale Approval and Vesting Order Motion</u></b> Motion filed in Court on July 18, 2025.	To be heard in Court on July 23, 2025.
<b>8. <u>Closing</u></b> Two (2) business days after both the conditions benefiting the Purchaser and those benefiting the Vendor have been satisfied.	When the conditions of closing have been satisfied and / or waived by the Vendor and the Purchaser, the Trustee shall issue its Trustee’s Certificate to the Vendor and the Purchaser at which time the closing will be deemed to have occurred.

18. As detailed in the Third Report, the stalking horse bid provides for the purchase of the Company's assets on a free and clear basis with the intention of the Purchaser to carry on and continue the business as a going concern (the "**Proposed Transaction**"). Subject to the precise terms of the APA, certain key elements of the Proposed Transaction are as follows:

- (i) The Purchaser is purchasing the tangible and intangible assets of the Company, including but not limited to the following ("**Purchased Assets**"):
  - All claims and accounts receivable;
  - The corporate name of Mobi724 and all other intellectual property;
  - The shares of the Company's subsidiary Mobi724 Smart Transactions Inc.; and
  - All the right, title and interest of the Company's customer contracts.
- (ii) The Purchaser has excluded certain assets from the transaction as more fully set out in the Sale Approval and Vesting Order Motion.
- (iii) The Purchaser would assume the employment of all current and active employees of the Company, and assume all wage and vacation arrears.
- (iv) The sale of the Purchased Assets is subject to court approval, including the issuance of a vesting order as well as the approval of the secured lenders, BDC Capital Inc ("**BDC**") and Investissement Québec ("**IQ**"), who hold security over the Purchased Assets.

#### **Purchase Price**

19. As indicated in the stalking horse bid, the estimated purchase price for the assets is \$1,626,938 to be paid through the assumption of certain liabilities, summarized below:

- Interim financing: \$905,707
- Critical supplier: \$374,324
- Revenu Québec & Revenue Canada super priority: \$346,907

20. With respect to the assumption of the liabilities we understand the following:

- (i) The amount owing to the Interim Lender will be reimbursed in full and paid out as part of the Proposed Transaction.
- (ii) The Purchaser will be assuming the debt of the critical supplier, Sherweb Inc., the host of the trading platform used by the Debtor.
- (iii) BDC has agreed to file an out-of-court settlement in connection with BDC's proceedings against the Debtor and to provide a full release and discharge of its security upon receipt of a \$150,000 payment, to be made no later than 90 days after the Court grants the Sale Approval and Vesting Order Motion.

- (iv) IQ has agreed to provide a full release and discharge of its security upon receipt of a \$50,000 payment to be made no later than 90 days after the Court grants the Sale Approval and Vesting Order Motion.
- (v) The Purchaser is in discussions with Revenu Québec and Revenue Canada regarding the super priority claim.

## RECOMMENDATION

21. The Proposal Trustee is of the opinion that the Transaction meets the criteria set out in Section 65.13(4) of the BIA, as further detailed below:

<b><u>65.13 (4) &amp; 65.13 (5)</u></b>	<b><u>Comments</u></b>
1. Whether the process leading to the proposed sale or disposition was reasonable in the circumstances.	The SISP was a fair, transparent and competitive process and measures were undertaken by the Trustee to ensure that all interested parties had an equal opportunity in submitting a bid. Accordingly, the SISP was reasonable in the circumstances.
2. Whether the trustee approved the process leading to the proposed sale or disposition.	The Trustee implemented and conducted the SISP.
3. Whether the trustee filed with the court a report stating that, in their opinion, the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy.	The Trustee is of the opinion that the Proposed Transaction would be more beneficial to the creditors than a sale or disposition under a bankruptcy, which would in all likelihood result in no recovery for the creditors.
4. The extent to which the creditors were consulted.	The Debtor's secured creditors, BDC and IQ, were consulted in connection with the SISP and the Proposed Transaction and have provided their consent to the transaction, conditional upon the fulfillment of the agreed settlement terms related to the outstanding debt.
5. The effects of the proposed sale or disposition on the creditors and other interested parties.	The Proposed Transaction includes the assumption of certain liabilities and will allow the business to continue as a going concern, thereby conserving jobs, maintain key trade relationships and ensure ongoing service to existing customers.
6. Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.	The consideration to be received for the Purchased Assets / business is reasonable and fair, taking into account its market value and that no other offers were received.
7. Good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the insolvent person.	The Trustee identified and sent a Teaser to approximately 90 entities in an effort to sell the assets. Good faith efforts were made through the SISP to sell or otherwise dispose of the assets to persons who are not related to the Debtor.

<u>65.13 (4) &amp; 65.13 (5)</u>	<u>Comments</u>
8. The consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.	As no other offers were received, the consideration provided through the assumption of liabilities constitutes the superior offer under the SISP.

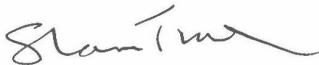
22. In light of the foregoing, the Trustee is of the view that the Proposed Transaction represents a preferable outcome compared to the likely alternative of a bankruptcy and liquidation. Accordingly, the Trustee respectfully recommends the Court grant the Approval and Vesting Order Motion.

Respectfully submitted at Montreal, this 18<sup>th</sup> day of July 2025.

**Richter Inc.**  
Licensed Insolvency Trustee



Andrew Adessky CPA, CIRP, LIT



Shawn Travitsky CPA, CIRP, LIT

# EXHIBIT "A"

<b>Mobi 724 Global Solutions Inc.</b> <b>Weekly Cash Flow Monitoring</b> <b>Period from June 21 to July 11, 2025</b> <b>Days in the Period</b> <i>(\$000's)</i>	<b>Period Ended</b> <b>11-Jul-25</b> <i>21 days</i>		<b>Variance</b> <b>Rptd vs. Fcst</b> <i>21 days</i>		<b>Notes</b>
	<i>Rptd</i>	<i>Fcst</i>	<i>\$</i>	<i>%</i>	
<b>Receipts</b>					
Customers	15	14	0	3%	
Refunds	41	43	(1)	(3%)	
	<b>56</b>	<b>57</b>	<b>(1)</b>	<b>(2%)</b>	
<b>Disbursements</b>					
Payroll	(43)	(50)	7	(13%)	
Consultants/contracted services	(42)	(47)	5	(11%)	
IT Services / Prepayments	-	(12)	12	(100%)	
Operations	(11)	(12)	1	(10%)	
Restructuring costs	(23)	(85)	62	(73%)	
	<b>(119)</b>	<b>(205)</b>	<b>87</b>	<b>(42%)</b>	
<b>Net Cash Flow</b>	<b>(63)</b>	<b>(149)</b>	<b>86</b>	<b>(58%)</b>	
<b>Opening Bank Balance</b>	<b>82</b>	<b>82</b>	-	0%	
Net Cash Flow	(63)	(149)	86	(58%)	
Loss on FX Conversion	(3)	-	(3)	N/A	
Interim Financing (DIP Loan)	-	211	(211)	(100%)	(1)
<b>Ending Bank Balance</b>	<b>17</b>	<b>145</b>	<b>(128)</b>	<b>(88%)</b>	
<b>DIP Loan Balance</b>	<b>657</b>	<b>868</b>	<b>(211)</b>	<b>(24%)</b>	

## Notes:

- (1) On May 1, 2025, the Court approved interim financing of \$868,000. According to the Company, the final tranche of \$211,000 is expected to be received on or about July 21, 2025.