District of Ontario
Estate No. 31-3424986

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)

IN 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 A PROPOSAL OF KINNECT SUPPORT SERVICES INC.

FIRST REPORT OF THE PROPOSAL TRUSTEE
OCTOBER 13, 2026

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INTRODUCTION

1. On September 17, 2026 (the "**Filing Date**"), Kinnect Support Services Inc. ("**Kinnect**", or the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"). Goldhar & Associates Ltd., a Licensed Insolvency Trustee, was named proposal trustee (the **"Proposal Trustee"**) in the proceedings initiated by the NOI (the "**Proposal Proceedings**"). A copy of the certificate of filing of a Notice of Intention to Make a Proposal issued by the Office of the Superintendent of Bankruptcy (the "**OSB**") and the notice package of the NOI is attached hereto as **Appendix "A"**.

PURPOSE

2. This Report is submitted to the Ontario Superior Court of Justice (the "**Court**") in connection with the Company's first Motion for an extension of time to file a proposal (the "**Motion**"). Further, the purpose of this first report of the Proposal Trustee (the "**First Report**") is to provide the Court with:

    (a) an overview of the Company;

    (b) background on the circumstances leading to the Company's decision to commence the Proposal Proceedings;

    (c) the Company's activities since the Filing Date;

    (d) the Proposal Trustee's activities since the Filing Date;

    (e) the Company's actual performance to date versus the first filed cash flow forecast (the "**First Cash Flow Forecast**");

    (f) the Proposal Trustee's recommendations on the relief being sought by the Company.

3. The Notice of Motion for Extension, the First Report, and all other materials filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee's website: https://goldhar.ca/corporate-engagements/kinnect-support-services (the "**Case Website**").

TERMS OF REFERENCE

4. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Company, discussions with management of the Company ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this First Report in respect of the First Cash Flow Forecast:

    (a) The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

    (b) Some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

5. 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 variation could be significant.

6. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this First Report concerning the Company and their business is based on the Information, and not independent factual determinations made by the Proposal Trustee.

7. The First Report should be read in conjunction with the Motion Record filed by the Company.

8. Capitalized items used herein, not otherwise defined, are as defined in the previous reports of the Proposal Trustee or other materials filed in connection with these proceedings.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF KINNECT

10. Kinnect is a privately held corporation, that was formed on November 28, 2017, pursuant to the Business Corporations Act (Ontario) (the "**OBCA**") with its registered office at 1200, 5255 Yonge Street, North York, Ontario.

11. The Company provides staffing and support to various organizations, agencies and institutions across the social services, healthcare, and education sectors in the Greater Toronto Area.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

12. The Proposal Trustee understands that the Company's financial difficulties have arisen from amounts owing to the Canada Revenue Agency ("**CRA**").

13. The penalties and interest that have accrued as a result of the amounts owing to the CRA have put a financial strain on the operations of Kinnect. As noted in the list of creditors in the notice package of the NOI, the CRA is owed approximately $250,000 in outstanding source deductions and $406,000 in GST.

14. The amounts noted above, coupled with the continued accrual of interest and penalties, necessitated the filing of the NOI in order to work out a plan to pay the CRA, preserve enterprise value, and to formulate and implement a go-forward strategy for the Company.

ACTIVITIES OF THE COMPANY AND PROPOSAL TRUSTEE SINCE THE FILING DATE

15. Since the Filing Date, the Proposal Trustee has observed the Company engage in certain key activities, such as:

    (a) communicating with various stakeholders and creditors regarding the Proposal Proceedings;

    (b) responding to various questions/queries by vendors, occasionally with the assistance of the Proposal Trustee;

    (c) corresponding with the Company's legal counsel, Spetter Zeitz Klaiman PC ("**SZK**"), and the Proposal Trustee;

    (d) communicating on an ongoing basis with certain creditors and/or their advisors;

    (e) working with the Proposal Trustee in preparing the First Cash Flow Forecast;

    (f) reporting to the Proposal Trustee on a weekly basis in respect of the Company's receipts and disbursements; and

    (g) working with SZK and the Proposal Trustee to prepare materials for this motion.

