



COURT FILE NUMBER           **B301-336652**

COURT                           **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE           **CALGARY**

PROCEEDING               **IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY***  
**ACT, RSC 1985, C B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO**  
**MAKE A PROPOSAL OF IGNITE ALLIANCE CORP.**

DOCUMENT                   **SECOND REPORT OF THE PROPOSAL TRUSTEE**  
**APRIL 15, 2026**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT                   **PROPOSAL TRUSTEE**  
KSV Restructuring Inc.  
Suite 1165, 324 - 8th Avenue SW  
Calgary, Alberta  
T2P 2Z2

Attention:           Jason Knight / Andrew Basi  
Telephone:       (587) 287-2605 / (587) 287-2670  
Facsimile:       (416) 932-6266  
Email:            jknight@ksvadvisory.com /  
                      abasi@ksvadvisory.com

**PROPOSAL TRUSTEE'S COUNSEL**  
MLT Aikins LLP  
2100 Livingston Place, 222 3rd Avenue SW  
Calgary, Alberta  
T2P 0B4

Attention:           Catrina Webster / Ryan Zahara  
Telephone:       (403) 693-4347 / (403) 693-5420  
Facsimile:       (403) 508-4349  
E-Mail:            cwebster@mltaikins.com /  
                      rzahara@mltaikins.com

<b>Contents</b>	<b>Page</b>
1.0 Introduction .....	1
1.1 Purposes of this Second Report.....	2
1.2 Scope and Terms of Reference.....	5
1.3 Currency.....	5
1.4 Court Materials .....	5
2.0 Background.....	6
2.1 Creditors.....	7
2.1.1 ATB .....	8
3.0 Sale Processes and MNP Transaction .....	9
3.1 Ignite Pre-Filing Process .....	9
3.2 Kluane Sale Process .....	9
3.3 MNP Transaction.....	11
3.4 APA .....	12
3.5 MNP Transaction Recommendation.....	17
3.6 Sealing .....	18
4.0 Releases .....	19
5.0 Distributions .....	21
6.0 TD Synnex Transactions.....	22
6.1 TD Synnex Relief .....	23
7.0 Performance Against the First Cash Flow Forecast.....	24
8.0 Second Cash Flow Forecast.....	25
9.0 Company's Request for an Extension.....	27
10.0 Activities of the Company and Proposal Trustee .....	28
10.1 Activities of the Company .....	28
10.2 Activities of the Proposal Trustee.....	28
11.0 Professional Fees .....	29
12.0 Conclusion and Recommendation .....	29

## Appendices

## Tab

First Extension Order dated March 2, 2026 .....	A
Kluane Sale Process Memorandum (partially redacted).....	B
Cash Flow Forecast and Management’s Report thereon.....	C
Proposal Trustee’s Report on Cash Flow Forecast .....	D
Professional Fee Summary .....	E

## 1.0 Introduction

1. This second report (this “**Second Report**”) is filed by KSV Restructuring Inc. (“**KSV**”), in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) in connection with a Notice of Intention to Make a Proposal (“**NOI**”) filed on February 20, 2026 (the “**Filing Date**”) by Ignite Alliance Corp. o/a Ignite Technology (“**Ignite**” or the “**Company**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”).
2. The principal purpose of these NOI proceedings (these “**NOI Proceedings**”) is to utilize the stay of proceedings under the BIA to create a stabilized environment that allows the Company to continue operating while it negotiates and completes a transaction with MNP Digital Inc. (“**MNP**”) for the sale of Ignite’s business (the “**Business**”), pursuant to a binding term sheet between Ignite and MNP dated February 13, 2026 (the “**MNP Term Sheet**”).
3. On March 2, 2026, on application by Ignite, the Court of King’s Bench of Alberta (the “**Court**”) granted an Order (the “**First Extension Order**”), among other things:
  - a) extending the time for Ignite to file a proposal to its creditors and the stay of proceedings up to and including May 6, 2026;
  - b) expanding the scope of the stay of proceedings in these NOI Proceedings as it relates to the terms of supply and service to the Company on a basis consistent with the provisions of the model Initial Order in a proceeding under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36;
  - c) declaring that Ignite is authorized and empowered to obtain and borrow under the existing Cash Management System (as defined below) in order to finance Ignite’s working capital requirements and other general corporate purposes and capital expenditures during the NOI Proceedings, provided that borrowings under such credit facility shall not exceed a principal drawn amount of \$900,000 plus interest, fees and expenses, unless permitted by further order of this Court;
  - d) approving a key employee retention plan (the “**KERP**”) in respect of the current Chief Financial Officer (the “**CFO**”);

- e) sealing Confidential Appendix “1” to the Proposal Trustee’s Report to Court dated February 26, 2026 (the “**First Report**”), which contained sensitive information regarding the KERP; and
- f) granting the following charges (collectively, the “**Charges**”) against all of Ignite’s present and after-acquired assets, undertakings, and property (collectively the “**Property**”) in the following relative priorities:
  - i. first, a charge to not exceed \$450,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s legal counsel, MLT Aikins LLP (“**MLTA**”), and the Company’s legal counsel, Burnet, Duckworth & Palmer LLP (“**BD&P**”) (the “**Administration Charge**”);
  - ii. second, a charge for all loans, advances, overdrafts, accommodations, fees, interest or other extensions of credit made by ATB Financial (“**ATB**”) in excess of the Pre-Filing Borrowings (as defined below) on or after the Filing Date (collectively, the “**Post-Filing Borrowings**”), to a maximum amount of \$460,000 plus interest, fees, and expenses (the “**Priority Lender’s Charge**”);
  - iii. third, a charge to secure the amounts payable under the KERP up to a maximum amount of \$80,000 (the “**KERP Charge**”); and
  - iv. fourth, a charge in favour of the Company’s director and officers (collectively, the “**D&Os**”) to a maximum amount of \$260,000 (the “**D&O Charge**”).

4. A copy of the First Extension Order is attached as **Appendix “A”**.

### **1.1 Purposes of this Second Report**

- 1. The purposes of this Second Report are to:
  - a) provide background information about the Company and these NOI Proceedings;
  - b) discuss efforts made by the Company to pursue strategic alternatives, including a potential refinancing, equity investment, or a sale of all or part of the Business;

- c) outline the nature of, and steps completed in, the sale process carried out by Kluane Financial Services Inc. (“**Kluane**”), the sales advisor retained by Ignite in March 2025, to market and sell the Managed Services Division (as defined below) or the Business (the “**Kluane Sale Process**”);
- d) summarize the terms of an asset purchase and sale agreement dated as of April 8, 2026 (the “**APA**”) between Ignite, as vendor, and MNP, as purchaser (the “**Purchaser**”), wherein MNP will acquire the Business through the acquisition of substantially all of Ignite’s assets (the “**MNP Transaction**”);
- e) report on the Company’s amended cash flow forecast for the period April 12 to June 20, 2026 (the “**Second Cash Flow Forecast**”);
- f) provide a comparison of the Company’s first cash flow forecast for the period February 22 to April 11, 2026 (the “**First Cash Flow Forecast**”) filed in the NOI Proceedings pursuant to section 50.4(2)(a) of the BIA to the Company’s actual results;
- g) discuss the rationale for extending the time for the Company to file a proposal to its creditors and the stay of proceedings up to and including June 20, 2026 (the “**Stay Extension**”);
- h) provide the Court with an update on the Company’s and the Proposal Trustee’s activities since the First Report; and
- i) provide the Proposal Trustee’s recommendations in respect of Ignite’s application for:
  - i. an approval and vesting order (the “**AVO**”), among other things:
    - 1) approving the APA and the MNP Transaction; and
    - 2) ordering that, upon the Proposal Trustee delivering a certificate substantially in the form of Schedule “A” to the AVO (the “**Proposal Trustee’s Closing Certificate**”), all of the Company’s right, title and interest in and to the Purchased Assets (defined below) shall vest in the Purchaser free and clear of any and all Encumbrances, other than the Permitted Encumbrances (both as defined in the APA);

- ii. an order (the “**Sealing Order**”), among other things, sealing:
  - 1) the confidential affidavit of Steven Taylor, sworn April 13, 2026 (the “**Confidential Affidavit**”); and
  - 2) the Confidential Supplement to the Second Report dated April 15, 2026 (the “**Confidential Supplement**”); and
  
- iii. an order (the “**Extension, Distribution, and Releases Order**”), among other things:
  - 1) granting the Stay Extension;
  - 2) approving the activities of the Proposal Trustee, as described in the First Report and this Second Report;
  - 3) approving the fees and disbursements of the Proposal Trustee and MLTA, as set out herein;
  - 4) granting certain releases in favour of the Released D&Os and the Released Parties (both as defined below);
  - 5) permitting the Proposal Trustee to distribute the net sale proceeds from the MNP Transaction (the “**Sale Proceeds**”) to creditors, subject to any holdbacks necessary to satisfy the Charges, priority claims, and to administer the NOI Proceedings; and
  - 6) directing TD Synnex ULC (formerly Tech Data Canada Corporation) and its affiliates, as applicable (collectively, “**TD Synnex**”) to: (a) the extent of any amounts for products and or services prepaid by Ignite, remit any amounts owing to Ignite that are located in the Blocked Account within two (2) business days; (b) not apply any portion of amounts paid to the Blocked Account to any obligations incurred by Ignite prior to the filing date; and (c) provide the Proposal Trustee with any information requested in respect of the Blocked Account; (collectively, the “**TD Synnex Relief**”).

## 1.2 Scope and Terms of Reference

1. In preparing this Second Report, the Proposal Trustee has relied upon the Company's unaudited financial information, books and records, information available in the public domain, and discussions with the Company's management and legal counsel.
2. The Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.
3. An examination of the Second Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Second Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Proposal Trustee expresses no opinion or other form of assurance on whether the Second Cash Flow Forecast will be achieved.
4. This Second Report should be read in conjunction with the First Report and the materials filed by the Company, including the Affidavits of Steven Taylor, President and Chief Executive Officer of Ignite, sworn February 23, 2026 (the "**First Taylor Affidavit**") and April 13, 2026 (the "**Second Taylor Affidavit**"). Capitalized terms not defined in this Second Report have the meanings ascribed to them in the Second Taylor Affidavit.

