

Province: British Columbia
Division No. 03 - Vancouver
Court No. VIC-S-B-246902
Estate No. 11-3089419



**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CLOUD DIAGNOSTICS CANADA ULC**

CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE

FIRST REPORT TO COURT

June 10, 2024

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I. INTRODUCTION

1. On June 5, 2024 (the "**Filing Date**"), Cloud Diagnostics Canada ULC (the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and the Insolvency Act* R.S.C.1985, c. B-3 (the "**BIA**") and Crowe MacKay and Company Ltd. consented to act as Trustee under the Proposal (the "**Proposal Trustee**").
2. Pursuant to section 50.4(8) of the BIA, the initial stay period in the proposal proceedings is from June 5, 2024 to July 5, 2024 (the "**Stay Period**").
3. A copy of the Certificate of Filing of the NOI issued by the Office of the Superintendent of Bankruptcy is attached hereto as **Appendix "A"**.

II. PURPOSE OF REPORT

4. The purpose of this report by the Proposal Trustee (the "**First Report**") is to provide this Honourable Court and the Company's stakeholders with:
 - a. information regarding the Company's current operations and certain matters relating thereto;
 - b. the Company's cash flow projection for the 13-week period from June 4, 2024, to August 30, 2024; and,
 - c. information and the Proposal Trustee's recommendations with respect to the Company's applications to this Honourable Court for an Order authorizing and approving, among other things, the following:
 - i. extending the Initial Stay Period for an additional 45 days from July 5, 2024 to August 19, 2024;
 - ii. authorizing and empowering the Company to obtain and borrow under an interim financing facility (the "**Interim Facility**") from the Interim Lenders (as defined below) to finance the continuation of its business provided that, among other things, the borrowings under the Interim Facility shall not exceed \$970,000 unless permitted by further Order;
 - iii. granting in favour of the Interim Lender a priority charge (the "**Interim Lender's Charge**") over the assets of the Company to a maximum of \$970,000 which will rank in priority over all other encumbrances on the assets, properties and undertakings of the Company, other than the Administration Charge (defined below);
 - iv. granting an Administration Charge in the amount of \$200,000; and,

- v. the Proposal Trustee to conduct a sale and investment solicitation process (the "SISP").

III. TERMS OF REFERENCE

5. In preparing this First Report, the Proposal Trustee has necessarily relied upon unaudited financial and other information provided by the Company, the Company's books and records, and discussions with management of the Company, namely Mr. Robert Kaul and Mr. Anthony Kaul ("**Management**") (collectively, the "**Information**").
6. The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information used to prepare this First Report.
7. Certain of the information referred to in this First Report consists of financial forecasts and/or projections prepared by the Company. An examination or review of the financial forecasts/projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed by the Proposal Trustee. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions of future events and conditions that are not ascertainable, actual results may vary and the variations could be material.

IV. COMPANY BACKGROUND AND OPERATIONS

8. The Company was incorporated in the province of British Columbia on September 15, 2014 and is a wholly owned subsidiary of Cloud DX Inc. ("**Cloud DX USA**") a US company registered in Delaware. Cloud DX USA is a subsidiary of 12632926 Canada Ltd., which in turn is a subsidiary of Cloud Dx Inc. ("**CDX**"), a Canadian publicly traded entity. Together with CDX and its subsidiaries, the Company is a remote patient monitoring company that is a Health Canada licensed, and US Food and Drug Administration registered medical device manufacturer and software developer offering a complete "end-to-end" virtual healthcare platform called CDX Connected Health. The Company, along with CDX, have customers including large hospitals, provincial health authorities in Canada, as well as physician practices in the United States.
9. The Company's directors are Mr. Robert Kaul and Mr. Anthony Kaul (collectively, the "**Directors**"). Management and the Directors, along with two private companies, are also shareholders of the Company. As mentioned above, the Company's sole shareholder is Cloud DX USA.
10. CDX is listed on the TSX Venture Exchange under the ticker symbol "CDX". The Company's registered and records office is 20th Floor, 250 Howe Street in Vancouver BC.

11. As mentioned above, the Company began operations on September 15, 2014. Management advised that from that time until May 31, 2024, on a consolidated basis, the Company had incurred revenues of in or around \$7.1M, and had net operating losses of \$53.6M.
12. Management advised that the main operating expenses of the Company are salaries and employee wages, consulting fees for contractors, and professional services fees related to being a public company. Management further advised that these fees include legal fees related to fund raising activities, accounting fees related to annual financial audits, finder's fees and commissions related to fund raising, and general legal and accounting fees. In fiscal year 2023 professional services fees equalled \$1,413,096.
13. Management advised that the primary reason for the abovementioned losses have been due to the Company's inability to generate sufficient revenue or gross profits to cover its operating expenses. Further, Management advised that historically the Company's sale and revenue projections were too optimistic and its estimated costs too low.
14. Management advised that in or around May, 2023, the Company initiated a cost reduction program whereby some real estate leases were re-negotiated and approximately 20% of staff were laid off to reduce the cost of payroll. Further, the Company also created savings by replacing expensive software with lower cost or open source alternatives.
15. Management has advised that the Company has historically funded its operating losses through the issuance of common shares, the sale of convertible debentures (both secured and unsecured), and the unsecured debt noted above.
16. Management advised that in or around the spring of 2024, the Company recognized that it would require an immediate \$3 million to \$3.3 million in new funds to meet its current operating costs, minimum payments on trade payables in arrears, and inventory costs for open orders. Accordingly, Management advised that the Company received TSXV approval to offer a private placement of Units consisting of 1 common share and 1 warrant, priced at \$0.12 per unit, for gross proceeds of up to \$3.3 million. The offering was announced on April 8, 2024, with a closing date of April 28, 2024. The offering was then extended to a closing date of May 31, 2024 and further extended to a closing date of June 30, 2024. Management advised that by June 4, 2024 the amount of investment committed to the financing was less than \$500,000, which was insufficient to meet the Company's needs.
17. Management advised that while the Company has implemented further cost cutting by reducing staff, and has received short-term loans from certain secured creditors, further funding is required. Further, Management has advised that the secured creditors noted above indicated that they are unwilling to continue funding the Company without a clear path forward towards either restructuring or selling the business. Accordingly, on June 5, 2024, the Company filed a Notice of Intention to make a Proposal pursuant to the BIA.

18. Management advised that it is essential for Cloud DX to continue its operations during this restricting proceeding. Cloud DX provides active care to thousands of high-risk patients. Many patients remain stable at home with late-stage chronic diseases, such as Chronic Obstructive Pulmonary Disease and that stability comes from Cloud DX's CHP and the feedback loops between those patients and their clinical team.
19. Management advised that post-surgical patients are at especially high risk, typically being discharged from hospital 1.9 days early on average. In this "hospital at home" use case immediate shutdown would push all of those patients into harm's way. Sudden shutdown would put these patients and hundreds of others into acute health danger.
20. Management advised that the hospital systems that use Cloud DX rely on its platform to increase surgical throughput, reduce acute care utilization and reduce costs. Sudden shutdown of our platform would push hundreds of patients into acute care stressing health systems even further than they are stressed now.

V. ASSETS AND LIABILITIES OF THE COMPANY

21. The Proposal Trustee has not been able to conduct a detailed assessment of the Company's assets and liabilities at the date of this First Report. The below Information was prepared based on preliminary Information received from Management and is subject to change. A more detailed assessment will be conducted by the Proposal Trustee over the course of its administration.

ASSETS

22. Below is a summary of the Company's assets based on the most recent interim financial statements as at March 31, 2024:

Nature of Property	Net Book Value (\$)
Cash	\$88,865
Guaranteed Investment Certificate	60,060
Trade Accounts Receivable	340,615
Inventory	420,422
Prepaid Expenses	61,053
Fixed Assets	47,086
Right-of-Use Asset	240,675
Software Platform and Intellectual Property	NIL
Total	\$1,258,776

Cash

23. Management advised that it had cash of in or around \$88,865 as at March 31, 2024. As at the Filing Date, Management advised that the Company had a cash balance in the amount of in or around \$15K.

Guaranteed Investment Certificate

24. Management advised that it held a guaranteed investment certificate ("GIC") with the Royal Bank of Canada ("RBC") in the amount of in or around \$60,060. The GIC is held as security by RBC for two of the Company's credit cards. The particulars of RBC's security are discussed in greater detail below. Management advised that the balance on the credit card as at the Filing Date was in or around \$4,868.00 in excess of the value of the GIC, being \$64,928. Accordingly, the estimated realizable value of the GIC is nil.

Trade Accounts Receivable

25. Management advised that it had trade accounts receivables of \$340,615 as at March 31, 2024. Management further advised that it has historically collected close to 100% of accounts receivable balances, and accordingly expects to realize the full \$340,615 in due course, if it hasn't already done so already.

Inventory

26. Management advised that the Company has inventory with a book cost totalling \$420,422, which is comprised of various tablet computers and medical devices.

Prepaid Expenses

27. Management advised that the Company has prepaid expenses totalling \$61,053 which is comprised of prepaid insurance premiums.

Fixed Assets

28. Management has advised that the Company has the following fixed assets:

Nature of Property	Net Book Value (\$)
Machinery and Equipment	\$18,942
Furniture and Fixtures	4,509
Leasehold Improvements	23,635
	\$47,086

29. Management has advised that its fixed assets are comprised of testing and logistics equipment, office furniture, as well as leasehold improvements.

Right-of-Use Asset

30. Management advised that the Company has a right of use asset in accordance with International Financial Reporting Standards ("IFRS") in the amount of \$240,675. This balance is comprised of an accounting entry relating to the leased premises located in Kitchener Ontario pursuant to IFRS standard 16. Management has advised that the Company does not expect to realize any value from the right of use asset.

