Court File No. ______________________

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

APPLICATION RECORD
(RETURNABLE OCTOBER 30, 2023)

October 27, 2023

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B9

Maria Konyukhova (LSO #52880V)
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Philip Yang (LSO#: 82084O)
Tel: (416) 869-5593
Email: pyang@stikeman.com

Rania Hammad (LSO#: 86940I)
Tel: (416) 869-5578
Email: rhammad@stikeman.com

Lawyers for the Applicants

TO: THE SERVICE LIST

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

SERVICE LIST **(as at October 30, 2023)**	
STIKEMAN ELLIOTT LLP 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9 Lawyers for the Applicants	**Maria Konyukhova** Tel: 416-869-5230 Email: mkonyukhova@stikeman.com **Philip Yang** Tel: 416-869-5593 Email: pyang@stikeman.com **Rania Hammad** Tel: 416-869-5578 Email: rhammad@stikeman.com
KPMG INC. Bay Adelaide Centre 333 Bay St. #4600 Toronto, ON M5H 2S5 Proposed Court-appointed Monitor of the Applicants	**Anamika Gadia** Tel: 416-777-3842 Email: agadia@kpmg.ca **Neil Blair** Tel: 416-777-8657 Email: nblair@kpmg.ca
OSLER, HOSKIN & HARCOURT LLP 100 King Street West, 1 First Canadian Place, Suite 6200 Toronto, ON M5X 1B8 Lawyers for the Proposed Court-appointed Monitor of the Applicants	**Michael De Lellis** Tel: 416-862-5997 Email: mdelellis@osler.com

NORTON ROSE FULBRIGHT CANADA LLP 222 Bay Street, Suite 3000 Toronto, ON M5K 1E7 Lawyers for Primary Group Limited ("**Primary**") and Primary, in its capacity as the DIP Lender	**Jennifer Stam** Tel: 416-202-6707 Email: jennifer.stam@nortonrosefulbright.com
DENTONS CANADA LLP 77 King Street West Suite 400 Toronto, ON M5K 0A1 Lawyers for Southampton Financial Inc.	**Derek Levinsky** Tel: 416-863-4624 Email: derek.levinsky@dentons.com **Robert Kennedy** Tel: 416-367-6756 Email: robert.kennedy@dentons.com
TRI-QUEST MARKETING INC. 291 Upper Highland Crescent Toronto, ON M2P 1V4	**John Leslie** Email: jleslie@triquestmarketing.com
SECURED PARTIES	
FASKEN MARTINEAU DUMOULIN LLP Bay Adelaide Centre, 333 Bay St. #2400 Toronto, ON M5H 2T6 Lawyers for Aviva Insurance Company of Canada	**Stuart Brotman** Tel: 416-865-5419 Email: sbrotman@fasken.com **Daniel Richer** Tel: 416-865-4445 Email: dricher@fasken.com

E-Service List

mkonyukhova@stikeman.com; pyang@stikeman.com; rhammad@stikeman.com; agadia@kpmg.ca; nblair@kpmg.ca; mdelellis@osler.com; jennifer.stam@nortonrosefulbright.com; derek.levinsky@dentons.com; robert.kennedy@dentons.com; jleslie@triquestmarketing.com; sbrotman@fasken.com; dricher@fasken.com

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ONTARIO
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COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

I N D E X

TAB	DOCUMENT
J.	Exhibit “J” - Security Documents
K.	Exhibit “K” - Right of First Refusal Agreement
L.	Exhibit “L” - Summary of the PPSA searches against each of the Applicants in Ontario, British Columbia, and Alberta, dated September 21, 2023
M.	Exhibit “M” - Redacted copy of the Purchase Agreement, dated October 26, 2023
N.	Exhibit “N” - KPMG’s Consent to act as Court-appointed Monitor
O.	Exhibit “O” - DIP Facility Agreement, dated October 26, 2023
3.	Proposed Initial Order
4.	Blackline of Proposed Initial Order to Commercial List Model Order

TAB 1

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following pages.

THIS APPLICATION will come on for a hearing *(choose one of the following)*

☐ In writing
☐ In person
☐ By telephone conference
☒ By video conference

at the following location:

Coordinates to be provided

on **Monday, October 30, 2023 at 11:00 AM (Eastern Time).**

IF YOU WISH TO OPPOSE THIS APPLICATION, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, AN ORDER MAY BE MADE IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contracting a Local Legal Aid office.

Date:

Issued by: ______________________________
Local Registrar

Address of court office:
330 University Avenue, 7th Floor
Toronto, ON M5G 1R7

APPLICATION

1. **THIS APPLICATION IS MADE BY** Ignite Services Inc. (“**Ignite Services**” or the “**Company**”), Ignite Holdings Inc. (“**Ignite Holdings**”), and Ignite Insurance Corporation (“**Ignite Insurance**”, and together with Ignite Services and Ignite Holdings, the “**Applicants**” or the “**Companies**”) for an order, substantially in the form attached at Tab 3 of this Application Record (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), *inter alia*:

(a) abridging the time for service of the Application and the materials filed in support thereof, and dispensing with further service thereof;

(b) declaring that the Applicants are each a debtor company to which the CCAA applies;

(c) staying all proceedings and remedies taken or that might be taken against or in respect of the Applicants, any of their assets, property, and undertakings (“**Property**”) or business, or their director and officers (the “**D&Os**”), except as otherwise set forth in the Initial Order or as otherwise permitted by law (the “**Stay of Proceedings**”), for an initial period of ten (10) days in accordance with the CCAA (the "**Stay Period**”);

(d) appointing KPMG Inc. (“**KPMG**” or the “**Proposed Monitor**”) as the monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”);