## 1.3 Currency

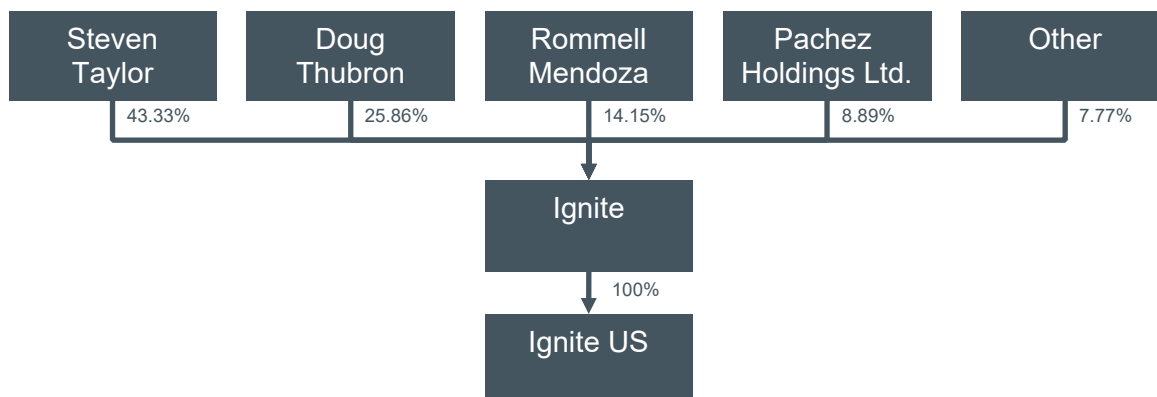
1. Unless otherwise noted, all currency references in this Second Report are in Canadian dollars.

## 1.4 Court Materials

1. Court materials filed in these NOI Proceedings are available on the Proposal Trustee's website at: [www.ksvadvisory.com/experience/case/ignite](http://www.ksvadvisory.com/experience/case/ignite) (the "**Case Website**").

## 2.0 Background<sup>1</sup>

1. Ignite is incorporated and registered pursuant to the laws of Alberta, with its registered office located in Calgary, Alberta. Ignite currently operates as an information technology (“IT”) services provider, offering video conferencing solutions, cybersecurity services, audio-visual technologies, analytics, unified communications, and other related IT services.
2. Ignite is the sole shareholder of a U.S. subsidiary, Ignite Collaboration Services Group US Inc. (“**Ignite US**”), which was incorporated to support Canadian customers with operations in the United States and is not a party in these NOI Proceedings. Customers serviced through Ignite US maintain their contractual relationships directly with Ignite.
3. The Proposal Trustee understands that the Company has four (4) material shareholders, with Mr. Taylor being the largest (43.33% of the outstanding shares). Ownership details are set out in the chart below<sup>2</sup>:



4. Currently, Ignite has approximately 50 full-time employees, and operates from leased premises in Calgary, Alberta and Toronto, Ontario, with additional remote employees and consultants located across Canada.

---

<sup>1</sup> Additional background information on the Company and its creditors is included in the First Report and the First Taylor Affidavit, and is not repeated herein.

<sup>2</sup> Doug Thubron's ownership interest includes 20.51% owned by the Thubron Family Trust. The Other shareholders totaling 7.76% include: (i) Darren Lapierre – 5.37%; (ii) Curt Dieckelt – 1.93%; (iii) Magnetic North – 0.24%; (iv) 1667298 Alberta Ltd. – 0.21%; and (v) Kevin Critch – 0.02%.

5. Ignite’s financial difficulties stem from a series of growth initiatives undertaken between 2021 and 2024, including the acquisition of a predecessor firm, the development of proprietary software, and increased investment in employees and operational resources. While these initiatives contributed to significant revenue growth, they also increased the Company’s cost structure.

## 2.1 Creditors

1. As detailed in the First Report, as at the Filing Date, Ignite had listed liabilities in excess of \$11.5 million, including:
  - a) **Canada Revenue Agency (“CRA”)** – owed approximately \$2,797,488 (the “**CRA Arrears**”), consisting of: (i) unremitted source-deduction arrears for 2023 and 2024 totaling \$1,440,662, which represent a deemed trust (the “**CRA Deemed Trust Claim**”); and (ii) interest and penalties related to the CRA Deemed Trust Claim totaling \$1,356,826, which represent an unsecured claim against the Company (the “**CRA Interest and Penalties**”);
  - b) **ATB** – owed approximately \$464,820 (excluding continued accruing interest, fees and costs), consisting of: (i) amounts owing under the Operating Facility totaling \$440,116 (the “**Pre-Filing Borrowings**”); and (ii) amounts owing under a corporate credit card totaling \$24,704;
  - c) **Hardware Suppliers** – owed approximately \$4,370,261, consisting of: (i) Ingram Micro Inc. (“**Ingram Micro**”) – \$3,274,682; and (ii) TD Synnex – \$1,095,579. TD Synnex and Ingram Micro have made registrations against the Company in the Alberta and Ontario Personal Property Security Registries. The Proposal Trustee and MLTA have not completed a review of the underlying loan documents, security agreements, and priority arrangements to determine the validity, enforceability, or priority of their respective security; and
  - d) **Unsecured Obligations** – totaling \$3,733,091 (excluding off-balance sheet obligations, such as employee severance and landlord claims), consisting of: (i) amounts owed to employees for vacation pay and payroll – \$605,003; (ii) shareholder loans – \$532,885; and (iii) amounts owing to various suppliers and service providers – \$2,595,203.

### 2.1.1 ATB

1. ATB provides the Company with a revolving line of credit (the “**Operating Facility**”). Pursuant to the terms of a Commitment Letter dated October 26, 2021 (as amended on July 17, 2024, the “**ATB Loan Agreement**”), cash deposited into Ignite’s bank account is swept daily and applied to the outstanding balance owing under the Operating Facility (the “**Cash Management System**”).
2. As detailed in the First Report, on August 30, 2024, after ATB issued a demand and a notice of intention to enforce security under section 244 of the BIA, the Company and ATB entered into a forbearance agreement (as amended pursuant to four forbearance amending agreements dated December 12, 2024, March 1, 2025, and August 31, 2025, and February 20, 2026, the “**Forbearance Agreement**”). The February 20, 2026 amendment, among other things:
  - a) increased the available credit under the Operating Facility from \$700,000 to \$900,000, subject to the granting of the Priority Lender’s Charge;
  - b) extended the Forbearance Date to 11:59 p.m. (Calgary Time) on May 6, 2026, unless otherwise extended in writing, at ATB’s sole discretion (the “**Forbearance Date**”);
  - c) required that the MNP Transaction be completed and closed by no later than the Forbearance Date;
  - d) required that ATB be treated as an “unaffected creditor” in the NOI Proceedings and in any proposal filed and/or in any other insolvency proceeding; and
  - e) included additional terminating events, including, among others: (i) Ignite failing to comply with any Order in the NOI Proceedings; and (ii) Ignite failing to close the MNP Transaction.
3. MLTA has provided opinions to the Proposal Trustee which concluded that the security registered by and in favour of ATB is a valid and enforceable first ranking security interest in the property of the Company in Alberta and Ontario.

## 3.0 Sale Processes and MNP Transaction

### 3.1 Ignite Pre-Filing Process

1. Following the issuance of a demand and statutory notice by ATB in August 2024, Ignite began pursuing refinancing opportunities with several Canadian chartered banks (each, a “**Schedule I Bank**”) and other financial institutions.
2. Beginning in December 2024, Ignite expanded the process to pursue strategic alternatives in addition to refinancing, including an equity investment, or a sale of all or part of the Business (the “**Ignite Pre-Filing Process**”).
3. Throughout the Ignite Pre-Filing Process, Ignite engaged in discussions with:
  - a) numerous traditional lenders including six (6) Schedule I Banks and a regional financing institution;
  - b) factoring companies;
  - c) investment banks; and
  - d) in excess of 10 private capital and/or private equity firms.
4. Notwithstanding these efforts, Ignite was unable to complete a transaction, largely due to outstanding CRA arrears, the effects of ongoing litigation, and concerns among potential counterparties regarding the Company’s financial position and overall transaction size.

### 3.2 Kluane Sale Process

1. As a result of the unsuccessful Ignite Pre-Filing Process, after discussions with three (3) firms specializing in mergers and acquisitions, Ignite retained Kluane, an investment banking and consulting firm, with a focus on middle-market businesses facing special situations, pursuant to an engagement letter dated March 18, 2025 (the “**Engagement Letter**”), to conduct the Kluane Sale Process. Kluane has been involved in numerous sale or purchase transactions.
2. Pursuant to the Engagement Letter, Kluane agreed to, among other things:
  - a) identify, assess, and approach potential transaction counterparties;

- b) assist Ignite in preparing materials including financial models, presentations, and definitive agreements with respect to any potential transaction; and
  - c) advise Ignite on the financial, operational, and structural analysis of a proposed transaction.
3. An overview of the Kluane Sale Process is as follows:
- a) Kluane assembled a list of 49 prospective purchasers, including strategic parties, private equity firms, and other financial targets;
  - b) the initial focus of the Kluane Sale Process was to market and sell Ignite’s subscription-based managed IT services division that provides outsourced IT and security management services to smaller enterprises without internal IT capacity (the “**Managed Services Division**”); however, in December 2025, Kluane began marketing the entire Business to potential purchasers;
  - c) Kluane launched the Kluane Sale Process in April 2025 by sending a “teaser” to the 49 parties it identified (the “**Teaser**”). The Teaser provided prospective purchasers with a description of the Business and, more specifically, the Managed Services Division, and the potential benefits resulting from a transaction;
  - d) Kluane prepared a confidential information memorandum (the “**CIM**”) that provided detailed operational and financial information on the Managed Services Division;
  - e) in early May 2025, Kluane began to populate a virtual data room (the “**VDR**”) which contained various confidential information, including the CIM, that potential purchasers could access as part of their due diligence efforts;
  - f) parties interested in learning more about Ignite were required to sign a non-disclosure agreement (“**NDA**”), following which they were provided with access to the VDR. A total of 14 parties signed the NDA and were granted access to the VDR;
  - g) the Kluane Sale Process resulted in six (6) expressions of interest (collectively, the “**EOIs**”). Although the EOIs were primarily focused on the Managed Services Division, two (2) EOIs were focused on the acquisition of the Business; and
  - h) of the six (6) EOIs received, two (2) parties submitted formal letters of intent (each an “**LOI**”, and collectively, the “**LOIs**”).