Software Platform and Intellectual Property

31. Management advised that the Company owns a software platform called 'Cloud DX Connected Health', along with accompanying source code and compiled code. Management advised that this has not been recorded on the Company's balance sheet, but is ultimately owned by the Company. Management further advised that the Company owns other intellectual property including, but not limited to a Health Canada Medical Devices Establishment License. It is presently unclear to the Proposal Trustee why the software platform, nor the other intellectual property do not have a book cost, and accordingly do not show as an asset on the Company's balance sheet. Given the short time frame between the Filing Date and this First Report, the Proposal Trustee has not had sufficient time to investigate this in depth.

LIABILITIES

Secured Creditors and Statutory Liabilities

32. Based on a *Personal Property Registry* ("PPR") search and information provided by Management, the Company is indebted, on a secured basis, to the following parties:

Secured Creditor	Particulars of Security Interest	Approx. Indebtedness
RBC	Moneys that may from time to time be on deposit	\$64,928
Odyssey Trust Company ("Odyssey")	First ranking all present and after-acquired personal property ("AIPPAAP") security	\$11.3M

(collectively, the "Secured Creditors").

33. Attached hereto as **Appendix "B"** is a copy of the PPR search for the Company as at June 3, 2024.
34. Based on available records, the Company is indebted to the CRA in the amount of approximately \$1.25M for unpaid employee source deductions. The Proposal Trustee understands that this amount includes the employee and employer portion of source

deductions but may not include interest and penalties. The amount is subject to a trust examination by CRA. In the event of a proposal, the Company will need to pay the amounts due for source deductions in full within six-months of Court approval of the proposal. In the event of a bankruptcy, only the employee portion of this claim ranks as a deemed trust claim ahead of all other creditors including the Secured Creditors.

35. Based on the PPR, RBC holds a charge against the certain monies on deposit, namely the GIC. As mentioned above, the Proposal Trustee has not yet conducted its own review and assessment of the Company's assets; however, based on preliminary information received from Management, the Proposal Trustee understands that the GIC held by the Company is in the amount of in or around \$60K. Management further advised that the balance owing to RBC is in or around \$64K. Accordingly, it appears as though RBC would suffer shortfall on its security in the amount of in or around \$4K in the event of a bankruptcy.
36. Based on the PPR, Odyssey holds a first ranking AllPAAP charge against the assets of the Company. The Proposal Trustee understands that Odyssey is the debt trustee for numerous secured debenture holders (the "**Secured Debenture Holders**"), and that the amounts owing to the Secured Debenture Holders is in the amount of in or around \$11.3M. As mentioned above, the Proposal Trustee has not yet conducted its own review and assessment of the Company's assets; however, based on preliminary information received, it appears as though the Secured Debenture Holders would suffer a shortfall in the event that the Company is placed into bankruptcy.
37. The Proposal Trustee is not aware of any other parties who may hold a secured or deemed trust claim against the Company.

Preferred Creditors

38. As at the Filing Date, Management advised that the Company may be indebted to about 35 employees for unpaid wages and vacation pay totaling \$134,000.
39. Employees could be entitled to a preferred claim for wages and vacation due within 6-months of the Filing Date pursuant to subsection 136(d) of the BIA to a maximum of \$2,000 per employee. The extent of the amounts due to the employees has yet to be determined.
40. Management advised that it was indebted to its landlord in the amount of in or around \$186K. The landlord could be entitled to a preferred claim for rental arrears within 3-months of the Filing Date pursuant to subsection 136(f) of the BIA. The extent of the landlord's potential preferred claim, if any at all, has yet to be determined.
41. Besides the potential preferred claims set out above, at this time the Proposal Trustee is not aware of any other parties who may hold a preferred claim pursuant to Section 136 of the BIA.

Unsecured Creditors

42. As at the Filing Date, the Company was indebted to in or around 155 parties with unsecured claims totaling approximately \$7,007,336. These parties consist primarily of unsecured debenture holders, trade suppliers, employees and various other vendors.

VI. ACTIVITIES OF THE COMPANY

43. Since the Filing Date, the Company's Management have engaged in, among other things, the following activities:
- a. attended meetings with the Proposal Trustee to discuss the affairs of the Company, as well as the options available;
 - b. prepared and filed a projected cashflow statement for the 13-week period from June 4, 2024 to August 30, 2024 which, along with assumptions on or around June 7, 2024;
 - c. engaged with various parties to seek to obtain interim financing to ensure sufficient liquidity during these proceedings; and,
 - d. took steps to initiate a SISP, as defined and set out below.

VII. ACTIVITIES OF THE PROPOSAL TRUSTEE

44. Since the Filing Date, the Proposal Trustee has engaged in, among other things, the following activities:
- a. attended meetings with Management to discuss the affairs of the Company, as well as the options available;
 - b. mailed out the initial notice to all known creditors and employees with claims of greater than \$250 on or about June 7, 2024 notifying them of the NOI proceedings pursuant to section 50.4(6) of the BIA, a copy of which is hereto attached as **Appendix "C"**;
 - c. assisted Management in preparing a projected cashflow statement for the 13-week period from June 4, 2024 to August 30, 2024 which, along with assumptions, was filed with the Office of Superintendent of Bankruptcy on June 7, 2024 in accordance with section 50.4(2) of the BIA;
 - d. had various discussion with the Company and its legal counsel relating to matters relevant to Interim Facility, the Administration Charge (defined below) and the SISP (also defined below);
 - e. established and maintained a public website for these proceedings at: www.crowemackayco.ca/project/cloud-diagnostics-canada-ulc ; and,

f. prepared this First Report.

VIII. **13-WEEK CASH FLOW PROJECTION TO AUGUST 30, 2024**

45. The Company, with assistance of the Proposal Trustee, has prepared a 13-week cash flow for the period June 4, 2024 to August 30, 2024. A copy of the cash flow, along with the assumptions, is attached as **Appendix "D"** (the "**13-Week Cash Flow**").
46. The Proposal Trustee's review of the 13-Week Cash Flow consisted of inquiries, analytical procedures and discussions related to information supplied to the Proposal Trustee by Management. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the 13-Week Cash Flow. The Proposal Trustee has also reviews the support provided by Management for the probable assumptions and the preparation and presentation of the 13-Week Cash Flow.
47. Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe that, in all material respects:
- a. the probable and hypothetical assumptions are not consistent with the purpose of the 13-Week Cash Flow;
 - b. as at the date of this First Report, the probable and hypothetical assumptions developed by Management are not suitably supported and consistent with the Company's plans or do not provide a reasonable basis for the 13-Week Cash Flow, given the probable and hypothetical assumptions; or,
 - c. the 13-Week Cash Flow does not reflect the probable and hypothetical assumptions.
48. Based on the assumptions above, it is believed that the Company will have sufficient funds to operate during the Initial Stay Period if the Interim Facility is approved by this Honourable Court.

IX. **COURT ORDERED CHARGES**

49. The Company is seeking Court approval of a number of secured, court-ordered priority charges, to rank as follows:
- 1. The Administrative Charge; and,
 - 2. The Interim Lender's Charge.
- (collectively, the "**Charges**").
50. The Company is requesting that this Court issue an order stating that the Charges are to rank ahead of all security, interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise.

Administration Charge

51. The Company is seeking an administration charge over its property up to a maximum of \$200,000 to secure payment of the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel and counsel for the Company (the "**Administration Charge**").
52. The Administration Charge is against all present and after-acquired assets, property and undertakings of the Company and shall rank in priority to all security interests, trusts, liens, charges, encumbrances, and other claims of secured creditors, statutory or otherwise, including all other court-ordered charges.
53. The Proposal Trustee has worked with the Company, its counsel and other professionals to determine the appropriate amount of the Administrative Charge. It is reflective of the limited funds currently available to the Company and the fact that if the proposal proceedings are unsuccessful, the Proposal Trustee will have a significant amount of work to do, including transitioning the proceedings to a bankruptcy.
54. Presently, the Proposal Trustee holds a retainer \$50,000 to protect its fees and costs including the Proposal Trustee's legal counsel. The Company's legal counsel holds a retainer of \$25,000.
55. Given the tight liquidity constraints that the Company has been operating under, there is a heightened risk to the timely funding of the professional fees relating to these proceedings. These proceedings require the necessary involvement of professionals to guide and/or complete a successful proposal and, as such, it is the Proposal Trustee's respectful view that the Administration Charge is reasonable and appropriate to ensure the continued support of the respective professionals in the Company's efforts to restructure.

Debtor-in-Possession Financing

56. As contemplated by the cash flow forecast, in order to finance ongoing operations and to meet obligations as they generally become due, the Company requires interim financing. The 13-Week Cash Flow sets out that the Company would require approximately \$970,000 in additional financing.
57. Approximately \$120,000 is intended to be advanced in or around the week ending June 7, 2024. These funds will be advanced by approximately 3 different parties (the "**First Tranche Lenders**"). The Proposal Trustee understands that the First Tranche Lenders is comprised of a 2 of the major Secured Debenture Holders as well as a director of Cloud DX.
58. Further, an additional approximate balance of \$250,000 is intended to be advanced in or around the week ending June 14, 2024. These funds are expected to be advanced by a consortium of different parties (the "**Second Tranche Lenders**").