(e) approving the execution by the Applicants of an interim facility loan agreement (the “**DIP Facility Agreement**”) entered into on October 26, 2023 with Primary Group Limited (“**Primary**”), and in its capacity as lender under the DIP Facility Agreement, the “**DIP Lender**”), pursuant to which the DIP Lender has agreed to advance to the Applicants a total amount of up to $1.1 million (the “**DIP Facility**”), which will be made available to the Applicants during these CCAA Proceedings, of which an initial amount of $350,000 will be advanced during the initial 10-day Stay Period (the “**Initial Advance**”);

(f) granting the following priority charges against the Property:

(i) an "**Administration Charge**" against the Property in the amount of $750,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposed Monitor, counsel to the Proposed Monitor, and counsel to the Applicants, in connection with the CCAA Proceedings both before and after the making of the Initial Order;

(ii) a "**DIP Lender's Charge**" against the Property in the amount of the Initial Advance as security for the Applicants' obligations under the DIP Facility Agreement; and

(iii) a "**D&O Charge**" (and together with the Administration Charge and the DIP Lender's Charge, the "**Charges**") against the Property in the maximum amount of $250,000 in favour of the D&Os of the Applicants as security for the Applicants' obligation to indemnify such D&Os for obligations and liabilities they may incur in such capacities after the commencement of the CCAA Proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings, but which may become due and payable after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

2. Such further and other relief as Honourable Court deems just.

3. **THE GROUNDS FOR THE APPLICATION ARE**:

Overview

(a) The Company carries on business as a digital insurance brokerage for personal, auto, commercial, pet, and travel insurance. Through the Company's digital platform and with the support of its broker licensed employees, the Company assists its customers with shopping for and purchasing of various insurance policies from multiple insurance companies;

(b) The Applicants are each a private company incorporated under the *Business Corporations Act* (Ontario), with each having its registered head office located in Waterloo, Ontario, and having assets or doing business in Canada;

(c) The Company sold its first policy in 2017 and has been operating at a loss since 2018. From commencement of operations to March 31, 2023, the Company has suffered total net losses of over $59.8 million, and most recently the Company has suffered net losses of over $10.1 million for each of the fiscal years ended March 31, 2022, and March 31, 2023. The Company has continued to operate at a loss until the date of this application;

(d) While the Company's financial difficulties were driven by a variety of factors, the significant net losses suffered by the Company over the years are largely due to the Company operating as a multi-carrier insurance brokerage with suboptimal rates being offered by insurance companies, significant customer acquisition costs in the insurance brokerage industry generally, and significant capital investments in its technology;

(e) Further, as of August 2022, Primary (the ultimate parent company of the Applicants), has been funding the Company's operating losses, ceased further funding to support marketing efforts;

(f) This Application is filed in a context wherein the Applicants have made various efforts since as early as November 2018 to raise additional liquidity, and most recently, conducted a sales process which commenced in May 2023 and was designed to parallel and correspond to sales processes used and approved in other CCAA proceedings;

(g) Without the protection of the CCAA and the relief available thereunder, the Applicants will be unable to meet their obligations as they become due imminently. The Applicants' liabilities exceed $5 million;

(h) If the Applicants are insolvent without the protection of the CCAA, the Company would be forced to shut down its operations, which would be extremely detrimental to the Company's employees, suppliers, lenders, and customers;

(i) Each of the Applicants are companies to which the CCAA applies;

Pre-Filing Sales Process

(j) On March 31, 2023, Primary engaged KPMG Corporate Finance Inc. (“**KPMG CF**”) to conduct a sales process (the “**Sales Process**”) for the sale of all or substantially all of the Company’s shares and/or assets;

(k) On May 11, 2023, the Applicants and KPMG CF commenced the Sales Process and conducted a broad canvass of the market;

(l) The Pre-Filing Sales Process was conducted in a manner similar to a Court-approved sales process in an insolvency proceeding;

(m) After extensive deliberations and consultations with their professional advisors, the Applicants concluded, further to and on the basis of their commercial and business judgment, that the transactions (the “**Transactions**”) contemplated in the purchase agreement (the “**Purchase Agreement**”) entered into between Ignite Holdings and Southampton Financial Inc. on October 26, 2023, represented the best offer available in the circumstances and that proceeding with the Transactions was in the best interest of the Applicants and their stakeholders;

(n) Subject to obtaining the Initial Order being sought, the Applicants will return to Court to seek approval of the Purchase Agreement, the Transactions contemplated therein, and various ancillary relief on notice to all applicable parties;

Stay of Proceedings

(o) The Applicants require a Stay of Proceedings for an initial period of ten days and intend to seek an extension to same within 10 days (if the Initial Order is granted);

(p) The Stay of Proceedings is necessary and in the best interests of Applicants and their stakeholders as it will allow the Applicants to have the breathing space to maintain operations, seek to have the Purchase Agreement approved, and implement the Transactions for the benefit of their stakeholders;

(q) Without the benefit of the Stay of Proceedings and the protections of the CCAA, the Applicants do not have the available liquidity to meet its liabilities and the Company will be forced to cease operations;

Appointment of KPMG as Monitor

(r) KPMG has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval;

(s) KPMG is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA;

Administration Charge

(t) The Applicants seek an Administration Charge on their Property in the maximum principal amount of $750,000 as part of the proposed Initial Order, to secure the fees and disbursements incurred in connection with services rendered to the Applicants in favour of the Monitor, counsel to the Monitor, and the Applicants' counsel;

(u) The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during these CCAA proceedings in order to complete a successful restructuring;

(v) The Administration Charge is proposed to have first priority over all other charges;