4. After reviewing the LOIs, Ignite entered into an exclusive LOI regarding the Managed Services Division (the “**Exclusive LOI**”) with a potential purchaser. The Exclusive LOI provided for a proposed closing date of October 31, 2025 and an exclusivity period to November 11, 2025.
5. On October 28, 2025, the potential purchaser sought to amend the terms of the Exclusive LOI, from an acquisition of the Managed Services Division to a transaction to acquire a few key customers, which would not resolve Ignite’s financial difficulties. As a result, the Exclusive LOI did not result in a transaction.
6. In December of 2025, Ignite, with the assistance of Kluane, re-engaged with previous parties who had submitted EOIs and/or LOIs as part of the Kluane Sale Process. These efforts resulted in two (2) revised LOIs with a reduced purchase price for the Managed Services Division and an offer from MNP for substantially all of the Business.
7. A copy of the memorandum summarizing the Kluane Sale Process (the “**Kluane Sale Process Memorandum**”) prepared by Kluane (which has been redacted for confidential information regarding the participation of bidders in the process and the financial terms of the EOIs and LOIs) is attached as **Appendix “B”**. The Confidential Supplement provides an unredacted copy of the Kluane Sale Process Memorandum.

### **3.3 MNP Transaction**

1. As detailed in the First Taylor Affidavit, after further discussions between the parties, MNP and Ignite entered into the MNP Term Sheet with respect to a potential transaction that would not only see MNP acquire the Business, but also secure offers of employment to nearly all of Ignite’s employees.
2. Given Ignite’s financial position and illiquidity, the MNP Term Sheet required that the MNP Transaction be completed through the NOI Proceedings. Accordingly, subsequent to the issuance of the First Extension Order, MNP and Ignite commenced negotiations of the APA. The Proposal Trustee was kept apprised of the status of the APA negotiations.
3. Kluane has advised the Proposal Trustee that:
  - a) in light of Ignite’s current challenges, it believes the MNP Transaction represents the most credible and executable transaction available;

- b) it does not anticipate additional offers to materialize;
- c) given the increasing pressures facing Ignite, any delay in execution could materially impair transaction viability; and
- d) proceeding with the MNP Transaction on an expedited basis is in the best interests of stakeholders given the financial runway of Ignite.

### 3.4 APA<sup>3</sup>

1. A copy of the APA (with the Base Purchase Price, adjustments to the Base Purchase Price, and Deposit amounts redacted) is attached as Exhibit “A” the Second Taylor Affidavit. An unredacted version of the APA is attached as Exhibit “A” to the Confidential Affidavit. In addition, the CFO has prepared an analysis (the “**Purchase Price Analysis**”) quantifying the potential adjustments to the Base Purchase Price and the upward adjustment for Accounts Receivable collected within 90-days following Closing under low and high scenarios. The Purchase Price analysis is attached to the Confidential Supplement.
2. The key terms and conditions of the APA are provided below:
  - a) **Vendor:** Ignite Alliance Corp.
  - b) **Purchaser:** MNP Digital Inc.
  - c) **Purchased Assets:**
    - i. all Accounts Receivables (along with any Claims in respect thereof);
    - ii. all Assumed Contracts;
    - iii. all Equipment;
    - iv. all Inventory;
    - v. all Intellectual Property;
    - vi. all Books and Records;

---

<sup>3</sup> Capitalized terms used in this section and not otherwise defined herein have the meanings ascribed to them in the APA.

- vii. all rights under non-disclosure and confidentiality, non-compete, or non-solicitation agreements with Employees and agents of the Vendor or with Third Parties to the extent related to the Business;
  - viii. all rights of the Vendor under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent relating to products sold, or services provided, to the Vendor or to the extent affecting any Purchased Assets; and
  - ix. all goodwill and other intangible assets associated with the Business and the Purchased Assets, including Client and supplier lists.
- d) **Assumed Contracts:** supplier contracts, Client Contracts, reseller agreements, and the other Contracts of the Vendor that are to be assumed by the Purchaser pursuant to the MNP Transaction, each as set forth in Schedule 1.1(i) of the APA.
- e) **Assumed Liabilities:** all obligations and liabilities of the Vendor arising pursuant to any of the Assumed Contracts.
- f) **Purchase Price:** the sum of:
- i. the Base Purchase Price; plus
  - ii. an upward adjustment for Accounts Receivable collected within 90-days following Closing.
- g) **Deposit:** 10% of the Base Purchase Price shall be paid in cash by the Purchaser to BD&P, in its capacity as solicitors for Ignite, as a deposit (the “**Deposit**”) upon execution of the APA. The Proposal Trustee understands that the Deposit has been received by BD&P.
- h) **Adjustments to the Base Purchase Price:** the Base Purchase Price shall be adjusted downward by the following items, each determined as of the Closing Date:
- i. the amount, if any, on a dollar-for-dollar basis, by which Unearned Revenue related to cash received for services not yet provided exceeds a required threshold as of the Closing Date;

- ii. the amount, if any, on a dollar-for-dollar basis, of Unearned Revenue related to cash received for goods not yet delivered to Clients as of the Closing Date to the extent such goods are not included in the Inventory as of the Closing Date;
  - iii. if the aggregate gross amounts reasonably expected to be invoiced and collected in cash as of the Closing Date arising from Ignite's Backlog as of the Closing Date (the "**Closing Date Backlog**") is 10% or more below the Baseline Backlog, an amount equal to: the Backlog shortfall (being the Baseline Backlog; less the Closing Date Backlog), multiplied by 40%;
  - iv. an amount equal to: the means monthly recurring revenue from Client Contracts for the provision of Managed Services ("**MRR**") shortfall, if any, (being the Baseline MRR); less the MRR of Ignite calculated as of the Closing Date that is reasonably expected to continue into the future taking into account historical collectability, cancellations, known or reasonably expected non-renewals or confirmed additions known to Ignite such amount to be calculated in a manner that is consistent with the sample methodology of the calculation of MRR that is attached as Schedule 3.3(b)(v) to the APA (the "**Closing Date MRR**"); multiplied by 12 months; and multiplied by 40%; and
  - v. the amount accrued for unused vacation or Unpaid Bonus or Commission.
- i) **Satisfaction of the Purchase Price:** at Closing, the Base Purchase Price shall be paid and satisfied as follows:
- i. first, by applying the Deposit as a credit against the Base Purchase Price;
  - ii. second, at the Purchaser's election pursuant to Section 3.5 of the APA, amounts payable under the Assumed Contracts, if any;
  - iii. third, by the payment by the Purchaser directly to Ford Canada, or to such other party as Ford Canada may direct, of the Payout Amount as contemplated in Section 7.2(l) of the APA; and
  - iv. finally, as to the balance of the Base Purchase Price (the "**Closing Cash Payment**"), the Purchaser shall pay the Closing Cash Payment to the Proposal Trustee (on behalf of Ignite) or as otherwise directed by Ignite.

- j) **Employee Matters:** among other things:
- i. within ten (10) Business Days following the date of the APA (i.e., no later than April 22, 2026), the Purchaser is obligated to make written offers of employment to all of the Employees located in Canada, except for Mr. Taylor<sup>4</sup>, which offers shall be conditional upon Closing, effective as of the Effective Time. Immediately prior to the employment offers being made by the Purchaser, Ignite will provide notice to the Employees of the termination of their employment, conditional on Closing and effective immediately before the Effective Time. The Purchaser shall recognize the prior service of all Transferred Employees with Ignite, its Affiliates, or their predecessors for all purposes, including statutory notice of termination, common law notice of termination, and where service is relevant for eligibility and entitlement criteria, the Purchaser's employee benefits plans; and
  - ii. if Closing occurs, without limiting the obligations of the Purchaser, in respect of Transferred Employees on and after the Effective Time, the Purchaser or its applicable Affiliate(s) shall be responsible for (the "**Employee Liabilities**"):
    - 1) all liabilities for salary, wages, bonuses, commissions, vacation pay, benefits, and other compensation related to the employment of the Transferred Employees on and after the Effective Time;
    - 2) all Termination Costs;
    - 3) all liabilities for Claims for injury, disability, death or worker's compensation arising from or related to the employment of Transferred Employees on and after the Closing Date; and
    - 4) all employment-related Claims, penalties and assessments in respect of Transferred Employees arising from or related to matters that occur on and after the Effective Time.

---

<sup>4</sup> The Purchaser shall cause MNP Services Partnership to offer Steven Taylor a position on terms determined by the Purchaser in its sole discretion.

- k) **Representation and Warranties:** consistent with the standard terms of an insolvency transaction, the Company is making limited representations and warranties, and the MNP Transaction is on an “as is, where is” basis.
- l) **Name Change:** on or following the Closing Date, the Vendor shall discontinue the use of the name “Ignite” and “Ignite Alliance Corp.” (and any variation thereof) and the Vendor shall, following Closing, file articles of amendment to change the corporate name of the Vendor to another name.
- m) **Outside Date:** July 3, 2026, or such other date as the Parties may agree, with the consent of the Proposal Trustee.
- n) **Closing Date:** the date on which Closing occurs, being the first Friday following the date that is 10 Business Days after all conditions have been satisfied or waived, or such other Friday as the Parties may agree.
- o) **Purchaser’s Conditions to Closing:** among other things:
  - i. Ignite shall have complied with and performed, in all material respects, all of its covenants and obligations contained in the APA; and
  - ii. the Assignment Order and the Release Order, each in a form satisfactory to the Purchaser, acting reasonably, shall have become Final Orders.
- p) **Mutual Conditions to Closing:** among other things:
  - i. the Court shall have granted the AVO, which shall have become a Final Order;
  - ii. no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Applicable Law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of the MNP Transaction; and
  - iii. the Closing is not otherwise prohibited by Applicable Law.