59. Finally, a further additional approximate balance of \$600,000 is intended to be advanced in or around the week ending June 28, 2024. These are expected to be advanced by a consortium of different parties (the "**Third Tranche Lenders**", and collectively with the First Tranche Lenders and the Second Tranche Lenders, the "**Interim Lenders**").
60. On or about June 5, 2024, Management advised that it had received commitments from the First Tranche Lenders to advance in or around \$120,000 upon this Honourable Court granting the Interim Lender's Charge. Management further advised that it was presently working with a consortium of parties who would make up the Second Tranche Lenders and Third Tranche Lenders in funding the balance of the Interim Financing. Management advised that it anticipates that the balance of the Interim Financing as needed from the Second Tranche Lenders and Third Tranche Lenders will be arranged in the near future.
61. The Proposal Trustee has not seen a formal commitment letter or loan agreement with the Interim Lenders, and accordingly cannot formally comment on the reasonableness of the terms of the Interim Facility. That said, Management has advised the Proposal Trustee that the proposed terms with the Interim Lenders would be as follows:
- a. the Interim Lenders will advance up to \$970,000 with the proceeds being used for working capital for the Company;
 - b. the Interim Lenders will be granted a super priority charge over the assets of the Company, ranking behind only the Administration Charge ;
 - c. the Interim Facility will bear interest at the rate of 25% per annum;
 - d. the Interim Facility will mature at the earlier of September 30, 2024 or a default event; and,
 - e. expenses relating to the Interim Facility will be paid by the Company.
62. Based on the proposed terms of the Interim Facility as set out above, the Proposal Trustee is of the respectful view that proposed terms are reasonable, and that the Interim Facility would ultimately enhance the prospects of a viable proposal being made to the Company's creditors. Further, the Proposal Trustee is of the opinion that the Company will not be in a position to meet its post-filing obligations in the ordinary course nor file a Proposal should it not receive the Interim Facility. Should the Company not receive the Interim Facility, the Proposal Trustee is of the opinion that this would likely result in a deemed automatic assignment into bankruptcy, and it is unclear what recoveries (if any) will be forthcoming to the stakeholders in the event of a bankruptcy.
63. In arriving at the above opinion, the Proposal Trustee considered the factors as set out in subsection 50.6(5) of the BIA, which are as follows:
- a. the period during which the debtor is expected to be subject to proceedings under the BIA;
 - b. how the debtor's business and financial affairs are to be managed during these proceedings;
 - c. whether the debtor's management has the confidence of its major creditors;
 - d. whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;

- e. the nature and value of the debtor's property; and,
- f. whether any creditor would be materially prejudiced as a result of the security of charge.

64. When considering the factors set out in subsection 50.6(5) of the BIA listed above, the Proposal Trustee is of the opinion that based on preliminary information received with respect to the valuation of the Company's assets, it appears RBC, along with all subordinated secured creditors may suffer a shortfall on its advances to the Company in the event that the Company is placed into bankruptcy. Accordingly, it is the Proposal Trustee's respectful view that the Interim Financing will result in a greater likelihood of a viable proposal, and therefore a greater likelihood of an improved outcome for both the secured and unsecured creditors.

65. As described in the 13-Week Cash Flow, the Company has critical and immediate need for interim financing. Accordingly, the Proposal Trustee is of the view that the Company's request for approval of the Interim Lender's Charge is required and reasonable in the circumstances. The Proposal Trustee is also of the view that the proposed terms described above are fair and reasonable, and are consistent with interim financings approved in other similar BIA or *Companies' Creditors' Arrangement Act* proceedings.

X. PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS

66. The Company and its counsel, in consultation with the Proposal Trustee and its counsel, have developed the SISP Package with a view to soliciting a potential investment or acquisition proposal in respect of the business or the assets of the Company.

67. The purpose of the SISP is to identify one or more purchasers for the Company's business and/or assets. In order to provide third parties with an opportunity to bid on the Company's assets, the Company has proposed that it market its assets to third parties for a period of approximately 28 days. A copy of the proposed procedures governing the SISP (the "**SISP Procedures**") are attached hereto as **Appendix "E"**.

68. The key aspects of the proposed SISP are as follows (capitalized terms as defined therein):

- a. as soon as possible after the granting by this Honourable Court of the approval of the SISP, the Company will compile a list of potential bidders (the "**Known Potential Bidders**"), and will distribute to the Known Potential Bidders the Teaser Letter;
- b. any bidder who executes the Confidentiality Agreement, and in the opinion of the Company, and in consultation with the Proposal Trustee, has the financial capabilities and technical expertise to make a bid shall be deemed as a potential bidder (each such person so deemed, a "**Potential Bidder**");
- c. any Potential Bidders seeking further information will be required to execute a confidentiality agreement (the "**Confidentiality Agreement**"), upon which they will be provided with a Confidential Information Memorandum (the "**CIM**");

- d. upon receiving the CIM, the Known Bidder will also be provided with access to the electronic data room (the "**Data Room**"). Included in the Data Room will be information pertaining to the Company's business affairs and assets, along with a APA and SPA;
 - e. Potential Bidders will have until July 12, 2024 (the "**Bid Deadline**") to submit a non-binding letter of intent (a "**LOI**");
 - f. a LOI must include the following, among other items:
 - i. a completed copy of the APA or SPA, that includes the purchase price;
 - ii. a blackline comparison to the APA or SPA as included in the Data Room for any changes;
 - iii. written evidence of a firm, irrevocable commitment for all the required funding and/or financing to consummate the proposed transaction;
 - iv. a deposit in the amount of at least 10% of the purchase price, by way of bank draft; and,
 - v. a statement from the Potential Bidder that the Bid is not subject to any conditions other than approval by the Court.
 - g. the Bid is irrevocable until the earlier of the approval by the Court, and the 45 days following the Bid Deadline;
 - h. the best Bid (the "**Winning Bid**") will be determined by the Company, in consultation with the Proposal Trustee;
 - i. in the event there are no Qualifying Bids, no Winning Bid, or that a transaction does not close for whatever reason, the SISP shall terminate; and,
 - j. the Company shall apply for an order from the Court approving the Winning Bid.
69. The key dates and timeline of the proposed SISP are outlined in the table below:

Event	Date
Cloud DX's Application to the Court for Approval of the SISP	June 7, 2024
Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letter and Confidentiality Agreements to Known Potential Bidders	As soon as practical and no later than June 14, 2024
Proposal Trustee to prepare and have available for Potential Bidders the Data Room	As soon as practical and no later than June 19, 2024
Bid Deadline	July 12, 2024

Event	Date
Cloud DX's Application to the Court for Approval Order(s)	As soon as reasonably practical after accepting the Winning Bid(s) and entering into the Bid Agreement(s)
Closing of the Transaction	Within ten (10) days of the Approval Order becoming the Final Order, subject to any extensions approved by the Proposal Trustee

70. It is the Proposal Trustee's view that the SISP is fair and reasonable and the proposed timeframe can be achieved. Accordingly, the Proposal Trustee recommends that this Honourable Court grant an Order approving the proposed SISP of the business of the Company and/or its principal assets.

XI. COMPANY'S REQUEST FOR AN EXTENSION TO STAY OF PROCEEDINGS

71. For the purposes of conducting the SISP as outline above, the Company is seeking a 45-day extension (the "**Extension**") to the Initial Stay of Proceedings. This would extend the Initial Stay of Proceedings from July 5, 2024 to August 19, 2024.
72. The Proposal Trustee supports the Company's request for the Extension of the Initial Stay Period for the following reasons:
- a. the Company has acted in good faith and with due diligence;
 - b. the Company requires additional time to run the aforementioned SISP, which would enhance the viability of proposal to the Company's creditors; and,
 - c. no creditor would be materially prejudiced if the extension is granted/

XII. PROPOSAL TRUSTEE'S RECOMMENDATIONS

73. Based on the current information made available by Management, the Proposal Trustee has the following comments in respect to the Company's application for approval of the following:
- a. the Administration Charge for the involvement of professionals is necessary to ensure the continued support and guidance to the Company in its pursuit of a successful proposal;

- b. the terms of the Interim Lender's Charge are reasonable given the circumstances, and interim financing is necessary for the Company to remain liquid and continue operations;
- c. the Interim Financing will assist the Company in funding operations, and accordingly provide the Company with a greater likelihood of filing a viable proposal. This could result in a greater recovery to the secured creditors and the general body of the unsecured creditors as opposed to an immediate bankruptcy particularly if the realizations of the assets referred to above under a forced liquidation are nominal (if any);
- d. the proposed SISP is commercially reasonable in the circumstances, and will provide the Company with an opportunity to close a transaction which could ultimately benefit stakeholders; and,
- e. the Extension is necessary for the timelines of the proposed SISP.

74. For the above reasons, the Proposal Trustee respectfully recommends that this Honourable Court grant an Order for the relief sought by the Company.

DATED AT the City of Vancouver, in the Province of British Columbia, this 10th day of June 2024.

Crowe MacKay & Company Ltd.

in its capacity as Licensed Insolvency Trustee of the Proposal of
Cloud Diagnostics Canada ULC and not in its personal capacity

Per:

Mr. Jonathan McNair, CPA, CA, CIRP, LIT
(Chartered Insolvency & Restructuring Professional)

APPENDIX A



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 02 - Victoria
Court No. 11-3089419
Estate No. 11-3089419

In the Matter of the Notice of Intention to make a proposal of:

Cloud Diagnostics Canada ULC

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

June 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: June 06, 2024, 12:41

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

APPENDIX B

Business Debtor - "CLOUD DIAGNOSTICS CANADA ULC"

Search Date and Time: June 3, 2024 at 1:38:14 pm Pacific time
Account Name: CROWE MACKAY & COMPANY LTD.
Folio Number: Cloud Diagnosti

TABLE OF CONTENTS

2 Matches in 2 Registrations in Report

Exact Matches: 2 (*)

Total Search Report Pages: 6

	Base Registration	Base Registration Date	Debtor Name	Page
1	921021M	April 23, 2021	* CLOUD DIAGNOSTICS CANADA ULC	2
2	780516P	September 11, 2023	* CLOUD DIAGNOSTICS CANADA ULC	4

Base Registration Number: 921021M

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: April 23, 2021 at 12:06:33 pm Pacific time
Current Expiry Date and Time: April 23, 2026 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of June 3, 2024 at 1:38:14 pm Pacific time)

Secured Party Information

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

Debtor Information

CLOUD DIAGNOSTICS CANADA ULC

Address

36 MCKENZIE CRES
SIDNEY BC
V8L 5Y7 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR ,THOSE AMOUNTS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF ,WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

Original Registering Party

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

Base Registration Number: 780516P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: September 11, 2023 at 1:35:11 pm Pacific time
Current Expiry Date and Time: September 11, 2027 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of June 3, 2024 at 1:38:14 pm Pacific time)

Secured Party Information

ODYSSEY TRUST COMPANY

Address

300 5TH AVENUE SW SUITE 1230
CALGARY AB
T2P 3C4 Canada

Debtor Information

CLOUD DIAGNOSTICS CANADA ULC

Address

72 VICTORIA STREET SOUTH, SUITE 100
KITCHENER ON
N2G 4Y9 Canada

Vehicle Collateral

None

General Collateral

September 13, 2023 at 10:56:17 am Pacific time

DELETED

As per the security agreement dated September 8, 2023.

