

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

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, tcounsel 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 Whining Bid is consummated).
28. This SISP 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 SISP. 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).

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 SISF 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 SISF. In the event that a Deposit is paid pursuant to this SISF 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.