



ksv advisory inc.

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

Estate File No.: 31-3342017

IN THE MATTER OF THE BANKRUPTCY OF
SKYLINK EXPRESS INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

TRUSTEE'S REPORT TO CREDITORS ON
PRELIMINARY ADMINISTRATION

1. Introduction

1. This report ("**Report**") is filed by KSV Restructuring Inc. ("**KSV**") in its capacity as Trustee in Bankruptcy (the "**Trustee**") of Skylink Express Inc. (the "**Company**").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on March 11, 2024 (the "**CCAA Filing Date**"), the Company was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and KSV was appointed monitor (the "**Monitor**"). The principal purpose of the CCAA proceedings was to create a stabilized environment to provide the Company with an opportunity to address its liquidity challenges, negotiate a contract with a major customer and, after unsuccessful negotiations with the customers, to conduct a Court-approved sale process (the "**Sale Process**").
3. The Sale Process resulted in the sale of substantially all the Company's assets. The Monitor filed a discharge certificate with the Court on March 5, 2026, which terminated the CCAA proceedings.
4. On March 4, 2026 (the "**Bankruptcy Date**"), the Company filed an assignment in bankruptcy. KSV is the licensed insolvency trustee appointed as Trustee by the Office of the Superintendent of Bankruptcy (Canada), subject to affirmation of the Trustee's appointment at the first meeting of creditors to be held on March 24, 2026.

1.1 Currency

1. All currency references in this report (this "**Report**") are to Canadian dollars unless otherwise noted.

1.2 Restrictions

1. In conducting its review and preparing this Report, the Trustee has relied upon financial and other information provided by the Company.

2. The Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the 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 contained in this Report should perform its own diligence.

2. Background

1. For over 25 years, the Company provided regional air cargo services throughout North America. The Company was acquired in 2020 by Momentum Decisive Solutions Canada Inc. (“**Momentum**”), the Company’s sole shareholder. The Company’s head office is located in Toronto, Ontario. Until autumn 2024, the Company operated one of Canada’s largest air cargo services, specializing in regional courier feeder operations and air cargo charters throughout North America.
2. As of the CCAA Filing Date, the Company operated from hangars in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City. The Company terminated all flight operations during the CCAA proceedings.
3. As of the CCAA Filing Date, the Company employed 79 full-time employees, seven part-time employees and 11 independent contractors. The Company’s pilots were members of UNIFOR local 2002. The Company did not maintain any registered pension plans. The Company terminated all employees during the CCAA proceedings.
4. Momentum provided the Company with funding during the CCAA proceedings under an interim financing facility (the “**DIP Facility**”) that was approved by the Court. The DIP Facility ranked behind the TD Loan Facilities (as defined below).
5. As of the CCAA Filing Date, the Company had secured credit facilities (the “**TD Loan Facilities**”) with The Toronto-Dominion Bank (“**TD Bank**”), the Company’s principal secured creditor, until Momentum took an assignment of the TD Loan Facilities on July 17, 2025. As described below, Momentum is currently owed approximately \$2 million in respect of the TD Loan Facilities.
6. Further information regarding the Company and the CCAA proceedings is available on the Trustee’s website at: <https://www.ksvadvisory.com/experience/case/skylink>.

3. The Bankrupt Estate

3.1 Assets

1. Pursuant to several Court orders issued during the CCAA proceedings, substantially all the Company’s assets, including its aircraft and aircraft parts, were sold during the CCAA proceedings. The sale price from all transactions totaled approximately \$13 million.
2. The Company’s remaining assets are comprised of operating and other licenses that are not expected to generate any recoveries. To the extent that any recoveries are generated, they would be paid to Momentum as assignee of the TD Loan Facilities.

4. Creditors

4.1 Secured Creditors

1. As of the CCAA Filing Date, the balance owed under the TD Loan Facilities was approximately \$13.8 million.
2. During the CCAA proceedings, the Monitor's counsel provided it with an opinion confirming the validity and enforceability of the security under the TD Loan Facilities, subject to standard assumptions and qualifications.
3. During the CCAA proceeding, the Court authorized the Monitor to make distributions to reduce the TD Loan Facilities and DIP Facility. As a result of these distributions, the DIP Facility was repaid in full and the balance under the TD Loan Facilities was reduced to approximately \$2 million.
4. Momentum is owed this amount as assignee under the TD Loan Facilities and is the only secured creditor of the Company.

4.2 Unsecured Creditors

1. Based on the Company's books and records, the unsecured liabilities are approximately \$3.5 million, excluding employee claims and off-balance sheet liabilities, which will be quantified in due course.
2. Employees terminated during the CCAA proceedings received payment of their wages and vacation pay in full. However, termination pay and severance pay were not paid and, accordingly, terminated employees may have claims against the Company in respect of those amounts.
3. As a result of the Company's assignment in bankruptcy, employees terminated during the CCAA proceedings may be eligible to make claims under the *Wage Earner Protection Program Act*, S.C. 2006, c. 47 s. 1, as amended ("**WEPPA**"). During the bankruptcy proceeding, the Trustee intends to assist the Company's former employee to file claims with Service Canada in order to receive distributions under WEPPA.

5. Books and Records

1. The Trustee has taken possession of the books and records it requires to complete its duties and obligations under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), including bank statements for the year preceding the date of bankruptcy and the Company's minute books.

6. Preferences and Transfers at Undervalue

1. Pursuant to the BIA, the Trustee is required to conduct a review for preferences and transfers at undervalue by examining the Company's bank statements and accounting records for the year preceding the date of the initial bankruptcy event. In respect of non-arm's length transactions, the "look-back" period under the BIA is up to five years. The Trustee has carried out that review and is not aware of any transactions that require further investigation.

2. During the CCAA proceeding, which included the one-year period preceding the bankruptcy, the Monitor was reviewing the Company's cash flows. The Trustee did not identify any transactions that it believed would be subject to additional review during the one-year period prior to the bankruptcy.

7. Anticipated Realization and Projected Distribution

1. As set out above, substantially all of the Company's assets were sold during the CCAA proceedings and there remains approximately \$2 million owing under the TD Bank Facilities to Momentum. To the extent that there are any recoveries in these bankruptcy proceedings, which is not expected, they would be first paid to reduce the amounts owing under the TD Bank Facilities to Momentum. Accordingly, the Trustee does not expect any funds to be available for distribution to creditors.

8. Other Matters

1. Pursuant to a Third Party Guarantee Agreement signed March 18, 2026 (the "TPG"), Momentum has guaranteed the fees and costs of the Trustee and its legal counsel related to the administration of these bankruptcy proceedings to a maximum of \$100,000 plus HST. The funds are being held in the Trustee's general trust account.

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DATED at Toronto, Ontario, this 23rd day of March, 2026.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLEY IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
SKYLINK EXPRESS INC.
AND NOT IN ITS PERSONAL CAPACITY**