ADDED

**A security interest in all presently owned and hereafter acquired personal property of Cloud
Diagnostics Canada ULC**

Base Registration General Collateral:

As per the security agreement dated September 8, 2023.

Original Registering Party

DYE & DURHAM CORPORATION

Address

DYE & DURHAM
199 BAY ST, SUITE 4610
TORONTO ON
M5L 1E9 Canada

HISTORY

(Showing most recent first)

AMENDMENT - COLLATERAL AMENDED

Registration Date and Time: September 13, 2023 at 10:56:17 am Pacific time

Registration Number: 785474P

Description:

General Collateral

September 13, 2023 at 10:56:17 am Pacific time

DELETED

As per the security agreement dated September 8, 2023.

ADDED

**A security interest in all presently owned and hereafter acquired personal property of Cloud
Diagnostics Canada ULC**

Registering Party Information

DYE & DURHAM CORPORATION

Address

DYE & DURHAM
199 BAY ST, SUITE 4610
TORONTO ON
M5L 1E9 Canada

APPENDIX C

June 6, 2024

To: The Creditors of Cloud Diagnostics Canada ULC (the "Company")

The Company filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA") on June 5, 2024 and Crowe MacKay & Company Ltd. (the "Trustee") was named Proposal Trustee for the Company. Enclosed for your records is a copy of the NOI and the List of Creditors. As the Trustee, we would like to take this opportunity to address some issues and perhaps answer some questions that you may have.

The Company has NOT filed for Bankruptcy nor is the Company in Receivership.

The Company remains under the control of management. The NOI creates a stay of proceedings and allows the Company a period of up to thirty days to prepare and file a Proposal to its creditors unless the period is extended by the Court upon application by the Company. During this period, the Trustee will monitor the business of the Company and assist the Company in preparing its Proposal.

All amounts owed by the Company as at the date of the NOI will be dealt with as part of the Proposal to be filed by the Company. The Company is continuing to operate as usual during the NOI period. Pursuant to Section 65.1 of the BIA, no person may terminate or amend any agreement, including a security agreement, with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement, including a security agreement, with the Company by reason only that the insolvent person is insolvent or a NOI or Proposal has been filed.

Filing a Claim

At this time, you do NOT need to file a Proof of Claim or report any discrepancies concerning the amount reported as owing to you by the Company as stated on the List of Creditors enclosed. You will receive a Proof of Claim form to complete and file with the Trustee after the Company has filed its Proposal or if the Company is deemed bankrupt. All proven creditors will have the opportunity to vote on the Proposal in person or by mail at a creditor's meeting to be held approximately three weeks after the Proposal is filed.

The Trustee will be providing updates with respect to the status of this proceeding on its website (www.crowemackayco.ca) under 'recent engagements'.

If you have any questions, please contact Mr. Jonathan McNair at 604-635-4716 / jonathan.mcnair@crowemackay.ca or Mr. Nelson Allan at 604-697-5209 / nelson.allan@crowemackay.ca.

Yours very truly,

CROWE MACKAY & COMPANY LTD.

In its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal of Cloud Diagnostics Canada ULC, and not in its personal capacity

per:

Encl.

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Cloud Diagnostics Canada ULC
of the Town of Sidney, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Take notice that:

1. I, Cloud Diagnostics Canada ULC, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Crowe MacKay & Company Ltd. of 1100 - 1177 West Hastings Street, Vancouver, BC, V6E 4T5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 5th day of June 2024.



Cloud Diagnostics Canada ULC
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
380 Advanced Inc.	200 Central Avenue Ste 210C St Petersburg FL 33701 US		57,923.02
A&D Medical	6695 Milkcreek Rd., Unit 6 Mississauga ON L5N 5R8		2,500.00
Abell Pest Control	36 Centennial Rd Unit B Kitchener ON N2B 3G1		488.24
Accesswire Canada Ltd.	PO Box 56394 Postal Station A Toronto ON M5W 4L1		5,425.00
Agile Manufacturing Inc	141 Reach Street, Unit 9 Uxbridge ON L9P1L3		790.65
Alan Richardson	168 Larimar Cir Ottawa ON K1X 0B6		20,000.00
Albert Lamartino	72 Mike Palph Way Calgary AB T2E 7S3		10,000.00
Alexander Letros	Suite 301A 1 Donwoods Drive North York ON M4N 2E9		50,615.78
Ali Mohtashami	404 Briar Hill Ave Toronto ON M5N 1M7		12,697.53
Allan Lee	47 Pemberton Road Richmond Hill ON L4C 3T5		134,421.92
Allied Properties REIT	134 Peter Street, Suite 1700 Toronto ON M5V 2H2		107,289.65
Alok Upadhyaya	448 West 6th Street Richmond VA 23224 USA		1,269.75
Alwend Consultants Inc.	14 Kinmount PVT Kanata ON K2T 1K2		10,000.00
Amanda Bruhm	142 Alexandra Way The Blue Mountains ON L9Y CS3		20,000.00
Amrit Paul S. Gill	2100-925 GEORGIA ST W Vancouver BC V6C 3L2		28,279.45

District of: British Columbia
 Division No. 03 - Vancouver
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 Notice of Intention To Make a Proposal
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In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Andrew Seligson	5208 S Bur Oak Pl Ste 200 Sloux Falls SD 51708 US		109,847.01
Andrew Vellahottam	114 Westgate Blvd North York ON M3H1P4		63,487.67
Anthony Vielle	368 Sunset Ridge Woodbridge ON L4H 1Z8		20,000.00
Anthony Kaul-Expenses	36 McKenzie Cres, Sidney BC V8L 5Y7		84,371.00
Anthony Vlele	Suite 401 1136 Centre St Thornhill ON L4J 3M8		3,442.19
Antonio Ortuzar	Torre Constanera, Piso 19 Avendia Andres Bello 2457 Providencia Chile		3,442.19
Arianna Letros	Sulte 301A 1 Donwoods Drive North York ON M4N 2E9		51,692.71
Armand Reale	27 SOUTH DR Toronto ON M4W 1R2		197,956.16
Arrow Electronics Canada LTD. - USD	11454 Dept 20 Succursale Centre-Ville Montreal QC H3C 5K8		52,315.66
Aviva Ciplin	510 Rushton Rd Toronto ON M6C 2Y5		1,348.77
Ayesha Raza	321-600 Queens Quay West Toronto ON M5V 3M3		10,000.00
Azra Bajrami	388 Yonge St. Suite 7610 Toronto ON M5B 0A4		60,000.00
Azzyland Productions Inc.	388 Yonge St. Suite 7610 Toronto ON M5B 0A4		60,000.00
B&M Miller Equity Holdings Inc.	2200 - 1710 Bayshore Dr. Vancouver BC V6G 3G4		200,000.00
Barbara Cheatley	99 Normandy Blvd Toronto ON M4 L3K4		25,000.00

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- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bell Mobility	Bell Mobility Inc. c/o Special Billing 5115 Creekbank Rd, E2-M2 Mississauga ON L4W 5R1		204,730.28
Benecal Health Benefit Solutions Inc. (Honeybee)	185 The West Mall, Suite 80C Toronto ON M9C 5L5		11,177.72
Biagio Veltri	140 Glyde PK Calgary AB T3Z 0A1		25,000.00
Brad Miller	2200-1710 Bayshore Drive Vancouver BC V6G 3G4		1,407,793.20
Brandon Sewell	26 Laidlaw St. Unit 1514 Toronto ON M6K 1X2		7,000.00
Brian Penny	36 Southdale Dr Markham ON L3P1J7		8,605.48
Campbell Mauchan	18 Almond Ave Thornhill ON L3T 1L1		10,000.00
Canada's Finest Coffee	775 Industrial Road Unit 2 London ON N6V 3N5		310.05
Canadian Healthcare Technology	207-1118 Centre Street Thornhill ON L4J 7R9		2,257.35
Cardinal Health Canada	1000 Tesma Way Vaughn ON L4K 5R8		330.78
Carollne J. Alexander	691 Cameron Harvey Dr Kanata ON K2K 1X0		10,000.00
Catherine English	676 Mansfield Ave Ottawa ON K2A 2T6		10,000.00
CBI	3300 Bloor St W, West Tower Suite 900 Toronto ON M8X 2X2		632.80
Christine Young	966 Vanier Dr. Mississauga ON L5H 3T7		50,000.00

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Claude Menard	521 Av Bernardin Vaudreuil-Dorla QC J7V 6A9		10,000.00
Communitech Corporation	151 Charles St West, Suite 100 Kitchener ON N2G 1H6		3,729.00
Constantine Zachos	Station B PO Box 14 Richmond Hill ON L4E 0Y3		1,527,757.91
Council of Canadian Innovators	325 Front Street West Floor 4 Toronto ON M5V 2Y1		10,593.75
Cozen O'Connor ONT Trust	Bay Adelaide Centre - West Tower 333 Bay Street, Suite 1100 Toronto ON M5H 4E3		67,839.60
CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1		1,247,866.00
Crocker Company Consulting Inc.	8 Mountain View Crescent PO Box 1007 Toronto ON K0J 1P0		20,000.00
Daniel Warsh	716 OAK ST Winnetka IL 60093-2522 USA		126,691.95
Daniel Tavares	Suite 709 157 Adelaide St W Toronto ON M5H 4E7		317,438.36
David Cooper	500 Balliol St. Toronto ON M4S 1E3		10,000.00
David Haslings	306-3165 Boul De La Gare Vaudreuil-Dorlon QC J7V 0V5		10,000.00
Dentons Canada LLP	77 King Street West, Suite 400 Toronto-Dominion Centre Toronto ON M5K 0A1		208,140.46
Dietmar Neuhaus	250 Mineola RD E Mississauga ON L5G 2G3		20,000.00
Dorothy Anna Orser	2000 - 1 Adelaide St. E Toronto ON M5C 2V9		1,860,000.00