DIP Facility Agreement and DIP Lender's Charge

(w) The cash flow statement prepared by the Applicants and reviewed by the Proposed Monitor indicates that the Applicants anticipate the need for interim financing to fund these CCAA proceedings, including during the initial ten day Stay Period;

(x) In connection with the commencement of these CCAA proceedings, the Applicants entered into the DIP Facility Agreement with the DIP Lender, pursuant to which the DIP Lender has agreed to provide the DIP Facility to the Applicants, the Initial Advance of $350,000 and a maximum principal amount of $1.1 million, approval of which will be sought within ten days after the Initial Order is granted;

(y) The DIP Facility is conditional upon, among other things, the obtaining of an order of this Court approving the DIP Facility Agreement and other documents to be executed and delivered thereunder, as necessary, and granting the DIP Lender's Charge over the Applicants' Property;

(z) The DIP Lender's Charge is proposed to rank behind the Administration Charge and the D&O Charge;

D&O Charge

(aa) The Initial Order seeks a D&O Charge over the Property to indemnify the D&Os of the Applicants in respect of liabilities they may incur as directors and officers during the CCAA proceedings, up to a maximum principal amount of $250,000;

(bb) While the Applicants maintain directors' and officers' liability insurance, same may include contractual contingencies and uncertainty associated with possible coverage related issues;

(cc) The D&O Charge is proposed to rank subordinate to the Administration Charge;

Sale Approval Motion and Reverse Vesting Order

(dd) If the Initial Order is granted, the Applicants will seek an approval and reverse vesting order (the "**ARVO**") within 10 days after issuance of the Initial Order;

(ee) The Transactions contemplated in the Purchase Agreement have been structured to form a "reverse vesting" transaction whereby:

(i) after implementation of certain pre-closing steps, Southampton will purchase the new shares of the Company from Ignite Holdings and become the sole shareholder of the Company; and

(ii) all excluded contracts, excluded assets, and excluded liabilities with respect to the Company will be transferred and "vested out" to a corporation to be incorporated in advance of the closing date of the Transactions ("**Residual Co.**"), so as to allow Southampton to indirectly acquire the Company's business and assets on a "free and clear" basis;

(ff) The Purchase Agreement and the Transactions contemplated therein represent the best offer available in the circumstances and proceeding with same is in the best interest of the Applicants and their stakeholders;

(gg) Further details regarding the conduct of the Sales Process, the Purchase Agreement, and the Transactions contemplated therein will be served and filed with the Applicants' materials in support of the Applicants' request for the ARVO;

Other Grounds

(hh) The provisions of the CCAA, including ss. 2(1), 3(1), 11.02, 11.51, 11.52, and the inherent and equitable jurisdiction of this Honourable Court;

(ii) Rules 1.04, 2.01, 2.03, 3.02, 14.05 and 16 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(jj) Such further and other grounds as counsel may advise and this Court may permit.

4. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the application:

(a) The Affidavit of Stephen Livingstone, sworn October 26, 2023, and the Exhibits attached thereto;

(b) The Consent of KPMG to act as the Monitor;

(c) The Pre-Filing Report of KPMG; and

(d) Such further and other documentary evidence as counsel may advise and this Court may permit.

October 26, 2023

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova (LSO #52880V)
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Philip Yang (LSO #82084O)
Tel: (416) 869-5593
Email: pyang@stikeman.com

Rania Hammad (LSO #86940I)
Tel: (416) 869-5578
Email: rhammad@stikeman.com

Lawyers for the Applicants

Court File No.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF APPLICATION

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova (LSO #52880V)
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Philip Yang (LSO #82084O)
Tel: (416) 869-5593
Email: pyang@stikeman.com

Rania Hammad (LSO #86940I)
Tel: (416) 869-5578
Email: rhammad@stikeman.com

Lawyers for the Applicants

TAB 2

Court File No. ______________________

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

AFFIDAVIT OF STEPHEN LIVINGSTONE
(Sworn October 26, 2023)

I, Stephen Livingstone, of the Village of St. Jacobs, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President and Secretary of Ignite Services Inc. ("**Ignite Services**" or the "**Company**"), Ignite Holdings Inc. ("**Ignite Holdings**"), and Ignite Insurance Corporation ("**Ignite Insurance**", and together with Ignite Services and Ignite Holdings, the "**Applicants**" or the "**Companies**") and the Companies' sole director. I have held these positions since February 8, 2016.

2. I am responsible for overseeing the operations of the Companies, their liquidity management and, ultimately, for assisting in their restructuring process. Because of my involvement with the Companies, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the books and records of the Companies and have spoken with certain other individuals who manage the Companies, as necessary. Where I have relied upon such information, I do verily believe such information to be true.

3. This affidavit is sworn in support of an application (the "**Application**") returnable before the Ontario Superior Court of Justice (Commercial List) (the **"Court**") on October 30, 2023, to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") in respect of the Applicants. The Applicants are seeking an initial order (the "**Initial Order**") in the form contained in the Application Record, among other things:

(a) abridging the time for service of the Application and the materials filed in support thereof, and dispensing with further service thereof;

(b) declaring that the Applicants are each a debtor company to which the CCAA applies;

(c) staying all proceedings and remedies taken or that might be taken against or in respect of the Applicants, any of their assets, property, and undertakings (“**Property**”) or business, or their director and officers (the “**D&Os**”), except as otherwise set forth in the Initial Order or as otherwise permitted by law (the “**Stay of Proceedings**”), for an initial period of ten (10) days in accordance with the CCAA (the **"Stay Period"**);

(d) appointing KPMG Inc. (“**KPMG**” or the “**Proposed Monitor**”) as the monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”);