16. Since the Filing Date, the key activities of the Proposal Trustee have included, without limitation to, the following key activities:

    (a) attending ongoing meetings with Management to discuss the proposal process and/or sales process;

    (b) assisting the Company with communications to various stakeholders;

    (c) assisting the Company in the preparation and filing of the First Cash Flow Forecast and the related assumptions in accordance with Section 50.4(2)(c) of the BIA;

(d) continuing to review and evaluate the state of the Company's business and financial affairs in accordance with Section 50.4(7)(b)(ii) of the BIA;

(e) monitoring the affairs of the Company's business including reviewing financial information with Management;

(f) corresponding and holding numerous discussions with Management, SKZ and the Proposal Trustee's counsel, Torkin Manes LLP, with respect to general matters; and

(g) preparing this First Report.

VARIANCE ANALYSIS OF THE FIRST CASH FLOW FORECAST

17. In accordance with section 50.4(7)(b)(ii) of the BIA, the Proposal Trustee has continued to review and evaluate the state of the Company's business and financial affairs since the Filing Date.

18. Kinnect's actual receipts and disbursements against the forecast for the period of September 17 to October 4, 2026 (the "**Reporting Period**") is detailed in **Appendix "B"** of this First Report.

19. The Company's actual cash flow from operations for the Reporting Period was less than the projected cash flows for that same period by approximately $17,737. This negative discrepancy is primarily attributable to the following material unfavourable and favourable variances:

Unfavourable

(a) Total Receipts were approximately $47,110 less than projected. Management has stated that this was due to timing delays in collections which will be remedied in the weeks to come. In reviewing the aged accounts receivable of the Company, minimal amounts are past 90 days owing;

Favourable

(b) Payroll disbursements were approximately $9,244 less than projected. This is a variance relating to timing with education sessions not requiring staffing to support them. This has now begun and this variance should remedy itself.

(c) Insurance disbursements were approximately $7,924 less than projected. These payments are expected to clear in the weeks to come, and this timing variance should remedy itself partially. Management has stated that disbursements projected are higher than anticipated and that a nominal positive variance should remain.

(d) Office Expenses were approximately $6,092 less than projected. Similar to insurance expenses, this is a timing variance that should remedy itself in the weeks to come when disbursements clear.

COMPANY'S REQUEST FOR STAY EXTENSION

20. The Company is seeking an extension of the time required to file a proposal from October 16 to November 30, 2026. The Proposal Trustee is of the opinion that:

(a) the Company is acting in good faith and with due diligence;

(b) the extension will provide additional time to make a viable proposal to its creditors which will be for the general benefit of the Company's stakeholders;

(c) the extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and suppliers in the amounts contemplated in the First Cash Flow Forecast; and

(d) the requested extension will provide the Company the additional time they require to further advance their restructuring, which is in the interest of the stakeholders.

CONCLUSIONS AND RECOMMENDATIONS

21. For the reasons set out above, the Proposal Trustee supports the extension of time and ancillary relief sought by the Company on this Motion.

All of which is respectfully submitted this 13th day of October 2026.

GOLDHAR & ASSOCIATES LTD, in its capacity as Proposal Trustee of Kinnect Support Services Inc., and not in its corporate or personal capacity.



Evan MacKinnon, CFA, CIRP, LIT
Senior Managing Director

Appendix A

Administrative Office
Goldhar & Associates Ltd.,
Licensed Insolvency Trustee
1220 Eglinton Avenue West
Toronto, Ontario
M6C 2E3

1 855 541 5114
info@goldhar.ca
ShedTheDebt.ca

To the creditors of Kinnect Support Services Inc. September 17, 2026

NOTICE OF INTENTION TO MAKE A PROPOSAL OF KINNECT SUPPORT SERVICES INC. ("KINNECT" OR THE "COMPANY")

Please be advised that on September 17, 2026, Kinnect commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act (the "BIA"). A copy of the NOI and a preliminary listing of creditors is attached. Goldhar & Associates Ltd. ("**Goldhar**") has consented to act as Proposal Trustee under the NOI (the "**Trustee**").

You are receiving this notice as the Company has identified you as a creditor. We enclose herewith the following:

1. Certificate of Filing a Notice of Intention to Make a Proposal;
2. Form 33 – Notice of Intention to Make a Proposal;
3. List of Creditors with claims of $250 or more per the Company's records; and
4. The Trustee's written consent to act.

Although the NOI proceeding is pursuant to the BIA, it is important to note that the Company is not bankrupt.