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 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Dorothy-Anna Orser	66 Twenty Third St. Etobicoke ON M8V 3N2		4,418.64
Edgar Davidian	3 Megan Pl Guelph ON N1L 1H1		50,000.00
Edward Chaplin	1739 Ortona Ave Ottawa ON K2C 1W8		10,000.00
Eftihia Kritikos	518 Av De Chambly Laval QC H7W 4K1		5,000.00
Eric Miller	Suite 6740 350 Fifth Ave New York NY USA		17,776.55
Fabrice Taylor	8914120 STREET NW Edmonton AB T6G 1X5		161,539.73
Felice Furino	518 Av De Chambly Laval QC H7W 4K1		15,000.00
Filomena Vele	368 Sunset Ridge Woodbridge ON L4H1Z8		6,139.72
Flipfund	7 Margrath Place Toronto ON M9C 4L1		12,485.00
Fluke Electronics Limited Partnership - Mississauga	400 Britannia Rd. E., Unit #1 Mississauga ON L4Z 1X9		1,718.59
Francis Pope	22 Oaklands Ave Toronto ON M4V 2E5		150,000.00
Gail Cook-Bennett	40 North Drive Etobicoke ON M9A 4P9		15,000.00
Gaurav Puri	PH1 - 95 Bathurst St Toronto ON M5V2P9		1,815,960.07
Generation IACP Inc.	22 St. Clair Ave. E., 18th Floor Toronto ON M4T 2S3		123,864.00
George Kaseros	33 Rowley Ave Toronto ON M4P2T1		134,421.92

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Graham Saunders	2200-609 GRANVILLE ST Vancouver BC V7Y 1H2		26,923.29
Gregory & Louis-Philippe Motayne & Cole	115 Margaret Anne Dr Carp ON K0A 1L0		20,000.00
Gus George	23 EDGECOMBE CRT MARKHAM Markham ON L3S 2W6		53,846.58
Hamilton Health Sciences Corporation	237 Barton St. East, Suite C1-SW Attn: Research Finance Hamilton, ON L8L 2X2		35,000.00
Health Canada	1918B - Piece 1804B161 Goldenrod Drwy Ottawa ON K1A 0K9		4,503.00
Heather Romero	15-7080 Glenfir RD Naramata BC V0H 1N1		10,000.00
Heldarpour Meymeh	27 Wendat Trail Springwater ON L9X0V4		63,487.67
Hakkenberg 2012 Family Trust	15 Barrie Terrace Barrie ON L4M 1E8		35,000.00
Hemdat Sawh	2165 Whitworth Dr Oakville ON L6M 0A7		5,163.29
Horizon Health Network	Teresa Yeomans - Research Services Office 5DN Saint John Regional Hospital 400 University Avenue Saint John NB E2L 4L2		173,361.70
Huckleberry Seed	391 CRESTVIEW DR Charleston NV 89124 USA		305,418.08
Huddle	535 Mission Street San Francisco CA 94105 USA		7,070.71
Ian McColland	SUITE 7210-100 KING ST Toronto ON M5X 1E1		93,887.78
Ignition Communications	10 Aberdeen Rd. S. Cambridge ON N1S 2X4		960.50

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Creditor	Address	Account#	Claim Amount
Ingram Micro	55 Standish Court Mississauga ON L5R 4A1		25,757.57
Invero US	2780 S. Jones Blvd #200-3375 Las Vegas NV 89146 US		7,835.27
Irene Peterson Gray	98 Forester Cres Markham ON L6C 1S1		2,697.53
ITB Solutions	29 Queens Quay E., Suite 519 Toronto ON M5E 0A4		3,390.00
Jaclyn Crocker	18 Almond Ave Thornhill ON L3T 1L1		20,000.00
James Crocker	8 Mountain View Crescent PO Box 1007 Toronto ON K0J 1P0		50,000.00
James Ku	#1106 155 Dalhousie St Toronto ON M5B 2P7		67,210.96
Javelin	4-585 Michigan Dr., Oakville ON L6L 0G1		4,492.88
Jeffrey Cipin	510 Rushton Rd Toronto ON M6C 2Y5		23,441.82
Jeremy Gillis	400 Wellington St W Apt 505 Toronto ON M5V 0B5		10,000.00
Jerome & Cynthia Mix	515 Beresford Ave, Redwood City CA, 94061 Redwood City CA 94061 USA		145,125.00
Joan Cochrane	001-1136 Maritime Way Kanata ON K2K 0M1		10,000.00
Joanne Gallevo	89 Kennedy St. E Aurora ON L4G 1C3		25,000.00
Joel Rampton	5 Royal Oak Dr. Barrie ON L4N 7S4		67,210.96

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Creditor	Address	Account#	Claim Amount
John Colangelo	47 Pemberton Road Richmond Hill ON L4C 3T5		126,975.34
John Willis	11 Euclid Ave Toronto ON M6J 2J5		6,884.38
John. Ross	RR1 785649 Oxford RD 33 Innerkip ON N0J 1M0		5,395.07
Johnathan Dewdney	258 5th ST W N. Vancouver BC V7M 1K1		2,697.53
Judith Dack	Apt 209 30 Edith DR Toronto ON M4R 1Y8		1,348.77
JW Smith Customs Broker Ltd	7725 KENNEDY RD S. UNIT 3 Brampton ON L6W 0B9		1,928.27
Karl Tourville	1206 E RIDGEWOOD ST ORLANDO Orlando FL 32803-5447 US		1,039,238.90
Kelly Lipp	25652 N DESOTO LN RIO VERDE Rio Verde AZ 85263-7162 US		99,077.70
Konstantin Othmer	200 Hoover Ave, Unit #2107 Las Vegas NV 89101 USA		1,532,628.08
Larry Johnson	17 SUNSET BAY DR, Belleair FL 89124 USA		153,840.22
Lauren Dack	Apt 406 1399 Fountain Way Vancouver BC V6H 3T3		13,024.12
Louisa Newbury	192 Douglas Ave Toronto ON M5M 1G6		5,163.29
Lucy Sztynyk	120 Av Amberley Pointe-Claire QC H9R 5C8		15,000.00
Manitoulin Transport	154 Hwy 540B, PO Box 390 Gore Bay ON P0P 1H0		964.51
Manon Bradley	521 Av Bernardin Vaudreuil-Dorion QC J7V 6A9		10,000.00

District of: British Columbia
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Creditor	Address	Account#	Claim Amount
Marc Poirier	2695 Rue Bourduas Longueuil QC J4M 2N8		10,000.00
Maria Battaglia	20 Ballantyne Tsse Dorval QC H9S 3E3		20,000.00
Mark Shilling	5555 Elbow Drive SW Unit 213 Calgary AB T2V 1H7		50,000.00
Mark Peter Vendramelli and Chantelle Nicholette Hercina Medical Corporation	2450 Assiniboine Cres Winnipeg MB R3J 0B2		15,000.00
Market Jar Media Inc.	422 Richards St Ste 170 Vancouver BC V6B 2Z4		1,575.00
Mary Crocker	18 Almond Ave Thornhill ON L3T 1L1		100,000.00
Maureen Hughes	4 Rhyt Avenue Toronto ON M4L 1R7		1,269.75
McMaster-Carr	600 N County Line Rd, Elmhurst IL 60126		321.84
Medical Device Academy Inc.	345 Lincoln Hill Rd. Shrewsbury 05738 US		3,038.73
MEDTRONIC CANADA ULC	99 Hereford Street Brampton ON L6Y 0R3		8,548.05
Michael Goodhue	149 Rue Meaney Kirkland QC H9J 3B9		25,000.00
Michael Stephen Mfg Ltd.	40 NORTHLAND ROAD Waterloo ON N2V 1Y1		11,620.86
Michelle Wicks	1740 Ovens Road Newtonville ON L0A 1J0		126,975.34
Microsoft Azure	One Microsoft Way Redmond WA 98052 USA		18,713.44

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
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In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Mike Ruf	200 Hoover Ave, Unit #2107 Las Vegas NV 89101 US		297,233.10
Miller Thomson LLP	115 King St. S., Suite 300 Waterloo ON N2J 5A3		12,977.50
Ministry of Finance EHT	33 King St West PO Box 620 Oshawa ON L1H 8E9		92,528.69
Mitch Whyne	480 Huronla Road Barrie ON L4N 9B3		613,476.81
Mitchell Whyne Holding Ltd.	1234 Shoreview Dr. Innisfil ON L9S 2L5		150,000.00
MNP LLP	111 Richmond Street West Suite 300 Toronto ON M5H 2G4		15,243.28
Model Solution Co., Ltd.	24, Beotkkot-ro 20-gil Seoul 153-828 Korea		5,306.53
Mohammad Osman Raza	239 California Ave Windsor ON N9B 2Y4		10,000.00
Mohammad Shahlid Raza	239 California Ave Windsor ON N9B 2Y4		10,000.00
Myron Mychka	426 Rue Saint-Laurent Saint-Eustache QC J7P 3X4		10,000.00
Nancy Johnson	60 Macnabb Pl. Rockcliffe ON K1L 8J4		15,000.00
Neil Corcoran, CPA, Professional Corporation	2 Basch Circle St Catharines ON L2M 6L2		962.97
Neil David Fraser	65 Colln Ave Toronto ON M5P 2C1		12,697.53
Netanis Boger	Suite 1805 1 Aberfoyle Cres Etobicoke ON M8X 2X8		4,790.96
NextGen Healthcare Inc.	18111 Von Karman Ave, Suite 600 Irvine CA 92612 USA		35,904.41