(e) approving the execution by the Applicants of an interim facility loan agreement (the “**DIP Facility Agreement**”) entered into on October 26, 2023 with Primary Group Limited (“**Primary**”), and in its capacity as lender under the DIP Facility Agreement, the “**DIP Lender**”), pursuant to which the DIP Lender has agreed to advance to the Applicants a total amount of up to $1.1 million (the “**DIP Facility**”), which will be made available to the Applicants during these CCAA Proceedings, of which an initial amount of $350,000 will be advanced during the initial 10-day Stay Period (the “**Initial Advance**”);

(f) granting the following priority charges against the Property:

   i. an “**Administration Charge**” against the Property in the amount of $750,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposed Monitor, counsel to the Proposed Monitor, and counsel to the Applicants, in connection with the CCAA Proceedings both before and after the making of the Initial Order;

   ii. a “**DIP Lender’s Charge**” against the Property in the amount of the Initial Advance as security for the Applicants’ obligations under the DIP Facility Agreement; and

iii. a "**D&O Charge**" (and together with the Administration Charge and the DIP Lender's Charge, the "**Charges**") against the Property in the maximum amount of $250,000 in favour of the D&Os of the Applicants as security for the Applicants' obligation to indemnify such D&Os for obligations and liabilities they may incur in such capacities after the commencement of the CCAA Proceedings, including with respect to employee vacation pay which may have accrued prior to the commencement of these proceedings, but which may become due and payable after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct; and

(g) sealing the Confidential Appendix to the pre-filing report of KPMG, in its capacity as Proposed Monitor (the "**Pre-Filing Report**"), to be filed, which contains an unredacted copy of the Purchase Agreement (as further discussed and defined below).

4. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

PART I – OVERVIEW[1]

5. The Company carries on business as a digital insurance brokerage for personal, auto, commercial, pet, and travel insurance. Through the Company's digital platform and with the support of its broker licensed employees, the Company assists its customers with shopping for and purchasing of various insurance policies from multiple insurance companies.

6. The Company sold its first policy in 2017 and has been operating at a loss since 2018. From commencement of operations to March 31, 2023, the Company has suffered total net losses of over $59.8 million, and most recently the Company has suffered net losses of over $10.1 million for each of the fiscal years ended March 31, 2022, and March 31, 2023. The Company has continued to operate at a loss until the date of this affidavit.

[1] Capitalized terms used in this section and not otherwise defined have the meanings ascribed to them in the balance of this affidavit.

7. While the Company's financial difficulties were driven by a variety of factors, the significant net losses suffered by the Company over the years are largely due to the Company operating as a multi-carrier insurance brokerage with suboptimal rates being offered by insurance companies, significant customer acquisition costs in the insurance brokerage industry generally, and significant capital investments in its technology.

8. Further, as of August 2022, the ultimate parent company of the Company who has been funding the Company's net losses, ceased further funding to support marketing efforts. As a result, monthly traffic and revenue dropped off significantly.

9. As part of their restructuring efforts, the Applicants, with assistance from their professional advisors, have conducted a thorough canvass of the market for prospective investors and purchasers of their assets and business. One offer to purchase all the shares of Ignite Services is considered by the boards of directors of the Applicants to be the best in the circumstances.

10. That offer, and the resulting Purchase Agreement (as defined and described in greater detail below) is conditional upon a CCAA filing and Court approval of same. The Applicants intend to return to the Court to seek approval of the offer and resulting Purchase Agreement, and certain related relief, at a later date on notice to appropriate parties.

11. At this time, however, the Applicants are only seeking protection under the CCAA and certain ancillary relief as outlined in the draft Initial Order.

12. Without protection under the CCAA, a shut-down of operations or the commencement of self-remedy measures by creditors will occur, which would be extremely detrimental to the Applicants' employees, customers, and other stakeholders. Without the CCAA protection, the Applicants will also be unable to implement the sale of their business for the benefit of all their stakeholders.

13. The director of each Applicant has authorized this Application and the commencement of these CCAA Proceedings.

PART II – THE COMPANIES

A. Corporate Structure

14. The Applicants are each a private company incorporated under the *Business Corporations Act* (Ontario) (the “**OBCA**”). The Companies’ registered head office is located in Waterloo, Ontario.

15. Ignite Holdings is a non-operating company and holds all the issued and outstanding shares of Ignite Services and Ignite Insurance (a non-operating company).

16. Ignite Services is the only operating entity with respect to the Companies and carries on business as a digital insurance brokerage under the business name of “aha insurance”. Ignite Services provides insurance brokering services in Ontario, British Columbia, and Alberta; and it holds all the required licenses with the applicable regulatory authorities which are required for it to carry on business as an insurance brokerage.

17. The Companies’ ultimate parent company is Primary, which is a company incorporated pursuant to the laws of Bermuda.

18. Attached as **Exhibit “A”** is a chart showing the Companies’ corporate structure, including jurisdictions of incorporation.

B. The Companies’ Business and Operations

(i) Operations

19. Ignite Services carries on business as a digital insurance brokerage for personal, auto, commercial, pet, and travel insurance. Ignite Services operates from a leased office space located in Waterloo, Ontario. None of the Companies own any real property.

20. The Company has agreements with several different insurance companies (the “**Brokerage Agreements**”). While the terms of each Brokerage Agreement vary, the Brokerage Agreements permit the Company to act as a broker and sell insurance policies on behalf of the insurance companies to the Company’s customers.

21. Historically, the Company sourced business in the broader retail market (via direct marketing tactics) as well as through affinity partnerships (e.g. employee, loyalty or membership based customer segments).