### 3.5 MNP Transaction Recommendation

1. The Proposal Trustee recommends that the Court issue an order approving the APA and MNP Transaction for the following reasons:
  - a) the Company made extensive efforts to raise capital for the Business prior to the Kluane Sale Process;
  - b) Kluane is an experienced sales advisor specializing in providing sales advisory services;
  - c) the Purchased Assets included in the MNP Transaction were actively marketed by the Company and Kluane pursuant to the Kluane Sale Process;
  - d) based on the results of the Kluane Sale Process, the Proposal Trustee does not believe that any further marketing efforts in respect of Ignite's assets or Business would be reasonably likely to result in a superior transaction;
  - e) the MNP Transaction will see the Business continue, which is anticipated to preserve employment for almost all of the Company's employees, and will avoid disruption to the Company's customers and vendors;
  - f) the liquidation value of Ignite's assets is uncertain. Other than cash and minimal unencumbered inventory, the only liquid asset is accounts receivable, and it is uncertain if same will generate any net recoveries if operations are discontinued;
  - g) Kluane has advised the Proposal Trustee that:
    - i. in light of Ignite's current challenges, it believes the MNP Transaction represents the most credible and executable transaction available;
    - ii. it does not anticipate additional offers to materialize;
    - iii. given the increasing pressures facing Ignite, any delay in execution could materially impair transaction viability; and
    - iv. proceeding with the MNP Transaction on an expedited basis is in the best interests of stakeholders given the financial runway of Ignite;

- h) Ignite's lacks the liquidity required to continue an extensive marketing of the Business and assets;
- i) completing the MNP Transaction is a condition of the Forbearance Agreement and, as a result, continued use of and access to the Cash Management System;
- j) the Proposal Trustee has been advised by the Company that ATB supports the MNP Transaction;
- k) the CRA and the other secured creditors (i.e., Ingram Micro and TD Synnex), were served with the Company's application materials; and
- l) the Transaction satisfies the requirements of 65.13(4) of the BIA.

### 3.6 Sealing

1. The Company is seeking an order sealing: (i) the Confidential Affidavit, which includes an unredacted copy of the APA; and (ii) the Confidential Supplement, which includes an unredacted version of the Kluane Sale Process Memorandum, the Purchase Price Analysis, and the Confidential Cash Flow Forecast (as defined below) (collectively, the "**Confidential Information**"). Ignite is seeking the Sealing Order to seal the Confidential Information until (a) the earlier of (i) six (6) months following the filing of the Proposal Trustee's Closing Certificate or (ii) Ignite making an assignment into bankruptcy pursuant to the provisions of the BIA; or (b) further order of the Court. Making this information publicly available prior to closing the MNP Transaction could have a detrimental impact on the value of a potential transaction or transactions under the Kluane Sale Process, should the MNP Transaction fail to close and Ignite's assets need to be remarketed and resold. Sealing the Confidential Information is necessary due to the risk that the public disclosure of the information contained in the same could cause irreparable prejudice to creditors and other stakeholders.
2. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Proposal Trustee is not aware of any party that will be prejudiced if the Confidential Information is sealed or any public interest that will be served, if such details are disclosed in full. The Proposal Trustee is of the view that sealing the Confidential Information is consistent with the decision in *Sherman Estate v Donovan*, 2021 SCC 25. Accordingly, the Proposal Trustee believes the proposed sealing of the Confidential Information is appropriate in the circumstances.

## 4.0 Releases

1. The Releases Order provided releases for:
  - a) Ignite’s legal counsel and advisors, the Proposal Trustee and its legal counsel, and the Purchaser and its legal counsel and their respective current directors, officers, partners, employees, consultants, advisors, and assignees (collectively, the “**Released Parties**”) from any and all present and future claims, based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Closing Time and arising in connection with or relating in any manner whatsoever to the APA, the Transaction, or the conduct of these NOI Proceedings (collectively, the “**Released Claims**”); and
  - b) the D&Os (collectively, the “**Released D&Os**” and each a “**Released D&O**”) from any and all claims, including but not limited to claims for unpaid taxes or unremitted source deductions, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these NOI Proceedings in respect of Ignite, the business, operations, assets, property, and affairs of Ignite and/or these NOI Proceedings (collectively, the “**D&O Released Claims**”).
2. The proposed releases do not release:
  - a) as it relates to the Released D&Os, any action, application or other proceeding in respect of any claim or liability which is an insured claim; or
  - b) as it relates to the Released D&Os and Released Parties, any claim: (i) arising from fraud, gross negligence, or willful misconduct on the part of any Released D&Os and/or Released Parties; and (ii) any claim that is not permitted to be released pursuant to section 50(14) of the BIA.
3. The Proposal Trustee notes that the Released D&O Claims include the CRA Arrears (i.e., the CRA Deemed Trust Claim in the amount of \$1,440,662 and the CRA Interest and Penalties totaling \$1,356,826). Assuming the MNP Transaction closes, the Sale Proceeds are expected to satisfy the CRA Deemed Trust Claim in full; however, it is unlikely that distributions will be made to ordinary unsecured creditors, including those to satisfy the CRA Interest and Penalties.

4. In the Proposal Trustee's view:
  - a) with respect to the releases granted to the Released D&Os:
    - i. the releases of the CRA Arrears form part of a broader package of releases that are a material condition to closing the MNP Transaction and achieving a going concern outcome;
    - ii. the releases do not eliminate the CRA's ability to pursue insured claims against the D&Os. As described in the Second Taylor Affidavit, Ignite maintains D&O insurance coverage that includes coverage for statutory tax liabilities;
    - iii. as described in the Second Taylor Affidavit, the Released D&Os took steps to negotiate and enter into a payment plan with the CRA with respect to Ignite's arrears in respect of unremitted source deductions and unpaid GST (excluding interest and penalties) resulting in same being reduced by approximately \$1.77 million from June 2024 to the Filing Date; and
    - iv. the CRA has been served with all materials filed in these NOI Proceedings, including the application materials containing the Stay Extension, Distribution, and Releases Order;
  - b) the Released D&Os and the Released Parties have made significant contributions to the continued operations of Ignite's business during these NOI Proceedings and the Released D&Os and Released Parties have contributed to, and were integral to the completion of the MNP Transaction to the benefit of all stakeholders; and
  - c) the releases granted to the Released Parties are consistent with releases granted in other recent NOI proceedings where there is a sale transaction.
5. Based on the foregoing, the Proposal Trustee is of the view that the releases in the proposed Stay Extension, Distribution, and Releases Order are fair and reasonable in the circumstances, as they are required to complete the MNP Transaction.

## 5.0 Distributions

1. The proposed Stay Extension, Distribution, and Releases Order provides that the Proposal Trustee, subject to the retention of any holdback as deemed reasonable, in the sole discretion of the Proposal Trustee, may make distributions from the Sale Proceeds, or such other realizable Property of Ignite (collectively, the “**Distributions**”), including but not limited to Distributions in respect of:
  - a) the Charges;
  - b) the CRA Deemed Trust Claim;
  - c) Ignite’s obligations incurred after the Filing Date, including amounts owed to suppliers and vendors that provided goods and services after the Filing Date (the “**Post-Filing AP**”); and
  - d) subject to the determination of their validity and enforceability by the Proposal Trustee, parties having secured claims against Ignite.
  
2. Based on the foregoing, the Proposal Trustee is of the view that the relief sought by the Company in connection with the Stay Extension, Distribution, and Releases Order is reasonable and appropriate in the circumstances and respectfully supports the granting of the Stay Extension, Distribution, and Releases Order for the following reasons:
  - a) the proposed Stay Extension, Distribution, and Releases Order will permit the timely distribution of the Sale Proceeds to stakeholders and creditors with recognized priority claims without waiting for the conclusion of the NOI Proceedings;
  - b) the Proposal Trustee’s legal counsel, MLTA, has reviewed ATB’s security documentation and has confirmed that ATB holds valid and enforceable security over substantially all of the Company’s assets;
  - c) the distribution framework appropriately contemplates payment of priority claims, including the CRA Deemed Trust Claim;

- d) the proposed Stay Extension, Distribution, and Releases Order contemplates that the Proposal Trustee will retain sufficient reserves to satisfy the Charges and to fund the continued administration of the NOI Proceedings, ensuring that the estate is not prejudiced by the proposed distributions;
- e) the relief sought is consistent with relief commonly granted in insolvency proceedings where a sale transaction has been completed and proceeds are available for distribution; and
- f) in the Proposal Trustee's view, the proposed distribution framework is fair and reasonable and is not expected to materially prejudice any stakeholder.

## 6.0 TD Synnex Transactions

1. As described in the Second Taylor Affidavit, TD Synnex is a significant supplier to Ignite and provides, among other things, product distribution services and access to certain critical third-party platforms used in the Managed Services Business.
2. Pursuant to, among others, the following agreements, TD Synnex provides Ignite with "Receivables Services" as well as the delivery of certain equipment which Ignite provides to its customers, including the City of Calgary:
  - a) a Financial Services Agreement dated June 24, 2025; and
  - b) a Blocked Account Agreement, among Ignite, TD Synnex, and The Bank of Nova Scotia ("**BNS**"), whereby Ignite maintains an account (the "**Blocked Account**") at Scotiabank.
3. Since approximately June 2025, certain customer receipts, including receipts from the City of Calgary, have been remitted into the Blocked Account. These receipts include amounts attributable both to orders fulfilled by TD Synnex (the "**TD Synnex Orders**") and to orders fulfilled by suppliers other than TD Synnex (the "**Non-TD Synnex Orders**").
4. As detailed in the Second Taylor Affidavit, Ignite has encountered the following issues with TD Synnex:

- a) **Pre-Filing Preferential Payments**— prior to the Filing Date, TD Synnex required Ignite to release funds in the approximate amount of \$711,694 from funds received into the Blocked Account from the City of Calgary, and allow TD Synnex to apply the funds against amounts owing by Ignite to TD Synnex (the “**Preferential Payments**”). Ignite has stated that TD Synnex expressly understood that the funds underlying the Preferential Payments were remitted to the Blocked Account in connection with Non-TD Synnex Orders; and
  - b) **Post-Filing Developments** – on March 18, 2026, Ignite’s counsel sent a letter to TD Synnex seeking confirmation that TD Synnex would not effect further setoffs from the Blocked Account in respect of Non-TD Synnex Orders and would comply with the First Extension Order. The Proposal Trustee understands that, notwithstanding the absence of a formal agreement or confirmation from TD Synnex that is satisfactory to Ignite, the Company continues to prepay for TD Synnex Orders in accordance with TD Synnex’s stated requirements. Absent Court-ordered clarity, Ignite remains concerned about the risk of further unilateral set-off or application of Blocked Account funds.
5. On March 17, 2026, the Proposal Trustee contacted TD Synnex to, among other things: (i) confirm the existence of the stay of proceedings; and (ii) request documentation and an accounting relating to the Blocked Account and TD Synnex’s security interests registered in the Alberta and Ontario Personal Property Registries. As of the date of this Second Report, the Proposal Trustee has not received a response from TD Synnex.

