



**First Report to Court of
KSV Restructuring Inc. as
Proposal Trustee of lovate Health
Sciences International Inc., lovate Health
Sciences U.S.A. Inc. and Northern
Innovations Holding Corp.**

September 8, 2025

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**COURT NO.: 31-3268936
ESTATE NO.: 31-3268936**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
IOVATE HEALTH SCIENCES INTERNATIONAL INC.**

**COURT NO.: 31-3268942
ESTATE NO.: 31-3268942**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
IOVATE HEALTH SCIENCES U.S.A. INC.**

**COURT NO.: 31-3268971
ESTATE NO.: 31-3268971**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
NORTHERN INNOVATIONS HOLDING CORP.**

**FIRST REPORT OF
KSV RESTRUCTURING INC.
AS PROPOSAL TRUSTEE**

SEPTEMBER 8, 2025

1.0 Introduction

1. This report ("Report") has been prepared by KSV Restructuring Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") of Iovate Health Sciences International Inc. ("Iovate International"), Iovate Health Sciences U.S.A. Inc. ("Iovate USA") and Northern Innovations Holding Corp. ("Northern Innovations" and together with Iovate International and Iovate USA, the "Iovate Entities") in connection with separate Notices of Intention to Make a Proposal (each an "NOI" and jointly, the "NOIs") filed on September 5, 2025 pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA").
2. The principal purpose of these proceedings (the "NOI Proceedings") is to create a stabilized environment to allow the Iovate Entities to pursue an orderly restructuring of their business.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Iovate Entities and the NOI Proceedings;
 - b) discuss the rationale for a charge on the assets, undertakings and properties of the Iovate Entities to a maximum amount of \$750,000 (the “Administrative Professionals Charge”) to secure the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee, Canadian and U.S. counsel to the Iovate Entities and the financial advisor to the Iovate Entities (the “Administrative Professionals”);
 - c) discuss the rationale for administratively consolidating the NOI Proceedings of the Iovate Entities; and
 - d) recommend that the Court make an order, among other things:
 - i. granting the Administration Professionals Charge pursuant to Section 64.2 of the BIA; and
 - ii. administratively consolidating the NOI proceedings of the Iovate Entities.

1.2 Currency

1. All currency references in this Report are to Canadian dollars unless stated otherwise.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Iovate Entities’ management, its books and records and discussions with management. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party intending to rely on the financial information presented in this Report should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. The Iovate Entities are part of a group of companies (the “Iovate Group”) engaged in the development, production and sale of health and nutrition products in Canada, the United States and elsewhere. The Iovate Group’s key brands include MuscleTech™, Hydroxycut™, Six Star®, and Purely Inspired®, which are sold in over 90 countries worldwide.

2. Iovate International entered into an amended and restated credit agreement dated June 30, 2021 (as amended, the “Credit Agreement”), with HSBC Bank Canada (now Royal Bank of Canada (“RBC”)), as administrative agent, and HSBC Bank Canada, the Toronto-Dominion Bank, Bank of China (Canada), Bank of Montreal, National Bank of Canada, Canadian Western Bank, and the Bank of Nova Scotia, as syndicated lenders (together, the “Lenders”). The Iovate Entities and certain affiliates granted, among other things, a general security agreement creating a first-priority lien over all their present and after-acquired real and personal property. As of August 31, 2025 approximately USD\$115,785,488 is owing to the Lenders.
3. Additional information about the Iovate Entities and the circumstances leading to the NOI Proceedings is included in the Affidavit of Wesley Parris sworn September 6, 2025. Court materials in these proceedings are available on the Proposal Trustee’s website at <https://www.ksvadvisory.com/experience/case/iovate>.

3.0 Administrative Professionals Charge

1. The Iovate Entities are seeking an Administrative Professionals Charge over the assets, undertakings and properties of the Iovate Entities in the amount of \$750,000 in respect of the fees and disbursements of their Canadian and U.S. counsel, the Proposal Trustee and its counsel, and their financial advisor. The quantum of the proposed charge appears to be fair and reasonable based on the size and complexity of the Iovate Entities.
2. The professionals covered by the Administrative Professionals Charge require the benefit of the Administrative Professionals Charge to secure payment of their fees and expenses. Absent approval of the Administrative Professionals Charge, the professionals involved in these proceedings have no guarantee of payment and are unlikely to continue to act, which would likely cause these proceedings to come to an end.
3. The Lenders, being the major economic stakeholders in these proceedings, consent to the Administrative Professionals Charge.
4. The Proposal Trustee accordingly supports the request for the Administrative Professionals Charge.

4.0 Administrative Consolidation

1. The Iovate Entities are seeking an order to administratively consolidate the NOI Proceedings under a joint title of proceedings to avoid multiplicity of proceedings and the associated costs.
2. The Iovate Entities and the Proposal Trustee believe that it is appropriate in the circumstances to administratively consolidate the NOI Proceedings as:
 - a) doing so will facilitate the orderly administration of these proceedings;
 - b) the Iovate Entities are highly integrated and the NOI Proceedings are largely driven by the same facts;

- c) all senior management are based at the head office in Oakville, Ontario, Canada from which the Iovate Entities and their affiliates' domestic and international operations are directed, including finance, supply chain, product management and administrative functions; and
- d) the Iovate Entities have the same senior secured creditors.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(d) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
IOVATE HEALTH SCIENCES INTERNATIONAL INC.,
IOVATE HEALTH SCIENCES U.S.A. INC. AND
NORTHERN INNOVATIONS HOLDING CORP.**