22. Through the Company’s digital platform, the Company assists its customers with shopping for and purchasing various policies from multiple providers. Customers are able to obtain quotes

on various insurance policies, speak to the Company's insurance brokers, and ultimately have their requested insurance policies bound.

23. Pursuant to the Brokerage Agreements, the Company earns a commission when its customers successfully obtain insurance coverage through the Company's digital platform.

24. Approximately 56,000 potential customers access the Company's digital platform each month. From April 2022 to September 2023, approximately 3,700, policies were sold or renewed. As at September 30, 2023, there were approximately 6,700 policies in force.

25. The Company has an ongoing relationship with each of its customers. During the CCAA Proceedings, the Company will continue to place new insurance for customers, effect any amendments and cancellations to existing policies and provide ongoing advice to meet its customers' insurance needs.

26. Historically, approximately 80% of the Company's customers have obtained personal auto insurance, 15% obtained personal property insurance, and 5% obtained commercial insurance.

(ii) Licenses

27. The Company operates in a regulated environment, in accordance with applicable provincial legislation. Each province is responsible for determining the regime for insurance brokerages operating in their province. Among other things, the provincial governments, in some cases through delegation to the applicable regulatory entities, establish rules regarding who may operate as an insurance brokerage and a code of conduct for insurance brokerages.

28. As referenced above, the Company provides services to customers located in Ontario, British Columbia, and Alberta. While each province has established its own rules and criteria for obtaining and maintaining an insurance brokerage license, all provinces generally require:

(a) that a license be obtained and maintained prior to the commencement of any operations as an insurance brokerage. The licensing application process considers, among other things, the applicant's suitability for a brokerage license by requesting information about criminal records, current charges and convictions under any legislation or by any regulatory body, and information about other registrations or licenses and bankruptcies;

(b) that a fully licensed individual be associated with the business and be responsible to the regulatory body for the compliant operation of the business and generally be the point of contact for the regulatory body. In Ontario, in respect of RIBO (as defined below), this individual is called the "**Principal Broker**" (with analogous positions in British Columbia and Alberta);

(c) where the licensee holds and remits insurance premiums to insurance carriers, that the licensee maintains a trust account; and

(d) that the licensee maintains and submit certain records and be subject to inspection by the provincial regulator.

29. In Ontario, Ignite Services holds: (a) a license to operate as a property and casualty insurance brokerage, issued by the Registered Insurance Brokers of Ontario ("**RIBO**"); and (b) a license to carry on business as a corporate life insurance agency, issued by the Financial Services Regulatory Authority of Ontario.

30. In British Columbia, Ignite Services holds a license to operate as a general insurance brokerage, issued by the Insurance Council of British Columbia ("**ICBC**").

31. In Alberta, Ignite Services holds a license to act as a general insurance brokerage, issued by the Alberta Insurance Council ("**AIC**").

32. Ignite Services holds all required licenses to operate as a digital insurance brokerage in Ontario, British Columbia, and Alberta.

33. It is my understanding that it may take 8 weeks or more for a new entrant to obtain the all the licenses that Ignite Services holds.

(iii) Principal Broker

34. As referenced above, in order for the Company to maintain its licenses and carry out its operations, it is required to have a Principal Broker, who is a fully licensed individual associated with the business.

35. RIBO requires a Principal Broker to be: (a) registered as an insurance broker; and (b) a director and/or officer of the insurance brokerage, and/or have the authority to act in the name of,

and on behalf of the insurance brokerage. There are similar requirements mandated by the ICBC in British Columbia and the AIC in Alberta.

36. In Ontario, the responsibilities of a Principal Broker include, among other things, ensuring that (with similar responsibilities in British Columbia and Alberta):

(a) all registered individual insurance brokers who are employees or partners of the brokerage comply with the relevant legislation;

(b) all registered individual insurance brokers who are employees or partners of the brokerage are provided with and use all information respecting insurance necessary for them to act without misconduct or incompetence as defined or described in relevant legislation;

(c) all trust accounts and books, records and accounts of the brokerage are maintained in accordance with the regulations;

(d) all errors and omission insurance, and/or other forms of financial guarantee, and all fidelity insurance of the brokerage are maintained in accordance with the regulations;

(e) all required filings of the brokerage are made and prescribed fees and assessments are paid in accordance with the regulations;

(f) no director, partner or employee of the brokerage who is not a registered insurance broker acts as an insurance broker; and

(g) procedures are established and followed such that requirements (a) through (f), above, are met.

37. Pursuant to a services agreement entered into between Tri-Quest Marketing Inc. ("**Tri-Quest**") and the Company on September 1, 2016 (the "**Principal Broker Agreement**"), the Company engaged John Leslie to be the Company's Principal Broker.

38. Tri-Quest is a licensed insurance brokerage, and its Principal Broker is Mr. Leslie. Among other things, the Principal Broker Agreement provides that Mr. Leslie will act as the designated representative or Principal Broker of the Company and the term is continuous and will be

automatically renewed for one-year periods unless either party terminates the Principal Broker Agreement on 90 days' notice.

(iv) Leased Property

39. As referenced above, none of the Companies own any real property and the Company's business operations are carried out from its leased office space in Waterloo, Ontario.

40. On March 30, 2022, Ignite Services and Guardian Capital Real Estate GP Inc. entered into a lease agreement (the "**Lease**"). Among other things, the Lease provides for a term which expires on June 30, 2025, and Ignite Services is required to pay approximately $7,772 each month.

(v) Intellectual Property

41. Ignite Insurance owns the trademarks associated with "aha insurance", which are registered trademarks in Canada with the Canadian Intellectual Property Office.