## **6.1 TD Synnex Relief**

1. Based on the above, Ignite is seeking an order directing TD Synnex to:
  - a) the extent of any amounts for products and or services prepaid by Ignite, remit any amounts owing to Ignite that are located in the Blocked Account within two (2) business days;
  - b) not apply any portion of amounts paid to the Blocked Account to any obligations incurred by Ignite prior to the filing date; and
  - c) provide the Proposal Trustee with any information requested in respect of the Blocked Account.

2. The Proposal Trustee is of the view that the TD Synnex Relief is reasonable and appropriate in the circumstances given that:
  - a) TD Synnex is a critical supplier to Ignite, and the continuation of its services is necessary to preserve the value of the business during the NOI Proceedings;
  - b) Ignite's access to customer receipts attributable to Non-TD Synnex Orders is important to ongoing liquidity and operations;
  - c) the lack of transparency and accounting in respect of the Blocked Account creates uncertainty that is not conducive to an orderly restructuring process; and
  - d) the requested relief is intended to preserve the status quo, prevent potential prejudice, and ensure compliance with the statutory stay, rather than to finally determine the parties' substantive rights.

## 7.0 Performance Against the First Cash Flow Forecast

1. In accordance with section 50.4(7)(b)(ii) of the BIA, the Proposal Trustee has continued to review and evaluate the state of the Company's business and financial affairs since the Filing Date. The Proposal Trustee understands that the Company remains current in respect of its obligations that have arisen since the Filing Date.
2. A review process has been established with the Company to review weekly cash variances. A summary of Ignite's actual receipts and disbursements compared to the First Cash Flow Forecast for the period from February 22 to April 11, 2026 (the "**Reporting Period**") is as follows:

(unaudited; \$000s)	Actual	Projected	Difference
Receipts	1,109	1,608	(499)
Disbursements			
Operating and other disbursements	(1,270)	(1,915)	645
Professional fees	(78)	(125)	47
	1,348	(2,040)	692
<b>Net cash flow</b>	<b>(239)</b>	<b>(432)</b>	<b>193</b>
Operating Facility, opening	(440)	(414)	(26)
Net cash flow	(239)	(432)	193
<b>Operating Facility, ending</b>	<b>(679)</b>	<b>(847)</b>	<b>168</b>

3. As reflected in the table above, the Company's net cash flow has generally been in line with the First Cash Flow Forecast since the commencement of these NOI Proceedings. The material variances and explanations are summarized below:
  - a) Receipts – consists of: (i) a timing variance resulting from delayed collections from larger customers; and (ii) a permanent variance due to lower than forecasted revenue;
  - b) Operating disbursements – consists of: (i) a permanent variance attributable to the reduction in hardware purchasers during the Reporting Period to conserve cash; and (ii) a timing variance primarily driven by Ignite securing credit terms with certain vendors (the First Cash Flow Forecast assumed cash on delivery payment terms for all vendors); and
  - c) Professional fees – professional fees are lower than forecasted due to the delayed payment of invoices originally scheduled to be paid during the Reporting Period, but will be paid outside the Reporting Period.

## 8.0 Second Cash Flow Forecast

1. Pursuant to the BIA, the Company is required to prepare a cash flow forecast for the stay extension period. The Second Cash Flow Forecast for the period April 12 to June 20, 2026 (the "**Forecast Period**"), together with Management's Report on the Cash-Flow Statement as required by subsection 50.4(2)(c) of the BIA, are collectively attached as **Appendix "C"**. The Second Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee.
2. A confidential cash flow forecast (the "**Confidential Cash Flow Forecast**") is included in the Confidential Supplement to detail the forecasted amounts of the Proposal Trustee's trust account post-closing of the MNP Transaction.
3. The Second Cash Flow Forecast contemplates that the Company can fund its business within the confines of the Operating Facility during the Forecast Period, provided the Second Extension Order is granted. A summary of the Second Cash Flow Forecast is provided below:

(unaudited; \$000s)	Note	April 12 to June 20, 2026
Receipts	A	907
Disbursements		
Wages, salaries, and benefits	B	(400)
Hardware purchases	C	(140)
Licensing, software, and data centers	D	(304)
Other operating costs	E	(180)
		<u>(1,024)</u>
<b>Net cash flow</b>		<b>(117)</b>
Operating Facility, opening		(702)
Net cash flow		(117)
Sale Proceeds used to cover shortfall	F	819
<b>Operating Facility, ending</b>		<b>-</b>

4. A summary of the key assumptions underlying the Second Cash Flow Forecast is as follows:
- a) Receipts: represent the collection of existing accounts receivable from customers;
  - b) Wages, salaries, and benefits: represent employee payroll, vacation pay, and benefits paid on a semi-monthly basis;
  - c) Hardware purchases: represent the purchase of hardware sourced for and sold to customers;
  - d) Licensing, software, and data centers: represents costs of leasing data center space, software, and licenses, which are subsequently sold to customers;
  - e) Other operating expenses: includes rent, insurance, utilities, and other operating expenses;
  - f) Sale Proceeds used to cover shortfall: this amount does not represent the Sale Proceeds; rather, it has been included in the Second Cash Flow Forecast to demonstrate that the Sale Proceeds are sufficient to cover the shortfall.
5. Based on the Proposal Trustee's review of the Second Cash Flow Forecast, there are no material assumptions that seem unreasonable. The Proposal Trustee's Report on the Company's Cash Flow Statement, as required by subsection 50.4(2)(b) of the BIA, is attached as **Appendix "D"**.

## 9.0 Company's Request for an Extension

1. The Company is seeking an extension of the time required to file a proposal from May 6 to June 20, 2026. The Proposal Trustee supports the extension request for the following reasons:
  - a) the Company is acting in good faith and with due diligence;
  - b) the extension will enhance the likelihood of the Company being able to make a viable proposal to its creditors by enabling the Company to close the MNP Transaction; and
  - c) the extension should not adversely affect or prejudice any group of creditors, as the Company is projected to pay post-filing services and suppliers in the amounts contemplated by the Second Cash Flow Forecast.
2. Subject to the Court granting of the relief sought by the Company, the next steps in these NOI Proceedings include the following:
  - a) closing the MNP Transaction;
  - b) reviewing the final closing statement and adjustments to the Base Purchase Price;
  - c) monitoring the collection of the Accounts Receivable after Closing (i.e., an upward adjustment to the Purchase Price);
  - d) establishing appropriate reserves from the Sale Proceeds to satisfy the Charges, the CRA Deemed Trust Claim, the Post-Filing AP, and the costs to administer the NOI Proceedings;
  - e) making distributions to creditors as permitted under the Distribution Order or as otherwise authorized and directed pursuant to an order of the Court; and
  - f) consulting with key stakeholders regarding the appropriate next steps in the NOI Proceedings, which may include the assignment of the Company into bankruptcy, or such other steps as may be appropriate in the circumstances.

## **10.0 Activities of the Company and Proposal Trustee**

### **10.1 Activities of the Company**

1. The Proposal Trustee has observed the following key activities of the Company since the Filing Date:
  - a) communicating with various stakeholders and creditors regarding the NOI Proceedings, in consultation with the Proposal Trustee;
  - b) with the assistance of the Proposal Trustee, responding to various questions from vendors;
  - c) corresponding with the Company's legal counsel, BD&P, and the Proposal Trustee;
  - d) reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements; and
  - e) working with the Proposal Trustee in preparing the Second Cash Flow Forecast.

### **10.2 Activities of the Proposal Trustee**

1. Since its appointment, the Proposal Trustee has performed the following key activities:
  - a) assisting the Company in its communications to both internal and external stakeholders;
  - b) monitoring the affairs of the Company's business including reviewing financial information with management;
  - c) assisting the Company in preparing the Second Cash Flow Forecast;
  - d) corresponding and holding numerous discussions with the Company, MLTA, and BD&P with respect to general matters and specific matters related to the APA;
  - e) responding to calls and emails from creditors, suppliers, customers, and other stakeholders;
  - f) maintaining the Case Website for these NOI Proceedings; and
  - g) preparing this Second Report.

## 11.0 Professional Fees

1. Ignite seeks to have the fees and disbursements of the Proposal Trustee and its legal counsel, MLTA, approved by the Court. The Proposal Trustee and its counsel have maintained detailed records of their professional time and costs.
2. The Proposal Trustee's fees from February 9 to March 31, 2026, were \$99,634.75, plus disbursements of \$247.02, plus GST of \$4,994.09, for a total of \$104,875.86.
3. MLTA's fees, as legal counsel to the Proposal Trustee, from February 20 to March 31, 2026, were \$19,225.00, plus disbursements of \$287.70, plus GST of \$974.64, for a total of \$20,487.34.
4. A summary of the accounts rendered by the Proposal Trustee and its legal counsel is attached as **Appendix "E"**. Detailed accounts are available for review by the Court upon request. The amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.
5. It is the Proposal Trustee's opinion that the fees and disbursements of the Proposal Trustee and MLTA accurately reflect the work performed by the Proposal Trustee and MLTA in connection with the administration of the NOI Proceedings for the dates of their respective invoices. It is the Proposal Trustee's opinion that the fees and disbursements of MLTA are fair, reasonable and justified in the circumstances. The Proposal Trustee recommends approval of MLTA's accounts by this Court.

## 12.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Court make an order granting the relief sought by the Company.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

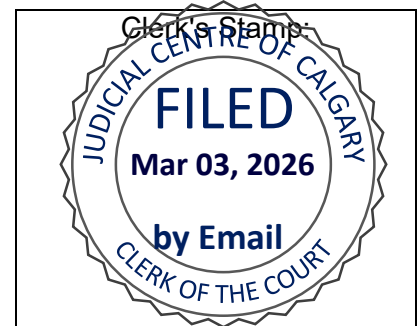
**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS TRUSTEE IN THE PROPOSAL OF  
IGNITE ALLIANCE CORP. O/A IGNITE TECHNOLOGY,  
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**APPENDIX A**  
**[ATTACHED]**

COURT FILE NUMBER 25-3336652  
B301-3336652

COURT COURT OF KING'S BENCH OF  
ALBERTA

JUDICIAL CENTRE CALGARY



MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF IGNITE ALLIANCE CORP.

APPLICANT IGNITE ALLIANCE CORP.