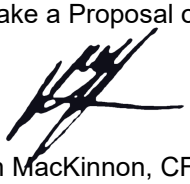
Pursuant to section 69(1) of the BIA, all proceedings against the Company are stayed. No creditor shall have any remedy against the Company or its property, or shall commence or continue any action, execution or other proceedings for recovery of a claim against the Company arising prior to June 23, 2026.

At this time, creditors are not required to file a Proof of Claim. The Trustee will provide creditors with further information and a Proof of Claim form as required at a later date. If the amount owing to you is different to the amount on the List of Creditors, you are not required to contact the Trustee at this time.

Further information with respect to this matter can be found available on the Trustee's website: **https://goldhar.ca/corporate-engagements/kinnet-support-services-inc.** In the event you have any questions or require additional information about this notice or the NOI proceedings generally, please contact Len Capati by contacting the number noted above or by email at lcapati@goldhar.ca.

Yours very truly,

Goldhar & Associates Ltd.
In its capacity as Trustee under the Notice of Intention
to Make a Proposal of *Kinnect Support Services Inc.*



Evan MacKinnon, CFA, CIRP, LIT
Senior Managing Director

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

District of: Ontario
Division No.: 09 - Toronto
Court No.: 31-3424986
Estate No.: 31-3424986

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

KINNECT SUPPORT SERVICES INC.

Insolvent Person

GOLDHAR & ASSOCIATES LTD

Licensed Insolvency Trustee

Date of the Notice of Intention: September 17, 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 aforenamed 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 aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 17, 2026, 15:29

E-File/Dépôt Electronique

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

Canada

District of:
Division No. -
Court No.
Estate No.

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

Take notice that:

1. I, KINNECT SUPPORT SERVICES INC., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.

2. Goldhar & Associates Ltd. of 1220 Eglinton Avenue West, Toronto, ON, M6C 2E3, 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 Toronto in the Province of Ontario, this 17th day of September 2026.

KINNECT SUPPORT SERVICES INC.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
Division No. -
Court No.
Estate No.

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

List of Creditors with claims of $250 or more.			
Creditor	Address	Account#	Claim Amount
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	782879480RP0001	250,000.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	782879480RT0001	406,000.00
DUCA Financial Services Credit Union Ltd. Devi Ramlu	5290 Yonge Street North York ON M2N 5P9	82821962551962634087	250,000.00
OMOF- Ontario Ministry of Finance	11th Floor 777 Bay Street Toronto ON M5G 2C8	782879480TE0001	120,000.00
Scotiabank c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	002 30072 0047813	55,000.00
Total			1,081,000.00

KINNECT SUPPORT SERVICES INC.
Insolvent Person

- Proposal Consent -

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 KINNECT SUPPORT SERVICES INC..

Dated at the City of Toronto in the Province of Ontario, this 16th day of September 2026.

Goldhar & Associates Ltd. - Licensed Insolvency Trustee

Richard Goldhar

SKKGV8SXT7XF82W9

1220 Eglinton Avenue West
Toronto ON M6C 2E3
Phone: (855) 541-5114 Fax: (905) 361-0488

Appendix B

Kinnect Support Services Inc.
Cumulative Budget to Actual Comparison
September 17 to October 4, 2026

($ CAD)

	Budget	Actual	Variance F(U)
Receipts			
Sales	-	-	-
Accounts Receivable Collections	124,000	76,890	(47,110)
HST Collected	-	-	-
Total receipts	**124,000**	**76,890**	**(47,110)**
Disbursements from operations			
Payroll	95,000	85,756	9,244
Source Deductions	27,000	27,050	(50)
Management Fees	7,000	5,654	1,346
Office Expenses	6,158	66	6,092
WSIB	2,500	2,529	(29)
Health Tax	1,425	-	1,425
Insurance	7,924	-	7,924
Professional Fees	2,260	-	2,260
Phone	565	-	565
Vehicle	565	755	(190)
Rent	10,786	10,000	786
HST Remitted	-	-	-
Restructuring Costs	-	-	-
Total Disbursements	**161,183**	**131,810**	**29,373**
Net Cash Inflow/(Outflow)	(37,183)	(54,920)	(17,737)
Opening Cash Balance	**100,764**	**100,764**	**-**
Net Cash Inflow/(Outflow)	(37,183)	(54,920)	(17,737)
Closing Cash Balance	**63,581**	**45,844**	**(17,737)**