



District of Alberta
Division No. 2 – Calgary
Court File No. 2301-10472

**Notice and Statement of the Receiver
(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)**

**IN THE MATTER OF THE RECEIVERSHIP OF
PATHWAY HEALTH CORP. AND PATHWAY HEALTH SERVICES CORP.
("Pathway" or the "Companies")**

1. On August 10, 2023, pursuant to an order of the Court of King's Bench of Alberta (the "**Court**"), KSV Restructuring Inc. ("**KSV**") was appointed as interim receiver (in such capacity, the "**Interim Receiver**") of all of the current and future assets, undertakings and properties of Pathway (the "**Property**").
2. On October 2, 2023, pursuant to an order of the Court (the "**Receivership Order**"), KSV was appointed as receiver (in such capacity, the "**Receiver**") of all of the Property.
3. The Receiver took possession and control of the Companies' Property on October 2, 2023 pursuant to the terms of the Receivership Order.
4. The Receiver has not been appointed as the receiver of the Companies' direct and indirect subsidiaries (collectively the "**Subsidiaries**"). The principal asset of the Companies is the investments in the Subsidiaries.
5. Based on the most current financial information available¹, the approximate book values of the Companies' assets are as follows:

Pathway Health Corp.:

	Estimated Book Value (CAD \$) ²
Prepaid	39,283
Investments	1
Total	39,284

¹ The most recent financial information available is the Companies' internal financial statements as at September 30, 2023.

² Realizable values are likely to differ from the book values noted above. Such differences are expected to be material.

Pathway Health Services Corp.:

	Estimated Book Value (CAD \$) ²
Cash	197,809
GIC Investment	75,000
Trade and other receivables	270,318
Prepaid	11,200
Property, plant and equipment	153,256
Investments	1
Intangible assets	1
Total	707,585

6. The following information relates to the receivership of the Companies:

Head office: 10 Four Seasons Place
Toronto, ON

Principal line of business: The Companies provide medical cannabis services.

7. **Secured Creditors**

Based on the Companies' books and records, it has the following secured creditors:

- Avonlea-Drewry Holdings Inc. is owed approximately \$5.6 million under the terms of a revolving credit facility, a secured promissory note and pursuant to the Interim Receiver's first borrowing certificate;
- Heal Global Holdings Corp. is owed approximately \$1.3 million under the terms of a secured promissory note; and
- Aphria Inc. is owed approximately \$170,000 in connection with a financing term sheet and pursuant to the Interim Receiver's second borrowing certificate.

8. **Unsecured Creditors**

According to the Companies' books and records, the amount owed by the Companies to its unsecured creditors as of October 2, 2023 was approximately \$1.2 million. All known unsecured creditors as of the date of receivership are listed in Appendix "A".

9. **Intended Course of Action**

On October 2nd, 2023, the Court granted an order for approval of a Sale and Investment Solicitation Process (the "**SISP Order**") that includes a stalking horse purchase and sale agreement. The Receiver intends to administer the sales process in accordance with SISP Order to maximize realizations for stakeholders.

Contact person for Receiver:

Name:	Ross Graham
Telephone No.:	(587) 287-2750
Facsimile No.:	(416) 932-6266
Email address:	rgraham@ksvadvisory.com

A copy of the Receivership Order, other materials and future reports of the Receiver will be posted on our website at <https://www.ksvadvisory.com/experience/case/pathway-health>.

Dated at Calgary, Alberta this 12th day of October, 2023.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
PATHWAY AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**



Per: Andrew Basi

Pathway Health Corp and Pathway Health Services Corp.
Appendix A
Preliminary list of creditors as at October 2, 2023
Prepared by the debtor without admission as to any liability or privilege herein shown
(Unaudited; \$C)

CREDITOR NAME	TOTAL BALANCE \$CAD
<u>SECURED CREDITORS</u>	
Avonlea-Drewry Holdings Inc.	5,608,656.79
Heal Global Holdings Corp.	1,363,794.80
Aphria Inc.	170,000
TOTAL SECURED CREDITORS	7,142,452
<u>UNSECURED AND OTHER CREDITORS</u>	
Lawson Lundell LLP	647,791
Aphria Inc.	243,370
Dentons Canada LLP	50,636
TSX Trust Company	41,032
Canada Revenue Agency	37,745
MNP LLP - Mississauga	35,668
AVB MD C.P. Inc.	18,000
GoCo Technology LP	15,786
Red Cloud Securities Inc.	15,000
Broadridge	14,289
Clinic Medical Mieux-Etre Inc.	12,647
Ryan ULC	10,057
Broken Squirrel Wellness	9,531
Aski Capital Inc	7,880
Medicentres Canada Inc.	7,595
Telus Health (Formerly InputHealth)	7,209
RBC Commerical Cash Back Visa (3980 - AB)	7,057
Jacklin Road Investment Ltd	7,017
Strategic to Tactical Consulting Inc.	6,391
Carrefour Sante Globale - 9307-0423 Quebec Inc.	6,267
Ashley Bevan	6,198
CNW Group Ltd.	6,057
Dr. Ewa Wysocki	6,012
Grant Thornton LLP	5,743
Dr. Paul Lewis	5,349
Mark H. Kimmins, MD	5,250
Long View Systems Corporation	4,573
Dentons Canada LLP	4,330
Diplomat Consulting Inc.	2,835
1224120 BC Ltd.	2,625
Mantej Samra	2,403
Lowe-Martin Company Inc.	1,955
Rachel Schmidt	1,215
Telus Solutions en sante inc.	1,144
RBC Commercial Cash Back Visa - (6844 KW)	1,137
K.T. Kristjanson M.D. Inc.	1,000
Purolator Inc.	982
Sport Support	814
Ceridian Canada Ltd.	628
Cogeco Connexion Inc.	469
RYCHI Systems	468
LifeWorks - Formerly Morneau Shepell	467
Caroline Klemens	440
M2 Graphix (Media Ltd.)	426
Lyudmil Petrov - USD	422
Laser Cartridge Services Inc.	414
Consensus Cloud Solutions Canada, ULC dba SRFAX	345
Whitehead Agency Group Inc.	333
CDS Clearing and Depository Services Inc.	283
Beechwood Physical Medicine	271

Pathway Health Corp and Pathway Health Services Corp.
Appendix A
Preliminary list of creditors as at October 2, 2023
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CREDITOR NAME	TOTAL BALANCE \$CAD
Grand & Toy	231
Brock Psychological Services	225
Medline Canada Corp. (Formerly Medical Mart Supplies Ltd.)	171
Broadridge ICS	163
Fana Burnhamthorpe Corp.	149
Stericycle Inc.	138
Krista Lee Walters	131
Katy Lovick	130
Manitoba Finance - Taxation Division	114
Mediant Communications Inc.	86
La Cartoucherie	67
Nettoyeur Sanilinge	57
TOTAL UNSECURED AND OTHER	1,267,218
GRAND TOTAL	8,409,669