DOCUMENT **ORDER**  
**(STAY EXTENSION, ADMINISTRATION CHARGE,**  
**PRIORITY LENDER'S CHARGE, KERP CHARGE, AND**  
**D&O CHARGE)**

**Burnet, Duckworth & Palmer LLP**  
2400, 525 – 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT

Lawyers: Ryan Algar  
David LeGeyt  
Jessica MacKinnon

Phone: (403) 260-0126 / 0210 / 0112

Email: ralgar@bdplaw.com  
dlegeyt@bdplaw.com  
jmackinnon@bdplaw.com

File No. 69910-19

---

**DATE ON WHICH ORDER WAS PRONOUNCED: MARCH 2, 2026**

**LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA**

**JUSTICE WHO MADE THIS ORDER: HONOURABLE JUSTICE M.H. BOURQUE**

---

**UPON THE APPLICATION** of Ignite Alliance Corp. ("**Ignite**" or the "**Applicant**") filed February 23, 2026; **AND UPON** reading the certificate of filing a notice of intention to make a proposal (the "**NOI**") by Ignite dated February 20, 2026 (the "**Filing Date**"), pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"); **AND UPON** reading Affidavit No. 1 of Steven Taylor sworn February 23, 2026 (the "**Taylor Affidavit**"); **AND UPON** reading the first report of KSV Restructuring Inc. in its capacity as the proposal trustee (the "**Proposal Trustee**") dated February 26, 2026 (the "**First Report**") filed; **AND UPON** reading the Confidential Appendix to the First Report (the "**Confidential Appendix**"; **AND UPON** reading the Affidavit of Service of Angelamor Molod Donor sworn March 2, 2026, to be filed; **AND UPON** hearing submissions by counsel for Ignite, counsel to the Proposal Trustee, counsel to ATB Financial ("**ATB**") and any other counsel or other interested parties present,

**IT IS HEREBY ORDERED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.

**DEFINED TERMS**

2. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the meanings used in the Application, the Taylor Affidavit or the First Report.

**EXTENSION OF TIME TO FILE PROPOSAL**

3. Pursuant to section 50.4(9) of the BIA, the period within which the Applicant is required to file a proposal to its creditors with the Official Receiver is hereby extended until May 6, 2026 (as extended from time to time, the "**Stay Period**").

**ADMINISTRATION CHARGE**

4. Legal counsel to Ignite, Burnet, Duckworth & Palmer LLP, the Proposal Trustee and its legal counsel, MLT Aikins LLP (collectively, the "**Administrative Professionals**"), shall be paid their respective professional fees and disbursements in connection with these NOI proceedings (the "**Proposal Proceedings**"), at normal rates and charges incurred both before and after the Filing Date and before or after the granting of this Order.

5. The Administrative Professionals shall be entitled to the benefit of and are hereby granted a first-ranking charge (the "**Administration Charge**") over all of Ignite's present and after-acquired assets, property and undertakings (the "**Property**"), provided that, subject to further order of this Court, the Administration Charge shall not exceed \$450,000.
6. The Administration Charge shall have the priority as set out herein in paragraphs 20 and 22 herein.

#### **THE CASH MANAGEMENT SYSTEM AND PRIORITY LENDER'S CHARGE**

7. Ignite's execution and performance of the Fourth Forbearance Amending Agreement dated effective as of February 20, 2026 between Ignite and ATB (as may be amended from time to time, the "**Forbearance Agreement**") which provides for Ignite's continued use of the Cash Management System (defined and described below) and the use of the Operating Facility, including the Operating Bulge (each as defined in the Taylor Affidavit) is hereby approved.
8. Ignite is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Forbearance Agreement or as may be reasonably required by ATB pursuant to the terms thereof.
9. Ignite shall be entitled to use the credit facilities and cash management system (the "**Cash Management System**") provided by ATB (ATB, in its capacity as lender in respect of any amounts advanced under the Cash Management System after the date hereof is referred to herein as the "**Priority Lender**") and provided for under the ATB Loan Agreement, as defined and described in the Taylor Affidavit (the "**ATB Loan Agreement**"). For greater certainty:
  - (a) Ignite is authorized to borrow, repay and re-borrow such amounts from time to time as Ignite may consider necessary or desirable under the ATB Loan Agreement, subject to the terms and conditions of the Forbearance Agreement and the ATB Loan Agreement; and

- (b) ATB is authorized to apply receipts and deposits made to Ignite's bank accounts, against the indebtedness owing to ATB in accordance with the Forbearance Agreement.
10. The Cash Management System will be governed by the terms of the Forbearance Agreement and such other documentation applicable to the Cash Management System. The Priority Lender shall be an unaffected creditor in these Proposal Proceedings and unaffected by any proposal filed by Ignite under the BIA with respect to any obligations outstanding as of the date hereof or arising hereafter (including in connection with the Operating Facility and the Cash Management System), and the rights and remedies of the Priority Lender shall be unaffected by paragraphs 26, 27, 28 and 29 of this Order or any other stay of proceedings that may be granted in these proceedings.
  11. The Priority Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Priority Lender's Charge**") on the Property, which such charge shall not exceed an aggregate principal amount of \$460,000 plus interest, fees and expenses unless permitted by further order of this Court and agreed to by the Priority Lender, as security for any advances made pursuant to the Cash Management System from and after the Filing Date. The Priority Lender's Charge shall not secure any obligation existing before the Filing Date. The Priority Lender's Charge shall have the priority as set out herein in paragraphs 20 and 22 herein.
  12. The payments made by Ignite pursuant to this Order, the Forbearance Agreement, and the granting of the Priority Lender's Charge shall not constitute or be deemed to be a preference, fraudulent conveyance or transfer at undervalue or other challengeable or reviewable transaction under the BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law. The rights of the Priority Lender under this Order, including without limitation the Priority Lender's Charge, shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of Ignite or the Property.
  13. Notwithstanding any other provision of this Order, the Priority Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Priority Lender's Charge, the Definitive Documents or the Forbearance Agreement.

14. Upon a Termination Event (as defined in the Forbearance Agreement) the Lender may:
- (a) immediately cease making advances to Ignite;
  - (b) set off and/or consolidate any amounts owing by the Priority Lender to Ignite against any obligations of Ignite to the Priority Lender under the ATB Loan Agreement or the Forbearance Agreement or any other Loan Documents (as defined in the Forbearance Agreement) and make demand, accelerate payment or give other notices; and
  - (c) exercise any and all of its rights and remedies against Ignite or the Property under or pursuant to the ATB Loan Agreement, the Forbearance Agreement or the other Loan Documents.

#### **KERP AND KERP CHARGE**

15. The terms and conditions of the key employee retention plan as described in the First Report (the "**KERP**") are hereby approved and Ignite is authorized to perform its obligations thereunder, including making all payments required in accordance with the terms thereof.
16. The beneficiary under the KERP shall be entitled to the benefit of and is hereby granted a charge on the Property to the extent of an aggregate amount of \$80,000 (the "**KERP Charge**") as security for the payment of the obligations of Ignite provided thereunder. The KERP Charge shall have a priority set out in paragraphs 20 and 22 of this Order.

#### **D&O INDEMNIFICATION AND CHARGE**

17. Ignite shall indemnify its director and officers (collectively, the "**Director and Officers**") against obligations and liabilities that they may incur in their capacities as director and or officers of Ignite after the commencement of these Proposal Proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
18. The Director and Officers shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$260,000 as security for the indemnity provided in paragraph 17 of this Order. The D&O Charge shall have the priority set out in paragraphs 20 and 22 herein.

19. Notwithstanding any language in any applicable insurance policy to the contrary:
- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge; and
  - (b) the Director and Officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 17 of this Order.

#### **VALIDITY AND PRIORITY OF CHARGES**

20. The priorities of the Administration Charge, the Priority Lender's Charge, the KERP Charge and the D&O Charge (collectively, the "**Charges**") as among them, shall be as follows:
- (a) first – Administration Charge (to the maximum amount of \$450,000);
  - (b) second – Priority Lender's Charge (to the maximum amount of \$460,000);
  - (c) third – KERP Charge (to the maximum amount of \$100,000); and
  - (d) fourth – D&O Charge (to the maximum amount of \$260,000).
21. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
22. Each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.
23. Except as otherwise expressly provided for herein, or as may be approved by this Court, Ignite shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless Ignite also obtains the prior written consent of the Proposal Trustee, the Priority Lender, and the beneficiaries of the Administration Charge, the KERP Charge and the D&O Charge.

24. The Charges and Forbearance Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application for bankruptcy order issued pursuant to the BIA, or any bankruptcy order made pursuant to such application;
  - (c) the filing of any assignment for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds Ignite, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect of same shall create or be deemed to constitute a new breach by Ignite of any Agreement to which it is a party;
    - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, Ignite entering into the Forbearance Agreement or the execution, delivery or performance of the Forbearance Agreement; and
    - (iii) the payments made by Ignite pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

## **ALLOCATION**

25. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

## **RESTATEMENT OF STAY AND CONTINUATION OF SERVICES**

26. Except as provided for herein, and in accordance with section 69(1) of the BIA, during the period between the Filing Date and the date on which the Stay Period expires:
- (a) no creditor has any remedy against Ignite or any of the Property or shall commence or continue any action, execution of other proceedings for the recovery of a claim provable in bankruptcy; and
  - (b) no provision of a security agreement between Ignite and a secured creditor that provides, in substance, that on Ignite's insolvency, the default by Ignite of an obligation under the security agreement, or the filing by Ignite of the NOI, Ignite ceases to have rights to use or deal with the Property secured under the security agreement as it would otherwise have, has any force or effect.
27. In accordance with Section 65.1(1) of the BIA but subject to section 65.1(4) of the BIA, no person may terminate or amend any agreement with Ignite or claim an accelerated payment, or forfeiture of the term, under any agreement with Ignite by reason only that Ignite is insolvent has filed the NOI.
28. During the Stay Period, all persons having oral or written agreements or arrangements with Ignite, including without limitation all purchase orders, supply agreements, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Ignite, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Ignite, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Ignite in accordance with the normal payment practices of Ignite or other practices as may be agreed upon by the supplier or service provider and each of Ignite and the Proposal Trustee, or as may be ordered by this Honourable Court.

29. Any Person (as such term is defined by the BIA) that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of Ignite, the Proposal Trustee or leave of this Honourable Court shall promptly deliver or surrender to Ignite such money or other Property.