42. The proprietary digital insurance delivery platform developed by the Company is unique. The e-commerce platform allows consumers to purchase insurance real-time online, and I believe that the Company is one out of only four companies that allow for such purchase of home and automobile insurance in Canada. The platform is integrated with omni-channel support allowing the customer to converse directly with a licensed broker at any time and is the only platform in Canada that provides products across multiple carriers.

43. The software used by the Ignite Services is a combination of licenced third-party software (with customized versions uniquely developed for the Company) as well as true proprietary code developed in-house by the Company.

(vi) Cash Management System

44. In the ordinary course of business, the Company uses a cash management system (the "**Cash Management System**") to, among other things, collect funds (premiums from customers or commissions from carriers) and pay expenses associated with its operations. This Cash Management System provides the Company with the ability to efficiently and accurately track and control corporate funds and to ensure cash availability.

45. As part of this Cash Management System, the Company maintains two bank accounts, which are summarily described below:

(a) TD Canada Trust: CAD operating account (the “**Operating Account**”); and

(b) TD Canada Trust: CAD trust account (the “**Trust Account**”).

46. As referenced above, each insurance brokerage who holds and remits insurance premiums to insurance carriers must maintain a trust account. The Trust Account is used for premiums paid by policyholders and remitted by Ignite Services to the applicable carriers and to policyholders upon a policy cancellation.

47. The Company is able to transfer commissions received in its Trust Account to its Operating Account, from which the majority of the Companies’ operating expenses are paid from, except for certain tax amounts which are remitted directly from the Trust Account.

(vii) Employees

48. As at October 18, 2023, Ignite Services employed a total of 32 employees and consultants, all of which are located in Ontario with the exception of one employee being located in Alberta. Of the 32 individuals, two are employed on a part-time basis, three are consultants, and the remaining are employed on a full-time basis.

49. None of Ignite Services’ employees are subject to a collective bargaining agreement.

50. Ignite Services sponsors a group registered retirement savings plan (the “**Group RRSP**”) issued by Sun Life Assurance Company of Canada (“**Sun Life**”).

51. As at October 18, 2023, accrued vacation payable was $94,672. As at October 30, 2023 there will be 9 days of payroll outstanding inclusive of October 27, 2023**.**

PART III – THE COMPANIES’ FINANCIAL POSITION

52. Copies of Ignite Services’ audited financial statements for the fiscal years ended March 31, 2019, 2020 and 2021 are attached as **Exhibits “B”**, **“C”** and **“D”**, respectively. Copies of Ignite Services’ externally prepared financial statements for the fiscal years ended March 31, 2022 and 2023, are attached as **Exhibits “E”** and **“F”**, respectively.

53. A copy of Ignite Services' management-prepared financial statements for the period ended September 30, 2023 is attached as **Exhibit** "**G**".

54. Ignite Services has been operating at a loss since 2018. Ignite Services suffered net losses of:

(a) over $6.1 million for the fiscal year ended March 31, 2018;

(b) over $11.2 million for the fiscal year ended March 31, 2019;

(c) over $10.3 million for the fiscal year ended March 31, 2020;

(d) over $8.8 million for the fiscal year ended March 31, 2021;

(e) over $10.1 million for the fiscal year ended March 31, 2022; and

(f) over $10.1 million for the fiscal year ended March 31, 2023.

55. From April 1, 2023, to September 30, 2023, Ignite Services suffered net losses of approximately $5.8 million, with losses continuing until the date of this affidavit.

56. While Ignite Services has experienced an increase in revenue year over year, its operating expenses have largely increased proportionately such that Ignite Services has continued to experience net losses during this time despite the year over year increase in revenue.

57. Ignite Services lacks working capital. Ignite Services went from having nearly $1.5 million in cash on March 31, 2022, to having only $28,525 in cash on March 31, 2023. The Company's cash position further deteriorated and it had only $22,103 in cash on September 30, 2023, with over $7.9 million in current liabilities (all amounts referenced herein exclusive of amounts held in trust).

58. Ignite Services' significant net losses over the years have been funded by the ultimate parent of the Companies, Primary through Primary Subsidiary (as defined below). From February 2018 to the date of this affidavit, Primary Subsidiary has funded approximately $57.7 million to Ignite Services in order for Ignite Services to maintain operations as a going concern despite the significant net losses noted above.

A. Assets

59. As appears from the Company's balance sheet as at September 30, 2023, the assets of Ignite Services had an unaudited net book value of approximately $5.8 million and consisted of the following:

Asset Type	**Value ($)**
Operating cash	22,103
Trust cash	138,593
Commission receivables	224,595
Accounts receivable	451,906
Prepaid expenses	(1,121)
Current Assets	**836,077**
Property and equipment	238,147
Intangible assets	4,723,137
Non-Current Assets	**4,961,284**
Total Assets	**5,797,361**

B. Liabilities

60. As appears from the Company's balance sheet as at September 30, 2023, the liabilities of Ignite Services had an unaudited net book value of approximately $71,547,549 and consisted of the following:

Liability Type	**Value ($)**
Premium payable	1,007,425
Account payable and accrued liabilities	2,663,389
Employee payables	4,104,293[2]
Current portion of lease liabilities	177,126
Current Liabilities	**7,952,232**
Long-term debt	7,121,359
Due to related party	57,704,470
Non-Current Liabilities	**64,825,828**
Total Liabilities	**72,778,061**

[2] This amount relates to outstanding source deductions. The amount noted by CRA is different (as described below).