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Nicram RD Service	16 SWENNEN DRIVE BRAMPTON ON L6V 4E3		678.00
Nonin Medical	13700 1st Avenue North Plymouth MN 55441-5443 USA		5,291.81
Norman Ladouceur	541 Hemlock St Timmins ON P4N 6T6		6,884.38
OAPC	110 Cumberland Street, Suite 402 Toronto ON M5R 3V5		682.50
Odyssey Trust Company	1230 - 300 5 Ave SW Calgary AB T2P 3C4		15,350.10
Outlier Marketing	702 College St.2nd Floor Toronto ON M6G 1C1		30,633.59
Packaging Too	40 Frobisher Drive Unit 5 Waterloo ON N2V 2B9		7,369.30
PaintedRobot	3647 Nafziger Rd Wellesley ON N0B 2T0		3,041.58
Palos Management Inc.	1 Place Ville-Marie Suite 167C Montreal QC H3B 2B6		250,000.00
Patricia Demarco	9 Glen Muir Dr Scarborough ON M1M 2C6		26,884.38
Patricia Fleming	484 Weller ST Peterborough ON K9H 2N6		29,581.91
Patrick & Lisa Ferguson & Ploughman	7497 Dawn Tara Dr. Greely ON K4P 1R8		10,000.00
Peter Guglielmi	155 Av Tremont Dorval QC H9S 5M5		10,000.00
Peter Boger	Suite 1805 1 Aberfoyle Crescent Etobicoke ON M8X 2X8		1,348.77
Peter Papadopoulos	1730 Rockwood Drive Pickering ON L1V 6R3		33,605.48

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 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Pierre Dajadian	11562 Rue Tardivel Montreal QC H3M 2L5		10,000.00
Polydor Strouthos	2347 Lyndhurst Drive Oakville ON L6H 7V7		126,975.34
Precious Curious Leasing Corp.	79 Peninsula Cres Richmond Hill ON L4S 1Z5		100,000.00
Purolator	PO Box 4800 STN Main Concord ON L4K 0K1		3,587.50
Q4 Inc.	469-A King St. W. Toronto ON M5V 1K4		12,266.88
Qualys Canada Ltd.	1984 Yonge Street Toronto ON M4S 1Z7		2,250.16
Raaziq Bhimani	743 Ashburnham Pl Mississauga ON L5C 3W5		63,487.67
Ram Puri	PH 1 95 Bathurst St Toronto ON M5V 2P9		126,975.34
RBC VISA - CAD	PO Box 57100 Etobicoke ON M8Y 3Y2		30,742.59
RBC VISA - USD	PO Box 57100 Etobicoke ON M8Y 3Y2		37,807.11
Remy-Martin Gratton	2301-2 Brighton Lane Steinbach MB R5G 0X6		10,000.00
Richard Yearwood	1191 Cameo Dr Ottawa ON K2C 1Y9		10,000.00
Richard Hamilton	760 Canyon Street Mississauga ON L5H 4M2		1,348.77
RM Kaul & Associates	191-1917 W 4th Ave Vancouver BC V6J 1M7		41,419.37
Rob Hekkenberg	15 Barrie Terrace Barrie ON L4M 1E8		31,743.84

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In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Robert Campbell	96 Av Easton Montreal-Quest QC H4X 1L2		15,000.00
Robert Hamilton	3 Briarcroft Rd Toronto ON M6S 1H3		1,348.77
Robert Kaul	191 1917 W 4th Ave Vancouver BC V6J 1M7		152,370.41
Robert Gray	98 Forester Cres Markham ON L6C 1S1		1,348.77
Rogers	Rogers Business Solutions PO Box 2000 STN D Scarborough ON M1R 5P4		3,013.30
Ross & Dinah A. & Lee Cation	25 Charles Crt Lakefield ON K0L 2H0		15,000.00
Russell Pakosh	Sulte 405 17 Brookbanks Dr North York ON M3A 3R9		31,743.84
Ryan Iverson	510 Burrard St #1090 Vancouver BC V6C 3B9		114,162.74
S.S. Kohl Medicine Professional Corp.	1302 Hillview Cres. Oakville ON L6H 2C7		25,083.34
Sandeep Kohl	6575 Twiss Road Burlington ON L7P 0B3		190,463.01
Scrooge Realty Ltd.	22 Oaklands Ave Toronto ON M4V 2E5		100,000.00
Securewise, Inc	3280 Bloor St. West, Suite 11-011th Floor, Centre Tower Toronto ON M8X 2X3		2,983.50
SG Cunningham	35 Weber St, N. Waterloo ON N2J 3G5		16,791.38
Shagufta Bhimani	743 Ashburnham Pl Mississauga ON L5C 3W5		15,000.00

District of: British Columbia
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In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Shenzhen Jumper Medical Equipment Co., Limited	D Building, No. 71, Xintian Road, Fuyong street ,Baoan Shenzhen 518103 China		6,745.75
Sheridan College Institute of Technology & Advanced Learning	1430 Trafalgar Road Oakville ON L6H 2L1		18,750.00
Sherri-Lynn Burkholder	3 Briarcroft Rd Toronto ON M6S 1H3		1,348.77
Shift Collab Inc.	312-14 Prince Arthur Avenue Toronto ON M5R 1A9		1,130.00
Shop3D.ca	120 Watline Ave. Unit 2-3 Mississauga ON L4Z 2C1		1,617.03
Society for Perioperative Research & Care	c/o Intertask Conferences 275 Bay St. Ste 200 Ottawa ON K1R 5Z5		11,300.00
Spencer Goldsmith	5208 S Bur Oak Pl Ste 200 Sioux Falls Sloux Falls SD 51708 US		37,692.60
Speros Zaharopoulos	99 Kane Cr Aurora ON L4G 0C6		67,210.96
Stephen Cadieux	1431 Houston Cres Kanata ON K2W 1B6		5,000.00
Steven Argue	1204 Rue Des Azalees Laval QC H7Y 2E3		10,000.00
Strategize Financial Modelling Inc.	World Trade Centre 10 Queens Quay W Suite 2305 TORONTO ON M5J 2R9		101,232.71
Stuart Cornie	66 Twenty Thrd St Etobicoke ON M8V 3N2		3,069.87
Susan Wheatland	214 - 239 Craig Henry Dr. Nepean ON K2G 5V1		10,000.00
Susan Ellis	727 146 Sumach ST Toronto ON M5A 0P7		4,046.30

District of: British Columbia
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- FORM 33 -

Notice of Intention To Make a Proposal
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In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Susan K. Yearwood	1191 Cameo Dr Ottawa ON K2C 1Y9		10,000.00
Suzanne Kowal-Hastings	306-3165 Boul De La Gare Vaudreuil-Dorla QC J7V 0V5		5,000.00
Sylvie Lavoie	Unit 17 485 King St E Toronto ON M5A 1L6		3,442.19
Synnex Canada Ltd	200 Ronson Drive Toronto ON M9W 5Z9		13,144.37
The Call Centre Inc. (Telelink)	111S 8500 Macleod Trall SE Calgary AB T2H 2N1		461.89
Thomas Zarob	16252 N 49th Place Scottsdale AZ 85254 USA		33,282.00
Tina Hobday	96 Av Easton Montreal-Quest QC H4X 1L2		10,000.00
TMAX Images Inc	90A Centurlan Dr. Unit 1-2 Markham ON L3R 8C4		1,644.15
Todd Cooney	86 Martin Street Milton ON L9T 2R2		31,743.84
Tom Letros	Suite 301A 1 Donwoods Drive North York ON M4N 2E9		126,975.34
Tony Bradshaw	3100 KINGSBARNs DR Flower Mount TX 75028-5668 USA		22,623.56
Tony Karamllsos	28 Taverly Rd North York ON M2J 4E5		67,210.96
Toomas Rebane	423 Orano Ave Mississauga ON L5G 2B8		63,487.67
Traefik Labs, Inc.	95 Third Street, 2nd Floor San Francisco CA 94103 US		39,808.80
TUV SUD Canada	1229 Ringwell Drive Newmarket ON L3Y 8T8		52,892.30

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
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- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Cloud Diagnostics Canada ULC
 of the Town of Sidney, in the Province of British Columbia
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Uline	PO Box 3500RPO Streetsville Mississauga ON L5M 0S8		445.13
Universal Logistics	750-125 Commerce Valley Dr. W. Thornhill ON L3T 7W4		430.70
VanDerZwaag Moulds & Dies Inc.	110 Baffin Place Unit #3 Waterloo ON N2J 1Z7		316.40
Veracode, Inc.	65 Blue Sky Drive 3rd Floor Burlington MA 01803 US		4,117.05
Wendy Plowman	14 Kinmount PVT Kanata ON K2T 1K2		10,000.00
Wendy Francis	7 Margrath Place Toronto ON M9C 4L1		15,326.58
William Chametski	PO Box 375 226 Victoria Street Niagara-on-the-lake ON L0S1J0		63,487.67
WSIB	99 Spadina Ave., Stes 200, 300 & 6th Flr. Toronto ON M5V 3P8		2,880.18
Yahoo Canada Corp.	Lockbox T423110C PO Box 4231, Postal Station A Toronto ON M5W 5P3		10,476.11
Zacorp Ventures Inc.	PO Box 14 Stn B Richmond ON L4E 0Y3		50,000.00
Total			19,747,465.13

RKL

Cloud Diagnostics Canada ULC
 Insolvent Person

- Proposal Consent -

In the Matter of the Proposal of
Cloud Diagnostics Canada ULC
of the Town of Sidney, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Cloud Diagnostics Canada ULC.