### **RESTRICTED COURT ACCESS**

30. The Confidential Appendix shall be sealed until the earlier of:
- (a) sixty (60) days following termination of the Proposal Proceedings; or
  - (b) further order of the Court.
31. Any interested person may apply to set aside paragraph 30 of this Order upon providing Ignite, the Proposal Trustee and all other interested parties with seven (7) days' notice in accordance with the *Alberta Rules of Court*, Alta Reg. 124/2010 and this Order.
32. If directed by this Court, a copy of the Confidential Appendix shall be provided to the Clerk of the Court, who is hereby directed to seal any such copy in a sealed envelope which shall have a notice attached that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL DOCUMENTS. THESE CONFIDENTIAL DOCUMENTS ARE SEALED ON COURT FILE NO. B301-336652 PURSUANT TO THE ORDER OF THE HONORABLE JUSTICE M.H. BOURQUE ON MARCH 2, 2026. THESE CONFIDENTIAL DOCUMENTS ARE NOT TO BE ACCESSED UNLESS OR UNTIL THE EARLIER OF: (A) SIXTY (60) DAYS FOLLOWING TERMINATION OF THE PROPOSAL PROCEEDINGS; OR (B) FURTHER ORDER OF THE COURT.

### **SERVICE**

33. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier and shall be deemed good and sufficient by:
- (a) serving the same on:
    - (i) the persons listed on the service list created in these proceedings (the "**Service List**"); and
    - (ii) any other parties attending or represented at the Application for this Order; and

- (b) posting a copy of this Order on the Proposal Trustee's website at <https://www.ksvadvisory.com/experience/case/ignite>, and service on any other person is hereby dispensed with.
34. Service on the Service List and any other party present at the application is deemed to be effective immediately, in the case of electronic mail, or effected as of the next business day following delivery of this Order.

  
Justice of the Court of King's Bench of Alberta

**APPENDIX B**  
**[ATTACHED]**



ignite  
technology

**Ignite Alliance Corp.**  
**Process Overview – Kluane Partners**

*Strictly Private and Confidential*



# Overview

## Section

- I. Kluane Partners Overview
- II. Process Summary
- III. Carve-Out Sale Process
- IV. Full Sale Process

## Kluane Partners Contact Information

**Charles Bougie**  
Managing Director  
Kluane Partners  
+1 (403) 970 0449  
[charles.bougie@klupart.com](mailto:charles.bougie@klupart.com)

**Brock Forbes, CFA**  
Senior Principal  
Kluane Partners  
+1 (403) 988 1816  
[brock.forbes@klupart.com](mailto:brock.forbes@klupart.com)

**Jack McCay**  
Senior Analyst  
Kluane Partners  
+1 (289) 834 1413  
[jack.mccay@klupart.com](mailto:jack.mccay@klupart.com)

# Kluane Partners Overview

---

Section I



# Kluane Partners Overview

## Introduction to Kluane Partners

### Advisor of Choice in Complex Situations

- Kluane Partners (“Kluane”) is a leading special situations boutique investment bank advising middle market companies through complex and challenging financial situations
- Founded in Calgary in 2015, Kluane was established to address a gap in the market for private companies seeking experienced guidance through sophisticated capital raising transactions
- Kluane’s offering has since expanded to provide a full suite of investment banking services, including:
  - Mergers, acquisitions and divestitures
  - Debt advisory and restructuring
  - Strategic and financial advisory
- The Kluane team brings together individuals with significant transaction experience, having cumulatively raised over \$5 billion across 50+ transactions. Our team of MBAs, CFAs, and CPAs draw from their diverse experience across investment banking, private equity, and accounting to offer a unique perspective on each transaction
- Kluane Partners offers unique, cost-effective financial expertise to address complex situations, providing tailored financing and restructuring solutions designed to maximize shareholder value. We focus on helping businesses navigate and succeed through the various stages of their development and are committed to delivering creative solutions for our clients, regardless of stage or circumstance

**50+**

**Transactions**

**\$5.0b+**

**Capital Raised**

**40+**

**Years of Experience**

# Process Summary

---

Section II



# Process Summary

Date	Summary
Mar 19, 2025	Kluane retained to explore strategic alternatives for Ignite
Apr 9, 2025	Broad outreach launched to 49 parties; process formally initiated
Jun 30, 2025	Management meetings held with shortlisted parties following EOIs
Aug 13, 2025	Diligence completed with select bidders
Aug 14, 2025	LOI executed with MSP Buyer #1 (██████████) with Oct 31 target close
Nov 14, 2025	Buyer #1 revises to subset transaction; process terminated following change in ownership
Late Nov 2025	Liquidity tightens; performance deteriorates including loss of key client
Dec 15, 2025	Buyer #2 submits revised LOI (██████████), materially reduced and insufficient to address liabilities
Late Dec 2025	Process pivoted to full-company sale due to limited runway
Early 2026	Additional outreach conducted; 3 parties engage in diligence
Final Stage	MNP Digital submits only final offer following process

# Carve-Out Sale Process

---

Section III



# Carve-Out Sale Process

## Background

### Timeline & Key Events

- Kluane was retained on March 19, 2025 to assist Ignite Alliance Corp. (“Ignite”) in exploring strategic alternatives.
  - Kluane was initially mandated to pursue the disposition of Ignite’s Managed IT Services (MSP) division
- Following retention, Ignite commenced sharing information and Kluane began preparing comprehensive marketing materials, including a Teaser (Appendix A), Confidential Information Memorandum (CIM) (Appendix B), and Data Room
- Ignite and Kluane explored a full sale and tested interest with select parties. Based on feedback, and in light of the outstanding taxes and penalties, Ignite determined that a focused sale of the MSP division represented the more executable path, where market interest was stronger
- On April 9, 2025, Kluane initiated a broader outreach process via email and telephone to a targeted group of strategic and financial acquirors (Appendix C). Of the 49 parties contacted with the Teaser, 14 executed non-disclosure agreements and were granted access to the CIM and data room. Six parties submitted non-binding Expressions of Interest (EOIs) (Appendix D), and three parties were invited to participate in management meetings (facilitated on Jun 30, 2025), and conduct further diligence (through Aug 13, 2025)
- Two parties submitted Letters of Intent (LOIs) (Appendix E). On August 14, 2025, Ignite and *MSP Buyer #1* executed an LOI (██████████) with a targeted closing date of October 31, 2025 and a 90-day exclusivity (standstill) period
- As the exclusivity period approached its expiry on November 14, 2025, MSP Buyer #1 materially revised its offer to acquire only a limited subset of higher-margin contracts and, following a change in ownership at the buyer, the transaction did not proceed

Investor Category	Contacted	CIM & Data Room	EOI	LOI
Strategic	27	7	3	1
Strategic (PE Backed)	12	4	1	0
Financial	10	3	2	1
<b>Total Investors</b>	<b>49</b>	<b>14</b>	<b>6</b>	<b>2</b>

# Full Sale Process

---

Section IV



# Full Sale Process

## Background

### Timeline & Key Events

- Following the termination of negotiations with *MSP Buyer #1*, Ignite’s liquidity position tightened as time elapsed, lender patience diminished, and the MSP division’s performance deteriorated, including the loss of a significant client
- Kluane re-engaged the five remaining EOI parties. *MSP Buyer #2*, which had previously submitted an LOI, was the only group to demonstrate renewed interest
- On December 15, 2025, *MSP Buyer #2* submitted a revised LOI (██████████) at a materially reduced valuation relative to its prior offer. The proposed proceeds were insufficient to address Ignite’s outstanding liabilities
- In late December, Ignite and Kluane elected to pivot to a broader sale process (Appendix F), as the company’s working capital position continued to deteriorate and there was limited runway to further expand marketing efforts, necessitating a full-company solution
- Kluane conducted additional outreach to prospective buyers, resulting in three parties undertaking diligence; however, only MNP Digital ultimately submitted an offer

#### Buyer #1

*Buyer #1* is a financial sponsor focused on distressed and turnaround investments.

The group traveled on-site to meet with management and evaluated a transaction involving a carve-out of the MSP division to *MSP Buyer #2* and continuation of Ignite’s core operations.

Following diligence, *Buyer #1* elected not to proceed.

#### Buyer #2

*Buyer #2* is a private equity-backed strategic platform that evaluated the acquisition as an expansion of its service offering.

The group met with Kluane and conducted diligence.

Following review, *Buyer #2* determined the transaction was not aligned with its strategic rollout objectives and elected not to proceed.

#### MNP Digital

*MNP Digital* is the digital transformation and managed IT services division of MNP LLP, a national professional services firm.

Following diligence and negotiations, *MNP Digital* executed a Binding Term Sheet dated February 13, 2026 contemplating an asset purchase subject to court approval and customary closing conditions

# MNP Transaction

## Conclusion

### Professional Recommendation

- Following comprehensive carve-out and full sale processes, and in light of Ignite's current challenges, Kluane believes the MNP Digital offer represents the most credible and executable transaction available
- Kluane does not anticipate additional offers to materialize
- Given the increasing pressures facing the business, any delay in execution could materially impair transaction viability
- Kluane believes proceeding with MNP Digital on an expedited basis is in the best interests of stakeholders given the financial runway of the business

# Teaser

---

Appendix A



# Project Relay

## Company Overview

Founded in 2011, Project Relay is a Canadian technology solutions provider with offices in Calgary and Toronto. Since its inception, Relay has served over 600 customers, delivering straightforward, reliable, and repeatable solutions spanning video conferencing, unified communications, and audiovisual technologies, as well as cybersecurity, analytics, adoption services, and Managed IT.

Among its business lines is the Company's Managed IT Services division which delivers a comprehensive, subscription-based IT service—encompassing remote monitoring, endpoint security, data protection, and dedicated user support—to enable clients to concentrate on their core business activities.

Established in 2020, the Managed IT Services division has scaled rapidly, with revenues increasing from CAD \$8.8 million in 2022 to CAD \$11.3 million in 2024, reflecting a 13% compound annual growth rate (CAGR). In 2024, the division also delivered strong gross margins of approximately 34%.

As Relay refines its strategic focus, the company is seeking a well-positioned acquirer to capitalize on the Managed IT Services division's impressive track record and growth trajectory.

## Transaction Opportunity

Relay is seeking to divest its Managed IT Services division, providing an exceptional opportunity for a well-positioned buyer to leverage its rapid growth, strong profitability, and proven service model.

