

**Ignite Holdings Inc. (“Ignite Holdings”), Ignite Services Inc. (“Ignite Services” or the “Company”), and Ignite Insurance Corporation (collectively, the “Ignite Group”)
Vendor/Supplier Frequently Asked Questions (“FAQs”)**

1. What is the CCAA?

The CCAA, or the *Companies’ Creditors Arrangement Act*, is a federal law in Canada that provides insolvent companies with debts in excess of \$5 million an orderly and supervised means to restructure and/or sell their business.

In the Ignite Group’s case, the Court granted an Initial Order on October 30, 2023 which established a ‘Stay of Proceedings’, which prevents creditors, such as lenders and suppliers, from taking action against the Ignite Group, its directors and officers, and its assets for an initial period of 10 days (which can be further extended as the Court deems appropriate), allowing the Ignite Group to continue to manage the day-to-day operations of its business while addressing its restructuring objectives in an orderly and efficient manner.

CCAA protection provides companies with the time and “breathing room” necessary to emerge as a successful, going concern business and to position the business as a stronger, more viable company.

2. Why did the Ignite Group file for CCAA protection?

Ignite Services was experiencing significant operating losses and facing ongoing liquidity pressures that prevent it from continuing its restructuring efforts outside of a CCAA proceeding. Generally, CCAA protection provides companies with the time and “breathing room” necessary to restructure and emerge significantly stronger than they were and better positioned to thrive in the future.

3. Will the Company be sold during this process?

Ignite Holdings has entered into a share purchase agreement with Southampton Financial Inc. (“**Southampton**”) pursuant to which it is proposed that Southampton will acquire the shares and business of Ignite Services (the “**Proposed Transaction**”), which are held by Ignite Holdings. The Proposed Transaction requires the approval of the Court in the CCAA proceedings, and the Ignite Group intends to return to Court on November 9, 2023, to seek approval of the Proposed Transaction.

Should the Proposed Transaction be approved by the Court, the Ignite Group will work with Southampton towards the closing of the transaction. It is contemplated that the Proposed Transaction will close by no later than December 7, 2023.

4. Will vendor/supplier contracts and agreements be honoured?

The Stay of Proceedings, established by Court order, prohibits any contractual parties from altering, terminating or ceasing to perform their contracts, including on account of the CCAA filing or any outstanding amounts due as of the filing (i.e., prior to October 30, 2023), except with the written consent of the Ignite Group and the Monitor, or leave of the Court. However, the Ignite Group intends to pay for post-filing goods and services in the normal course.

The parties to any contract that the Ignite Group seeks to terminate (or ‘disclaim’), will receive formal notice from the Ignite Group.

5. I am a vendor with outstanding invoices that haven’t been paid yet. Who do I speak to about getting those paid?

Unfortunately, the CCAA process generally prohibits the payment for any goods or services provided before the filing date (i.e., prior to October 30, 2023). In the meantime, it’s important that any invoices yet to be submitted to the Company are submitted through your normal channels.

6. Should I continue providing goods and services to the Company? Will I be paid for goods and services provided moving forward?

The Company will be closely monitoring all goods and services that it procures during the CCAA proceedings. The Ignite Group intends to continue to pay for goods or services provided by vendors post-filing (i.e., from and after October 30, 2023) in the ordinary course.

7. What will happen to equipment that my company is currently leasing to you?

To the extent that the Company wishes to continue utilizing any leased equipment during the CCAA proceedings, it will continue to make regularly scheduled payments under any applicable lease agreements.

8. Does the Company have the funding available to continue supporting operations during the CCAA proceedings?

In conjunction with the CCAA proceedings, the Company has obtained debtor-in-possession financing that will provide the Company with sufficient liquidity to allow it to operate in the normal course and pay its post-filing (i.e., from and after October 30, 2023) obligations.

9. As a vendor I understand that I can recover goods delivered within the 30 days leading up to the start of the CCAA proceedings. Can I come and take back my product that hasn’t been paid for?

No. Absent a Court order, those rights exist in a bankruptcy proceeding under the *Bankruptcy and Insolvency Act*, or BIA, and not under CCAA proceedings. Under a CCAA Stay of Proceedings, vendors and other creditors are prohibited from repossessing goods previously delivered to the Company.

KPMG Contact Information (for information regarding the CCAA proceedings)

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