Dated at the City of Vancouver in the Province of British Columbia, this 5th day of June 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

1100 - 1177 West Hastings Street
Vancouver BC V6E 4T5
Phone: (604) 689-3928 Fax: (604) 687-5617

APPENDIX D

In the Matter of the Notice of Intention to File a Proposal of Cloud Diagnostics Canada ULC
For the Period of June 4, 2024 to August 30, 2024
Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10	11	12	13
	4-Jun-24	8-Jun-24	15-Jun-24	22-Jun-24	29-Jun-24	6-Jul-24	13-Jul-24	20-Jul-24	27-Jul-24	3-Aug-24	10-Aug-24	17-Aug-24	24-Aug-24
	7-Jun-24	14-Jun-24	21-Jun-24	28-Jun-24	5-Jul-24	12-Jul-24	19-Jul-24	26-Jul-24	2-Aug-24	9-Aug-24	16-Aug-24	23-Aug-24	30-Aug-24
Opening Cash	15,790	4,641	39,970	16,170	571,919	328,872	340,890	258,690	182,838	259,938	193,592	68,592	62,945
Cash Inflows													
Accounts Receivable Collections	[3]	44,217	17,218	50,344	45,002	100,518	-	-	184,673	27,832	15,200	-	86,981
Additional Financing Required	[4]	120,000	250,000	600,000	-	-	-	-	-	-	-	-	-
		164,217	267,218	650,344	45,002	100,518	-	-	184,673	27,832	15,200	-	86,981
Disbursements													
Cost of Sales	[5]	64,700	13,964	34,795	44,411	-	3,000	30,853	-	4,178	-	3,147	30,853
Contingency	[6]	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Contractors	[7]	-	19,700	-	-	2,000	17,700	-	-	-	17,700	-	-
Insurance	[8]	-	-	15,000	-	-	15,000	-	-	-	15,000	-	-
Office Expenses	[9]	565	1,655	1,300	1,500	2,220	-	1,500	1,655	-	-	-	1,500
Professional Fees - Restructuring	[10]	-	-	-	100,000	-	-	-	-	87,500	-	-	-
PST Payment	[11]	-	-	-	-	-	-	-	-	-	-	-	-
GST/HST Payment	[12]	-	-	-	-	-	-	-	-	-	-	-	-
Rent - Office	[13]	-	49,070	-	10,800	-	-	-	19,000	-	-	-	-
Purchase of Inventory	[9]	-	-	-	-	-	-	-	8,000	-	-	-	-
Utilities	[14]	-	-	-	560	-	-	-	580	-	-	-	-
Wages & Benefits		107,601	145,000	5,000	45,000	44,000	84,000	41,000	75,858	-	105,000	-	90,000
		175,366	231,889	23,800	94,595	288,049	46,500	122,200	107,573	94,178	140,200	5,647	124,853
Change in Cash		(11,149)	35,329	(23,800)	555,749	(243,047)	(122,200)	(75,853)	77,100	(66,346)	(125,000)	(5,647)	(37,872)
Closing Cash		4,641	39,970	16,170	571,919	328,872	340,890	258,690	182,838	259,938	193,592	68,592	62,945

R K K

Cloud Diagnostics Canada ULC
This statement of projected cash flow of Cloud Diagnostics Canada ULC was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

Crowe Mackey & Company Ltd.
in its capacity as Trustee under the Notice of Intention to Make a Proposal of Cloud Diagnostics Canada ULC and not in its personal capacity

District of: British Columbia
Division No. 02 - Victoria
Court No.
Estate No. 11-3089419

- 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
Cloud Diagnostics Canada ULC
of the Town of Sidney, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

The attached statement of projected cash flow of Cloud Diagnostics Canada ULC, as of the 7th day of June 2024, consisting of projected cash flow over the next 13 weeks, 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 Vancouver in the Province of British Columbia, this 7th day of June 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee
Per:



Jonathan McNair - Licensed Insolvency Trustee
1100 - 1177 West Hastings Street
Vancouver BC V6E 4T5
Phone: (604) 689-3928 Fax: (604) 687-5617

District of: British Columbia
Division No. 02 - Victoria
Court No.
Estate No. 11-3089419

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
Cloud Diagnostics Canada ULC
of the Town of Sidney, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Cash Flow Statement for the week ending August 30, 2024 is to enable the creditors of Cloud Diagnostics Canada ULC to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

In the matter of the Notice of Intention to File a Proposal of Cloud Diagnostics Canada ULC (the "Company"), the following is a list of assumptions developed by the Company's management underlying the 13-week cash flow projection from June 4, 2024 through to August 30, 2024.

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

1. Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;
2. Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.
3. The Company's projected accounts receivable collections is based on outstanding receivables as at the Filing Date, as well as the projected accounts receivable collections from future sales. The Company has historically collected close to 100% of outstanding receivables, and accordingly does not anticipate any material bad debts.
4. The Company has projected that it will require in or around \$970,000 of debtor-in-possession financing ("DIP Financing") in order to fund these proceedings. The Company is seeking an interim financing charge for this same DIP Financing.
5. The Company has included costs of goods sold based on current purchase orders from clients awaiting shipment.
6. A \$2,500 weekly contingency has been added to cover any unforeseen costs.
7. The Company employs a number of contractors, including its controller, CEO, CFO, and other professionals. These contractors are projected to be paid at their historical rates based on their respective contracts. Except the CEO who has elected to reduce their rate significantly to \$5000.
8. Cash disbursements projected for insurance have been increased by 20% from prior premiums, as Management anticipates that upon renewal there will be an increase in premiums.
9. Cash disbursements projected for office expenses, and utilities are based on historical averages.
10. Trustee fees, the Trustee's legal fees, and the Company's legal fees are estimates. These estimates are subject to change.
11. The Company files GST/HST Quarterly The Company has not historically had to remit GST/HST given that it typically receives a refund as a result of input tax credits exceeding the GST/HST collected. The Company is not a PST registrant.
12. The Company pays in or around \$38,500 in rent per month for a rented warehouse in Kitchener, Ontario. Management advises that it intends to negotiate a rent reduction with its landlord.
13. The Company intends on purchasing inventory during these NOI proceedings to fulfil customer orders. \$67,000 of inventory is estimated.
14. Wages and benefits are inclusive of, among other things, employee wages, source deductions, employee benefits, WorkSafe premiums, and Employer Health Tax instalments. All employees are assumed to be paid based on their current remuneration level. Payroll remittances include employee source deductions, and employer contributions for Employment Insurance and Canada Pension Plan.

Dated at the City of Vancouver in the Province of British Columbia, this 7th day of June 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee
Per:



Jonathan McNair - Licensed Insolvency Trustee
1100 - 1177 West Hastings Street
Vancouver BC V6E 4T5
Phone: (604) 689-3928 Fax: (604) 687-5617

APPENDIX E

SALES AND INVESTMENT SOLICITATION PROCESS

CLOUD DX

INTRODUCTION

1. On June 5, 2024, Cloud Diagnostics Canada ULC ("Cloud DX") filed a notice of intention to make a proposal to its creditors (the "NOI") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA"). Cloud DX's proceedings under the BIA are referred to herein as the "BIA Proceedings". The BIA Proceedings will be supervised by the Supreme Court of British Columbia In Bankruptcy and Insolvency (the "Court").
2. Crowe Mackay & Company Ltd. is the proposal trustee with respect to the NOI and the BIA Proceedings (in such capacity, the "Proposal Trustee").
3. On June 7, 2024, Cloud DX applied to the Court for an Order (the "SISP Order"), among other things, approving the sale and investment solicitation process set out herein (the "SISP"). Capitalized terms used and not otherwise defined in this SISP are as defined in the SISP Order.
4. Cloud DX will market the Opportunity (as defined below) by developing a list of Known Potential Bidders (as defined below), communicating and meeting with interested parties, preparing and distributing marketing materials and managing the Data Room (defined below).

SISP OVERVIEW

5. The purpose of the SISP is to solicit interest in, and opportunities for, one or more or any combination of (a) a restructuring, recapitalization or other form of reorganization of the business and affairs of Cloud DX as a going concern, or (b) a sale of all, or substantially all, of Cloud DX's assets (the "Property") and/or business operations of Cloud DX (the "Business") as a going concern or otherwise (the "Opportunity").
6. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "Person") may gain access to or continue to have access to due diligence materials concerning Cloud DX, the Property, and the Business, how bids involving Cloud DX, the Property or the Business will be submitted to and dealt with by Cloud DX and the Proposal Trustee, and how Court approval will be obtained in respect of any Transaction (as defined below).
7. As described below, the various deadlines herein may be extended by and at the discretion of the Proposal Trustee in consultation with Cloud DX. The Proposal

Trustee will consider extending the various deadlines herein in the event that the Proposal Trustee determines, in its sole discretion, that such an extension will generally benefit Cloud DX's creditors and other stakeholders. The Proposal Trustee shall generally conduct and oversee the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.