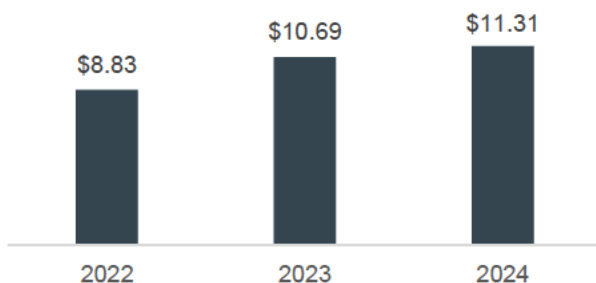
## Investment Highlights

**High-Quality, Diversified Client Base:** Managed IT Services supports 65+ clients across multiple industries through both month-to-month (MTM) and multi-year contracts, ensuring a reliable stream of recurring revenue.

**Stable, Long-Term Revenue:** Subscription-based agreements averaging 18-month terms ensure predictable cash flows. Current MTM clients have been with the firm for an average of 33 months, reflecting strong retention and stable recurring revenue. Additionally, approximately 39% of MTM revenue comes from hosting services with high switching costs, further enhancing revenue stability.

**Strategic Synergies:** The comprehensive, scalable managed IT solutions present a compelling opportunity for strategic buyers to expand service portfolios, deepen client relationships, and accelerate growth across their existing operations.

### Managed IT Services Revenue (\$MM)



Note: All revenue figures are in Canadian (C\$) dollars

### 18 Month

Average length of contracts currently in place

### 65+

Unique customers on either term or month-to-month contracts

#### Brock Forbes, CFA

Senior Principal

Kluane Partners

+1 (403) 988 1816

[brock.forbes@klupart.com](mailto:brock.forbes@klupart.com)

#### Charles Bougie

Managing Director

Kluane Partners

+1 (403) 970 0449

[charles.bougie@klupart.com](mailto:charles.bougie@klupart.com)

**kluane**  
**partners**

# Confidential Information Memorandum

---

Appendix B



REDACTED

# Contact Tracker (Carve Out)

---

Appendix C



REDACTED

# Expression of Interest Summary

---

Appendix D



REDACTED

# Letter of Intent Summary

---

Appendix E



REDACTED

# Additional Groups (Full Sale)

---

Appendix F



REDACTED

**APPENDIX C**  
**[ATTACHED]**

Ignite Alliance Corp. o/a Ignite Technology  
**Weekly Cash Flow Forecast**  
 April 12, 2026 to June 20, 2026  
 (Unaudited; CAD)

For the week ending	Notes	18-Apr-26	25-Apr-26	2-May-26	9-May-26	16-May-26	23-May-26	30-May-26	6-Jun-26	13-Jun-26	20-Jun-26	Total
<b>Receipts</b>												
Accounts receivable	2	194,149	213,035	260,646	239,287	-	-	-	-	-	-	907,117
		<b>194,149</b>	<b>213,035</b>	<b>260,646</b>	<b>239,287</b>							<b>907,117</b>
<b>Disbursements</b>												
Wages, salaries, and benefits	3	(170,000)	-	(230,000)	-	-	-	-	-	-	-	(400,000)
Hardware purchases	4	(60,000)	(50,000)	(20,000)	(10,000)	-	-	-	-	-	-	(140,000)
Other operating expenses	5	(31,400)	(10,577)	(68,857)	(193,680)	-	-	-	-	-	-	(304,514)
Other expenses	6	(25,000)	(85,000)	(55,000)	(15,000)	-	-	-	-	-	-	(180,000)
		<b>(286,400)</b>	<b>(145,577)</b>	<b>(373,857)</b>	<b>(218,680)</b>							<b>(1,024,514)</b>
<b>Net cash flow</b>		<b>(92,251)</b>	<b>67,458</b>	<b>(113,211)</b>	<b>20,607</b>							<b>(117,397)</b>
Operating line, opening		(702,310)	(794,560)	(727,102)	(840,313)	(819,706)	(514,820)	(514,820)	(514,820)	(514,820)	-	(702,310)
Net cash flow		(92,251)	67,458	(113,211)	20,607	-	-	-	-	-	-	(117,397)
Repayment from MNP Transaction sale proceeds	7	-	-	-	-	304,886	-	-	-	514,820	-	819,706
<b>Operating line, ending</b>		<b>(794,560)</b>	<b>(727,102)</b>	<b>(840,313)</b>	<b>(819,706)</b>	<b>(514,820)</b>	<b>(514,820)</b>	<b>(514,820)</b>	<b>(514,820)</b>			<b>-</b>

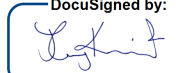
The above forecasted cash-flow statement is based on the assumptions and notes detailed in Appendix "1-1".

Dated at the City of Calgary in the Province of Alberta, this 14 day of April, 2026.

**Ignite Alliance Corp. o/a Ignite Technology**

Per:   
 Steven Taylor  
 President and Chief Executive Officer

**KSV Restructuring Inc.**

Per:   
 Jason Knight, CPA, CA, CIRP, LIT  
 Managing Director

Ignite Alliance Corp. o/a Ignite Technology

**Notes to the Cash Flow Forecast**

April 12, 2026 to June 20, 2026

(Unaudited; CAD)

Appendix "1-1"

---

**Purpose and General Assumptions**

[1] The purpose of the cash-flow statement (the "**Cash Flow Forecast**") is to present a forecast of the cash flow of Ignite Alliance Corp. o/a Ignite Technology (the "**Company**") for the period April 12 to June 20, 2026 in respect of the Notice of Intention to Make a Proposal ("**NOI**") filed by the Company on February 20, 2026 (the "**Filing Date**") under the Bankruptcy and Insolvency Act (the "**BIA**"). As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast is prepared in accordance with the provisions of the BIA and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

The Cash Flow Forecast has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company. The Cash Flow Forecast assumes that the transaction pursuant to the asset purchase agreement dated April 8, 2026 between MNP Digital Inc. and the Company (the "**MNP Transaction**") closes on May 8, 2026 (the "**Closing Date**"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Second Report of the Proposal Trustee dated April 15, 2026.

**Hypothetical**

[2] Revenue and collection projections are based on historical results and stated collection terms.

**Most Probable**

[3] Wages, salaries, and benefits have been estimated based on the Company's current staffing levels.

[4] Represents the purchase of hardware sourced for and sold to customers.

[5] Other operating expenses include: (i) amounts paid for licenses and software; (ii) rent; (iii) leased server and data center space; (iv) and other costs such as insurance, travel, and utilities.

[6] Reflects sales taxes and estimated professional fees of the Proposal Trustee, its legal counsel, and the Company's legal counsel.

[7] Consists of distributions to ATB from the MNP Transaction proceeds (the "**Sale Proceeds**"), including the Priority Lender's Charge. This amount does not represent the entirety of the Sale Proceeds; rather, it has been included in the Cash Flow Forecast to demonstrate that the Sale Proceeds are sufficient to cover the shortfall.

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3336652  
Estate No. 25-3336652

FORM 30  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Ignite Alliance Corp.  
of the City of Calgary, in the Province of Alberta

The Management of Ignite Alliance Corp. of Ignite Alliance Corp., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of April 2026, consisting of A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be efiled.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 14th day of April 2026.

Signed by:  
Steven Taylor  
7810F8193044F6...  
Ignite Alliance Corp.  
Debtor

Steven Taylor  
Name and title of signing officer

Name and title of signing officer

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3336652  
Estate No. 25-3336652

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of  
Ignite Alliance Corp.  
of the City of Calgary, in the Province of Alberta

Purpose:

A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be efiled

Projection Notes:

A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be efiled

Assumptions:

A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be efiled

Dated at the City of Calgary in the Province of Alberta, this 14th day of April 2026.

Signed by:



37810F8193044F0...  
Ignite Alliance Corp.  
Debtor

# **APPENDIX D**

**[ATTACHED]**

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3336652  
Estate No. 25-3336652

\_ FORM 29 \_  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Ignite Alliance Corp.  
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of Ignite Alliance Corp., as of the 14th day of April 2026, consisting of A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be efiled, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 14th day of April 2026.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



---

Jason Knight - Licensed Insolvency Trustee  
1165, 324-8th Avenue S.W.  
Calgary AB T2P 2Z2  
Phone: (416) 932-6262 Fax: (416) 932-6266

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3336652  
Estate No. 25-3336652

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of  
Ignite Alliance Corp.  
of the City of Calgary, in the Province of Alberta

Purpose:

A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be filed

Projection Notes:

A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be filed

Assumptions:

A signed PDF copy of the cash flow statement for ten weeks ending June 20, 2026 will be filed

Dated at the City of Calgary in the Province of Alberta, this 14th day of April 2026.

KSV Restructuring Inc. - Licensed Insolvency Trustee

Per:



---

Jason Knight - Licensed Insolvency Trustee  
1165, 324-8th Avenue S.W.  
Calgary AB T2P 2Z2  
Phone: (416) 932-6262 Fax: (416) 932-6266

# **APPENDIX E**

**[ATTACHED]**

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
IGNITE ALLIANCE CORP.

SUMMARY OF PROFESSIONAL FEES  
FOR THE PERIOD FEBRUARY 9 TO MARCH 31, 2026

	Invoice	Fees	Costs	Subtotal	GST	Total
<b>Proposal Trustee's Fees</b>						
February 9, 2026 to February 28, 2026	5184	\$ 58,103.00	\$ 247.02	\$ 58,350.02	\$ 2,917.50	\$ 61,267.52
March 1, 2026 to March 31, 2026	5292	41,531.75	-	41,531.75	2,076.59	43,608.34
<b>Total Proposal Trustee's Fees</b>		<b>99,634.75</b>	<b>247.02</b>	<b>99,881.77</b>	<b>4,994.09</b>	<b>104,875.86</b>
<b>Proposal Trustee's Legal Counsel Fees</b>						
February 20, 2026 to March 9, 2026	6660180	15,526.00	225.70	15,751.70	787.59	16,539.29
March 10, 2026 to March 31, 2026	6671106	3,699.00	62.00	3,761.00	187.05	3,948.05
<b>Total Proposal Trustee's Legal Counsel Fees</b>		<b>19,225.00</b>	<b>287.70</b>	<b>19,512.70</b>	<b>974.64</b>	<b>20,487.34</b>
<b>Total Professional Fees</b>		<b>\$ 118,859.75</b>	<b>\$ 534.72</b>	<b>\$ 119,394.47</b>	<b>\$ 5,968.73</b>	<b>\$ 125,363.20</b>