

Court File No. 31-3354672
Estate File No. 31-3354672

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ECOIDEAS INNOVATIONS INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

FIRST REPORT TO COURT OF THE PROPOSAL TRUSTEE

DATED APRIL 27, 2026

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INTRODUCTION

1. On March 31, 2026 (the “**Filing Date**”), Ecoideas Innovations Inc. (“**Ecoideas**” or the “**Company**”) filed with the Official Receiver a Notice of Intention to Make a Proposal (“**NOI**”) to its creditors and named Dodick Landau Inc. (“**DLI**”) as Proposal Trustee (the “**Proposal Trustee**”). Attached as **Appendix “A”** is the Certificate of Filing of a NOI.
2. An overview of Ecoideas’ business operations and financial difficulties which led to the filing of the NOI is set out in the Affidavit of Rafic Sidani sworn April 23, 2026 (the “**Sidani Affidavit**”), served and filed with the Ontario Superior Court of Justice (In Bankruptcy and Insolvency) (the “**Court**”) in support of Ecoideas’ motion for the relief set out therein.
3. All capitalized terms used in this report (the “**First Report**”) but not otherwise defined shall have the meaning ascribed to such terms in the Sidani Affidavit.
4. The purpose of this First Report of the Proposal Trustee is to provide the Court with information pertaining to the following:
 - i) background information about Ecoideas;
 - ii) Ecoideas’ request for an extension of the time for filing a proposal to June 15, 2026;
 - iii) Ecoideas’ projected cash flow for the period from April 4, 2026 to July 3, 2026;
 - iv) the proposed first-ranking priority charge against the assets, property and undertakings of the Company (“**Administrative Charge**”) being sought by Ecoideas and
 - v) the Proposal Trustee’s recommendation that this Court make an order, as requested by Ecoideas approving;
 - a) the extension of time for filing a proposal to June 15, 2026; and
 - b) the first-ranking Administrative Charge.

TERMS OF REFERENCE

5. In preparing this First Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, Ecoideas' books and records, discussions with the management of Ecoideas ("**Management**") and information from other third-party sources (collectively, the "**Information**").
6. Except as described in this First Report, 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 Assurance Standards ("**GAAS**") pursuant to the Canadian Institute of Chartered Accountants Handbook (the "**CPA Handbook**") and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
7. Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the CPA Handbook, has not been performed. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations may be material.
8. The Proposal Trustee has prepared this First Report in its capacity as a Court appointed officer and has made a copy of this Report available on the Proposal Trustee's website at www.dodick.ca for purposes of Ecoideas' motion returnable April 28, 2026. Parties using this First Report, other than for the purpose of the motion, are cautioned that it may not be appropriate for their purposes.
9. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

10. As detailed in the Sidani Affidavit, Ecoideas is a manufacturer and distributor of health food and healthy living products to retailers across Canada. It provides environmentally conscious and ethically sourced organic and natural food products, supplements, cleaning and other home products and natural body care products. The Company has two product streams: i) In-House Products which it manufactures and distributes; and ii) a curated selection of third-party brands of health food and natural health products which it distributes (jointly the “**Business**”).
11. Each of the product streams features retail products that are generally more expensive than non-natural products and appeal to an upscale consumer market.
12. Currently, Ecoideas employs 25 full-time non-unionized employees. In addition, temporary labour is used to assist at busy times of the year.
13. Ecoideas’ cash flow difficulties are attributed to a downward decline in sales over the last two year on account of rising pricing necessitated by inflation and global trade challenges and decreased consumer spending on higher-end products. In addition, Ecoideas overhead is high relative to its now lower sales.
14. In response to the Company’s increasing cash flow pressures, it reduced the number of employees from 35 in an effort to limit expenses and preserve operating funds, but notwithstanding these efforts it has not been able to fully compensate for the diminishing sales. As a result, Ecoideas defaulted on its obligations to its senior secured lender and on March 2, 2026 RBC issued a demand and notice of intention to enforce its security. In response, the Company initiated these proceedings to stabilize its business and explore restructuring options.

CREDITORS

Secured Creditors

Royal Bank of Canada (“RBC”)

15. The Company is indebted to RBC in the approximate amount of \$2.3 million, pursuant to a loan agreement June 18, 2021, which obligations are secured by a general security agreement executed and registered under the *Personal Property Security Act* (Ontario)

(“PPSA”). A PPSA search of the Company discloses two other registrations in favour of RBC in respect of leased equipment. Management has advised that both the subject leases have matured and been repaid in full.

Business Development Bank of Canada (“BDC”)

16. The Company is indebted to BDC in the approximate amount of \$110,000, pursuant to a loan agreement dated July 25, 2019 and a BDC-funded software development program, which obligations are secured by (among other things), a general security agreement executed and registered under the PPSA.