PART IV – THE COMPANIES' DEBT STRUCTURE

A. Secured Obligations

(i) Aviva Loan Agreement

61. On November 15, 2021, Ignite Services, as borrower, and Aviva Insurance Company of Canada ("**Aviva**"), as lender, entered into a loan agreement (the "**Aviva Loan Agreement**"), pursuant to which Aviva made a $3 million non-revolving credit facility available to Ignite Services (the "**Aviva Facility**"). The Aviva Loan Agreement was subsequently amended on March 31, 2022, and November 16, 2022, to provide for, among other things, an increased principal amount which may be borrowed by Ignite Services from $3 million to $5.94 million. Copies of the Aviva Loan Agreement and amendments to same are collectively attached as **Exhibit "H"**.

62. The Aviva Facility bears interest at a rate of twelve percent (12%) per annum, which accrues monthly on the amounts outstanding under the Aviva Facility. No regularly scheduled repayment on account of principal or interest of the Aviva Facility is required until the facility matures on November 15, 2024.

63. Ignite Services' obligations under the Aviva Loan Agreement are guaranteed by Primary (up to the maximum amount of $4.5 million) and Ignite Insurance. Additionally, Ignite Holdings executed a limited recourse guarantee in respect of its shares, in favour of Aviva. As noted above, Primary is the ultimate parent company of the Companies. Copies of these guarantees are collectively attached as **Exhibit "I"**.

64. Ignite Services' obligations under the Aviva Loan Agreement are secured by:

(a) security agreements executed by Ignite Services and Ignite Insurance in favour of Aviva, pursuant to which each of Ignite Services and Ignite Insurance granted a first-ranking charge on all of their assets in favour of Aviva; and

(b) securities pledge agreement executed by Ignite Holdings in favour of Aviva, pursuant to which Ignite Holdings pledged all the issued and outstanding common shares in Ignite Services and Ignite Insurance to Aviva.

65. Copies of the security documents are collectively attached as **Exhibit "J"**.

66. As at the date of this affidavit, the outstanding principal amount under the Aviva Facility is $5.94 million.

67. On November 15, 2021, Ignite Services also entered into a right of first refusal agreement ("**ROFR**") with Aviva, pursuant to which Ignite Services granted Aviva with an exclusive and irrevocable right of first refusal to purchase any of its assets, group of assets, or shares. A copy of the ROFR is attached as **Exhibit "K"**.

(ii) Source Deductions

68. On February 23, 2023, the Canada Revenue Agency ("**CRA**") issued a notice to Ignite Services setting out certain discrepancies in the Company's reported deductions as compared to its remittance account with respect to tax deductions, Canada Pension Plan, and employment insurance.

69. On June 22, 2023, the CRA issued a notice of assessment for Ignite Services, pursuant to which the CRA assessed Ignite Services as having $3,721,625.53 in outstanding source deductions. The outstanding source deductions are broken down as follows:

(a) Federal Tax – $1,947,661.49;

(b) Provincial Tax (Ontario) – $662,190.09;

(c) Canada Pension Plan – $489,981.55;

(d) Employment Insurance – $53,652.86;

(e) Penalty – $315,345.64; and

(f) Interest – $252,793.90

(collectively, the "**Source Deductions**").

(iii) Employer Health Tax and Retail Sales Tax

70. Attached as **Exhibit "L"** is a summary of the searches against each of the Applicants under the *Personal Property Security Act* (the "**PPSA**") in Ontario, British Columbia, and Alberta, with currency dates of September 21, 2023.

71. As seen from the PPSA searches, in addition to Aviva and the CRA, the Minister of Finance (Ontario) has registered its security interest in Ignite Services' personal property in the amount of $54,184 in respect of outstanding liabilities for employer health tax and retail sales tax (the "**MOF Security**").

B. Unsecured Obligations

(i) Intercompany Loans

72. The majority of Ignite Services' obligations are unsecured. On February 6, 2018, Ignite Holdings and its parent company, Ignite Holdings Limited ("**Primary Subsidiary**"), entered into a loan agreement (the "**First Intercompany Loan Agreement**"), pursuant to which Primary Subsidiary provided Ignite Holdings with a credit facility whereby Ignite Holdings could make monthly drawdowns not exceeding $500,000.

73. Also on February 6, 2018, Ignite Holdings and Ignite Services entered into a loan agreement (the "**Second Intercompany Loan Agreement**", and together with the First Intercompany Loan Agreement, the "**Intercompany Loan Agreements**"), pursuant to which Ignite Holdings provided Ignite Services with a credit facility whereby Ignite Services could make monthly drawdowns not exceeding $500,000.

74. The First Intercompany Loan Agreement and the Second Intercompany Loan Agreement function as a "back-to-back" loan, whereby any and all amounts drawn by Ignite Holdings under the First Intercompany Loan Agreement are drawn by Ignite Services under the Second Intercompany Loan Agreement.

75. Interest accrues on all amounts drawn pursuant to the Intercompany Loan Agreements at a rate of the London Inter-Bank Offered Rate plus 4.01%, calculated on a daily basis. While Ignite Services is obligated to make quarterly payments of $250,0000 to Ignite Holdings under the Second Intercompany Loan Agreement, Ignite Services has not made any payments to Ignite Holdings.

76. As referenced above, Primary is the ultimate parent of the Companies and Ignite Services has suffered significant net losses year over year. In order for Ignite Services to fund its operations, it has been relying on its monthly draws under the Second Intercompany Loan Agreement, which has indirectly been funded by Primary through Primary Subsidiary and Ignite Holdings.

77. The maturity date under the Intercompany Loan Agreements is February 6, 2028. As at September 30, 2023, Ignite Services was indebted to Ignite Holdings in the amount of $57.7million under the Second Intercompany Loan Agreement (which was indebted to Primary Subsidiary, and ultimately Primary, in the same amount).