8. The Proposal Trustee may provide information regarding the status and bids generated in the SISP to the secured creditors of Cloud DX, listed in the first Affidavit of Robert Kaul sworn in these proceedings (together, the "Secured Creditors"), provided such Secured Creditors, or any one of them, enter into a Confidentiality Agreement in a form approved by the Proposal Trustee, and agree that they shall not, directly or indirectly, participate as a bidder in this SISP (such Secured Creditors to constitute Qualified Secured Creditors). The Proposal Trustee shall determine, in its sole discretion, the manner and form of information to be provided to the Secured Creditors (or any one of them), pursuant to this SISP. In the event one or more Secured Creditor does not provide its agreement as aforesaid, the Proposal Trustee shall not provide any information or consultation rights to such Secured Creditor.
9. Any transaction involving Cloud DX, the Property or the Business (in each case, a "Transaction") will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Proposal Trustee, Cloud DX, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined in this SISP).
10. The key dates pursuant to the SISP are as follows (capitalized terms in the chart below have the meaning ascribed in this SISP):

Event	Date
Cloud DX's Application to the Court for Approval of the SISP	June 7, 2024
Cloud DX to create list of Known Potential Bidders and distribute Teaser Letter and Confidentiality Agreements to Known Potential Bidders	As soon as practical and no later than June 14, 2024
Cloud DX to prepare and have available for Potential Bidders the Data Room	As soon as practical and no later than June 19, 2024
Bid Deadline	July 12, 2024
Cloud DX's Application to the Court for Approval Order(s)	As soon as reasonably practical after accepting the

Event	Date
	Winning Bid(s) and entering into the Bid Agreement(s)
Closing of the Transaction	Within ten (10) days of the Approval Order becoming the Final Order, subject to any extensions approved by the Proposal Trustee

THE SISP PROCESS

A. Initial Solicitation of Interest

11. Cloud DX and the Proposal Trustee may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SISP Order.
12. As soon as reasonably practicable and in any event by no later than June 11, 2024 in consultation with Cloud DX and any Qualified Secured Creditors, Cloud DX will prepare a list of potential bidders (the "Known Potential Bidders") who may have interest in a Transaction. Such list shall include both strategic and financial parties who may be interested in acquiring an interest in: (a) Cloud DX's assets pursuant to an asset purchase transaction (an "Asset Bid"); or (b) a restructuring of the debt, share or capital structure of Cloud DX (a "Restructuring Bid"). Concurrently, Cloud DX will prepare an initial offering summary (the "Teaser Letter") notifying Known Potential Bidders of the SISP and inviting the Known Potential Bidders to express interest in making an Asset Bid or Restructuring Bid (each, a "Bid").
13. By no later than June 12, 2024, Cloud DX shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a draft form of confidentiality agreement (the "Confidentiality Agreement") that shall, inure to the benefit of the Person or Persons who make the Winning Bid (as defined in this SISP) pursuant to this SISP. Copies of the Teaser Letter and Confidentiality Agreement shall also be provided to any appropriate Person who becomes known to Cloud DX or the Proposal Trustee after the initial distribution of such documents.
14. Any Person who wishes to be deemed a potential bidder (each, a "Potential Bidder") shall execute a Confidentiality Agreement and provide a copy of same to Cloud DX. In consultation with the Proposal Trustee and any Qualified Secured Creditors, Cloud DX shall in its sole discretion, determine whether such Person shall be permitted to become a Potential Bidder, based on: (a) the identity of the Person, including its direct and indirect principals; (b) the Person's financial capabilities and technical expertise to conclude a Transaction; (c) the Person executing the Confidentiality Agreement; and (d) any other criteria Cloud DX considers to be relevant.

B. Due Diligence

15. Any Person whom Cloud DX deems to be a Potential Bidder shall, upon executing a Confidentiality Agreement, receive a confidential information memorandum (the "CIM"), prepared by Cloud DX describing the opportunity.
16. Immediately following delivery of the CIM, Cloud DX shall provide each Potential Bidder with information, including access to an electronic data room established by Cloud DX (the "Data Room"), that Cloud DX and the Proposal Trustee in their reasonable business judgment determines to be necessary for the Potential Bidder to evaluate a transaction involving a Bid. The Data Room will include, among other things, a form of asset purchase agreement ("APA") and share purchase agreement ("SPA") for use by Potential Bidders who wish to submit a Bid.
17. Cloud DX and the Proposal Trustee shall coordinate all reasonable requests for additional information and due diligence access, including meetings with Cloud DX's management, from Potential Bidders.
18. Neither Cloud DX nor the Proposal Trustee will be obliged to furnish any information relating to the Property or the Business other than to a Potential Bidder. However, any information provided to one Potential Bidder shall be posted in the Data Room so that it is available to all Potential Bidders participating in the SISP.
19. The Proposal Trustee and Cloud DX and their respective advisors make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP, including any information contained in the Data Room.

C. Bid Process

20. Any Potential Bidder who wishes to submit a Bid, must deliver a written, non-binding letter of intent (each an "LOI"), to Cloud DX at the address specified in, and in accordance with Schedule "A" attached hereto; so as to be received by Cloud DX no later than 5:00 p.m. (Pacific time) on July 12, 2024 or such later time and date as the Proposal Trustee and Cloud DX may determine, in consultation with any Qualified Secured Creditors (the "Bid Deadline"). Each such Potential Bidder who so submits an LOI shall be deemed a "Bidder".
21. The LOIs received by Cloud DX shall be reviewed by Cloud DX, in consultation with the Proposal Trustee and any Qualified Secured Creditors.
22. Any LOI submitted by a Bidder must include:
 - a. A copy of the APA or SPA, as applicable, based on the template provided by Cloud DX in the Data Room (the "Bid Agreement"), that includes the proposed purchase price in Canadian Dollars (the "Purchase Price"). The LOI must also include a copy of a blackline comparison between the Bid Agreement

compared to the template provided in the Data Room. Failure to include such blackline comparison may result in Cloud DX's refusal to consider the Bid;

- b. written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Cloud DX to allow Cloud DX in consultation with the Proposal Trustee to make a reasonable determination as to the bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Bid;
- c. A deposit in the amount of 10% of the Purchase Price, payable to "Owen Bird Law Corporation - in trust" (the "Deposit") by way of bank draft or certified cheque. If the consideration contemplated is primarily by way of Credit Bid (defined below), the Deposit payable shall be calculated based on 10% of the total consideration payable under the bid;
- d. A statement by the Potential Bidder that the Bid is not subject to any conditions other than approval by the Court.

23. In addition, the LOI must:

- a. include a letter stating that the Bid is irrevocable until the earlier of (i) the approval by the Court, and (ii) forty five (45) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid or the Backup Bid, it shall remain irrevocable until the closing of the transactions contemplated by the Winning Bid or the Backup Bid, as the case may be;
- b. not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- c. fully disclose the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- d. contain any other information requested by the Proposal Trustee or Cloud DX; and
- e. be received by no later than the Bid Deadline.

24. The Proposal Trustee and Cloud DX may consider any Bid on behalf of a secured creditor of Cloud DX that is not a Qualified Secured Creditor, in which all or a portion of the consideration being offered includes the compromise of indebtedness owing from Cloud DX to that secured creditor (a "Credit Bid").

D. Selection of Winning Bid

31. Cloud DX may also concurrently obtain relief approving the transaction contemplated by the Backup Bid and any necessary related relief required to consummate the transaction contemplated by the Backup Bid.
32. An Approval Order shall become a "Final Order" upon satisfaction of the following conditions: (a) it is in full force and effect; (b) it has not been reversed, modified or vacated and is not subject to any stay; and (c) all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

F. Closing

33. Closing of the transaction(s) contemplated in any Court approved Bid Agreement shall occur within ten (10) days of the date upon which the Approval Order(s) have become Final Orders, or as may be extended with the approval of the Proposal Trustee, in consultation with Cloud DX and any Qualified Secured Creditors.

G. Deposits

34. All Deposits paid pursuant to this SISP shall be held in trust by counsel for Cloud DX, in a non-interest bearing account, who shall hold Deposits paid by each of the Successful Bidder and the Backup Bidder in accordance with the terms outlined in this SISP. In the event that a Deposit is paid pursuant to this SISP and Cloud DX elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, counsel for Cloud DX shall return the Deposit to that Person as soon as reasonably practicable thereafter.
35. In the event that either of the Successful Bidder or the Backup Bidder default in the payment or performance of any obligations owed to Cloud DX pursuant to any Final Agreement, the Deposit paid by the Successful Bidder or the Backup Bidder, as applicable, shall be forfeited by such party as liquidated damages and not as a penalty.

25. Cloud DX, in consultation with the Proposal Trustee shall review all Bids in consultation with any Qualified Secured Creditors. Subject to the approval of the Proposal Trustee, Cloud DX may, but shall have no obligation to, enter into a definitive agreement or Bid Agreement with the Person or Persons who submitted the highest, best or otherwise most favourable Bid(s). Further, Cloud DX, in consultation with the Proposal Trustee and any Qualified Secured Creditors, may waive strict compliance with one or more of the requirements specified above and deem any Bid(s) to be a Winning Bid (defined below).
26. In the event that Cloud DX enters into one or more Bid Agreements with the approval of the Proposal Trustee and in consultation with any Qualified Secured Creditors, any Bid so selected shall be a "Winning Bid" and the next highest, best or otherwise most favourable Bid received, as determined by Cloud DX, with the approval of the Proposal Trustee, shall be the "Backup Bid". Any Potential Bidder that makes a Winning Bid shall be a "Successful Bidder" and any Potential Bidder that makes a Backup Bid shall be a "Backup Bidder".
27. Cloud DX will notify each Successful Bidder and Backup Bidder of the Final Agreement and the Backup Bid shall remain open until the consummation of the transaction contemplated by the Winning Bid (and, for greater certainty, counsel for Cloud DX shall be entitled to continue to hold the Deposit in respect of the Backup Bid until such time as the transaction contemplated by the Winning Bid is consummated).
28. This SISF shall terminate, in the event that: (a) no Bidder submits or is deemed to have submitted a Bid; or (b) Cloud DX, with the approval of the Proposal Trustee, and in consultation with any Qualified Secured Creditors, determines that none of the Bids should be accepted.
29. The highest Bid may not necessarily be accepted by Cloud DX. Cloud DX, with the approval of the Proposal Trustee in consultation with any Qualified Secured Creditors, reserves the right not to accept any Bid or to otherwise terminate the SISF. Cloud DX, with the approval of the Proposal Trustee, in consultation with any Qualified Secured Creditors, further reserves the right to deal with one or more Bidders to the exclusion of others, to accept a Bid or Bids for some or all of the Property, Cloud DX or the Business, to accept multiple Bids and enter into multiple Bid Agreements.

E. Approval Orders

30. In the event that Cloud DX enters into a Bid Agreement. or Agreements, Cloud DX shall apply as soon as reasonably practicable thereafter, for orders (the "Approval Orders") from the Court, in form and substance satisfactory to the Proposal Trustee, approving the transaction or transactions contemplated by the Winning Bid(s) and any necessary related relief required to consummate the transaction(s) contemplated by the Winning Bid(s), subject to the terms of the Bid Agreement(s).