Unsecured Creditors

17. As at the date of the NOI, the Company owed its unsecured creditors approximately \$5,400,000, generally comprised of: (i) approximately \$2,470,000 due to trade creditors, the majority of which are suppliers of inventory and transportation; (ii) approximately \$350,000 due in respect to rent arrears in Ontario; and (iii) approximately \$2,600,000 due to shareholders and parties related to shareholders

EXTENSION OF STAY OF PROCEEDINGS

18. Ecoideas is seeking an extension of the time for the filing of the proposal up to and including June 15, 2026, for a total of 45 days following the expiration of the initial 30-day stay of proceedings.
19. The stay extension is required to provide Ecoideas with the necessary time to preserve its Business while it pursues different restructuring options.
20. Ecoideas, and a party related to Ecoideas, has entered into discussions with RBC with regards to purchasing RBC's debt. The Proposal Trustee prepared a liquidation analysis for Ecoideas, its related party and RBC to consider in their discussions. RBC has rejected the initial proposal from the related party to purchase the RBC debt. Ecoideas then entered into discussions with the related party to act as a stalking horse offeror in a sales process. These discussions remain ongoing. An extension to the stay of proceedings is needed to allow Ecoideas, its related party and RBC to continue discussions to determine if there is the possibility of a stalking horse offer that can be made by the related party that would be acceptable to RBC.

21. On April 24, 2026, legal counsel to RBC proposed a shorter extension to the stay of proceedings (25 days) to complete these discussions and, if terms can be agreed to, enter into a stalking horse agreement. Should this be possible, Ecoideas will return to Court before the expiry of the 25-days and request the Court approve a stalking horse sales process.
22. The Proposal Trustee is of the view that Ecoideas is acting in good faith and with due diligence in formulating and implementing a plan that would preserve the Business.
23. Without an extension to the stay period being granted, Ecoideas will not have the opportunity to formulate and implement a restructuring plan and will become bankrupt to the detriment of its stakeholders.
24. In contrast, no creditor will be materially prejudiced if an extension is granted. If the extension is granted, Ecoideas will have the time required to complete its discussions with RBC and formulate a restructuring plan.

WEEKLY CASH FLOW FORECAST

25. Ecoideas, with the assistance of the Proposal Trustee, has prepared a weekly cash flow forecast (“**Cash Flow Forecast**”) for the period from April 4, 2026 to July 3, 2026 (“**Cash Flow Period**”). A copy of the Cash Flow Forecast is attached hereto as **Appendix "B"**. The Cash Flow Forecast has been prepared by Management of Ecoideas for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 7 to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over a thirteen-week forecast period.
26. The Cash Flow Forecast projects that Ecoideas will have sufficient liquidity, to fund its expenses and the Proposal proceeding throughout the proposed extension of the stay of proceedings.
27. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of Ecoideas. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by

Management of Ecoideas for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

28. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
- i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - ii) as at the date of this First Report, the probable assumptions developed by management are not suitably supported and consistent with the plans of Ecoideas or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
29. As described in the disclaimer above, since the Cash Flow Forecast 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, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast, or relied upon by the Proposal Trustee in preparing this First Report.
30. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

ADMINISTRATIVE CHARGE

31. Ecoideas is seeking a charge (the "**Administration Charge**"), in a maximum amount of \$90,000, against the assets of Ecoideas, to secure the fees and disbursements incurred in connection with services rendered to Ecoideas both before and after the commencement of the proposal proceedings by the following entities: the Proposal Trustee, its counsel and counsel to Ecoideas, and in the event of a bankruptcy, the trustee in bankruptcy and its counsel, which charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in

favour of any person.

32. The quantum of the Administration Charge sought by Ecoideas was determined in consultation with the Proposal Trustee and is, in the view of the Proposal Trustee, reasonable and appropriate in the circumstances and should be granted by the Court. The creation of the Administration Charge is typical in similar proceedings, as is the proposed priority of the Administration Charge, as set out in the form of draft order filed with the Court.
33. The Administrative Charge would rank ahead of all other secured creditors and claims on Ecoideas' property assets and undertakings. The Proposal Trustee understands that RBC intends to object to the Administrative Charge ranking in priority to RBC.

CONCLUSION AND RECOMMENDATION

34. Based on all the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief requested by Ecoideas, as summarized in paragraph 4 of this First Report.
35. Alternatively, a shorter extension of twenty-five days should be sufficient to allow Ecoideas, a related party to Ecoideas and RBC, to complete discussions to determine whether a stalking horse offer and sales process is feasible.

All of which is respectfully submitted on the 27th day of April 2026.

DODICK LANDAU INC.

In its capacity as the Proposal Trustee of Ecoideas
Innovations Inc. and not in its personal or corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT
President

APPENDIX “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3354672
Estate No.: 31-3354672

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

Ecoideas Innovations Inc.

Insolvent Person

DODICK LANDAU INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 31, 2026

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: April 01, 2026, 10:31

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

APPENDIX “B”

Ecodidea Innovations Inc.
Weekly Cash Flow Forecast
For the period from April 4, 2026 to July 3, 2026
9Cdn

Week Ending	Notes	10-Apr-26	17-Apr-26	24-Apr-26	01-May-26	08-May-26	15-May-26	22-May-26	29-May-26	05-Jun-26	12-Jun-26	19-Jun-26	26-Jun-26	03-Jul-26	TOTAL
Customer Receipts		163,711	163,711	163,711	150,000	150,000	145,000	145,000	145,000	145,000	135,000	135,000	135,000	135,000	1,901,134
Other Receipts		31,810	-	-	72,380	-	-	-	-	72,380	-	-	-	-	248,951
Receipts		195,521	163,711	163,711	222,380	150,000	145,000	145,000	145,000	207,380	135,000	135,000	135,000	207,380	2,150,085
Disbursements															
Payroll		29,500	86,060	25,000	87,160	9,500	66,060	5,000	67,160	9,500	66,060	5,000	67,160	9,500	532,661
Occupancy Costs		28,423	37,113	28,423	59,602	28,423	37,113	28,423	27,943	60,082	37,113	28,423	27,943	60,082	489,104
GLA Expenses		550	550	550	550	550	550	550	550	550	550	550	550	550	7,150
Professional fees		-	-	-	39,590	-	-	-	39,590	-	-	-	-	39,590	118,650
Purchases		75,663	75,663	75,663	75,663	75,663	75,663	75,663	75,663	75,663	75,663	75,663	75,663	75,663	983,613
Total Disbursements		134,135	199,386	129,635	262,574	114,135	179,386	109,635	210,866	145,794	179,386	109,635	171,316	185,344	2,131,178
Net Cash Flow		61,386	(35,674)	34,076	(40,194)	35,865	(34,386)	35,365	(65,866)	61,586	(44,386)	25,365	(36,316)	22,036	18,907
Bank Balance															
Opening Bank Balance		11,001	72,387	36,713	70,789	30,645	66,509	32,124	67,488	1,622	63,209	18,823	44,188	7,472	11,001
Add: Net Cash Flow		61,386	(35,674)	34,076	(40,194)	35,865	(34,386)	35,365	(65,866)	61,586	(44,386)	25,365	(36,316)	22,036	18,907
Closing Bank Balance		72,387	36,713	70,789	30,645	66,509	32,124	67,488	1,622	63,209	18,823	44,188	7,472	29,908	29,908

This statement of forecast cash flow of Ecodidea Innovations Inc. is prepared in accordance with section 50.4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this 9th day of April, 2026.

Ecodick Landrau Inc.

Per: *Rafic Sidani*
 Rafn Dodick, CPA, CA, CRP, UT

Ecodidea Innovation Inc.

Per: *Rafic Sidani*
 Rafn Dodick, CPA, CA, CRP, UT

**ECOIDEAS INNOVATION INC.
MAJOR ASSUMPTIONS
CASH FLOW STATEMENT
FOR THE PERIOD APRIL 4, 2026 TO JULY 3, 2026 (THE "PERIOD")**

Ecoideas Innovation Inc. ("**Ecoideas**") is a leading manufacturer and distributor of natural health products to retailers across Canada.

The company filed a Notice of Intention to Make a Proposal ("**NOI**") on March 31, 2026 ("**NOI Filing**"). Ecoideas' cash flow projection was prepared by management of Ecoideas ("**Management**").

The cash flow projection is based on the hypotheses that Ecoideas:

- a. will be completing a proposal; and
- b. will be able to negotiate a settlement with its secured creditor, the Royal Bank of Canada

Receipts:

1. Customer Collections

Cash receipts are based on the average weekly collections over the first quarter of 2026. Specifically, it is assumed that Ecoideas will continue to both generate new sales and collect on its accounts receivable balances from its customers at existing rates. No growth is forecast in the Period.

2. Other Receipts

Other receipts include rent from Ecoideas' subtenants at both the Toronto warehouse as well as the BC premises. Ecoideas has two subtenants sharing its space in Toronto and one tenant in British Columbia.

Disbursements:

3. Payroll

Payroll includes wages for 18 salaried employees, 9 hourly employees and 3 commission based employees. Also included are employee benefits which are paid monthly, payments to WSIB and a weekly payment on account of temporary labour provided by a third party agency.

Ecoideas' payroll is processed by a third-party payroll provider.

4. Occupancy Costs

Includes rent and utilities for the leased premises in Toronto, the leased premises in British Columbia, which is being subleased to a third party, insurance, telephone and internet.

5. General and Administrative Expenses

Includes estimated costs for office supplies and bank charges.

6. Professional fees

During the Period, legal fees are forecast for Ecoideas' legal counsel, as well as the fees of the Proposal Trustee and its legal counsel. These fees are forecast to total approximately \$120,000.

7. Purchases

Includes forecast costs for raw materials for anticipated production, finished goods for sale to end customers and shipping costs.

**THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, C. B-3,
AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE PROPOSAL OF
ECOIDEAS INNOVATIONS INC.**

Court File No.: BK-26-03354672-0031
Estate File No. 31-3354672

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

Proceedings commenced at Toronto

**FIRST REPORT TO COURT OF THE
PROPOSAL TRUSTEE**

DODICK LANDAU INC.
951 Wilson Ave., Suite 15L
Toronto, ON M3K 2A7

Rahn Dodick
Email: rahn.dodick@dodick.ca

Proposal Trustee