(ii) Employee Liabilities

78. As at September 30, 2023, the Company had approximately $253,788 in outstanding obligations to employees, broken down as follows:

(a) $71,931 for employee benefits;

(b) $137,150 in employee expenses; and

(c) $44,707 to the former employees working on a contract basis.

(iii) Trade Payables

79. As at September 30, 2023, the Company had approximately $2.1 million in outstanding obligations to its trade creditors, broken down as follows:

(a) $1,672,827 for IT services;

(b) $381,408 in consulting and professional fees;

(c) $56,469 for rentals; and

(d) $13,516 for other, including utilities, maintenance, etc.

PART V – THE COMPANIES' FINANCIAL DIFFICULTIES

80. As referenced above, the Companies have been operating at a loss since they began operating in 2018 and as at September 30, 2023, the Company had only $22,103 in cash, with over $7.9 million in current liabilities.

81. While the Company's financial difficulties were driven by a variety of factors, the significant net losses suffered by the Company over the years are largely due to the Company operating as a multi-carrier insurance brokerage with suboptimal rates being offered by insurance companies,

significant customer acquisition costs in the insurance brokerage industry generally, and significant capital investments in its technology. Each of these factors are described below.

82. As a result of the Company operating as a multi-carrier insurance brokerage, carriers did not offer optimal rates to the Company and drove traffic to other platforms, including their own proprietary ones (if applicable). Furthermore, due to a lack of marketing efforts and expenditures, the Company had not been able to generate sufficient customer volume to drive the volume required to receive better rates from carriers. As a result, while the Company attracted a significant number of prospective customers, the Company could not offer policies at competitive rates.

83. The Company also operates within an industry with a significant customer acquisition cost (insurance is amongst the highest across all industries) and the Company faced challenges in converting leads due to additional fixed costs required to service customers. The delivery of this customer support across multiple channels (i.e. online or live broker interaction) also increased the complexity and cost to develop the platform.

84. Further, as of August 2022, Primary, who has been funding the Company's net losses, ceased further funding to support marketing efforts. As a result, monthly traffic and revenue dropped off significantly. The 'best-in class technology' supporting the Company's digital platform was a significant capital investment and a portion of the funding provided by Primary was directed to fund the associated development costs.

85. A significant portion of the Companies' market was influenced by the COVID-19 pandemic. The pandemic impacted the marketplace with consumer behaviours changing dramatically; in particular, there were significantly fewer customers shopping for personal insurance during this time period. As a result of a smaller audience size available to be marketed to, customer acquisition costs jumped dramatically during this period.

PART VI – RESPONSE TO FINANCIAL DIFFICULTIES

A. Loan Agreements

86. As referenced above, in order for Ignite Services to maintain its operations despite suffering significant net losses year over year, it had to rely on funding from Primary under the Intercompany Loan Agreements entered into on February 6, 2018.

87. Without the intercompany funds being advanced to Ignite Services, it likely would not have been operational as early as the end of 2018.

88. Also as referenced above, on November 15, 2021, Ignite Services entered into the Aviva Loan Agreement to obtain an additional $3 million in liquidity to fund its operations. The Aviva Loan Agreement was subsequently amended on March 31, 2022, and November 16, 2022, to provide Ignite Services with the ability to borrow up to the principal amount of $5.94 million.

B. Pre-Filing Sales Process

89. From November 2018 to March 2019, Ernst & Young Orenda Corporate Finance Inc. ("**EY**") was engaged to conduct a preliminary sales process for the Company, in response to mounting financial difficulties (the "**EY Sales Process**"). EY proposed a minority investment structure, where the goal was to secure an additional $10 million of incremental capital for roughly 25% ownership in the Company.

90. EY reached out to several interested parties comprising primarily of financial investors, including venture capital and private equity funds. Primary was also involved and contributed leads to the EY Sales Process. Over the course of the EY Sales Process, 160 firms were approached, over 20 investor presentations were delivered, and 11 parties conducted "deep dive" diligence of the Company.

91. The EY Sales Process culminated with one party expressing serious interest and providing an offer for a complete acquisition of the Company. However, the value proposed was not attractive to Primary at the time, and negotiations ceased.

92. A further sales process was conducted by MNP Corporate Finance Inc. ("**MNP**"), between September 2019 to January 2020 (the "**MNP Sales Process**"). MNP was engaged by the Ignite Services to secure incremental capital investment; the proposed minority investment structure was $10 million for roughly 30% ownership of the Company.

93. MNP conducted a process comprising of 48 firms approached, over 10 investor presentations delivered, and 1 party conducting "deep dive" diligence of the Company. However, the MNP Sales Process failed to generate any interest for an investment in the Company.

94. On March 31, 2023, Primary engaged KPMG Corporate Finance Inc. ("**KPMG CF**") to conduct a sales process (the "**Sales Process**") for the sale of all or substantially all of the

Company's shares and/or assets. While the Sales Process did not formally communicate to potentially interested parties that they could submit investment proposals, the Sales Process was flexible and permitted parties to submit investment proposals, and certain parties did submit investment proposals.

95. On May 11, 2023, the Applicants and KPMG CF commenced the Sales Process and conducted a broad canvass of the market by contacting 48 strategic parties, which included brokerages with size and scale, underwriters, digital platforms looking to enhance their insurance presence, and personal-lines focused brokerages lacking a strong digital footprint.

96. KPMG CF received a number of expressions of interest during the Sales Process. Ultimately, the Sales Process culminated in the receipt of two (2) letters of intent, including from Southampton Financial Inc. ("**Southampton**").

97. As referenced above, in connection with the Aviva Loan Agreement, Ignite Services had entered into a ROFR with Aviva. KPMG CF reached out to Aviva during its initial canvassing of the market at the outset of the Sales Process. As the ROFR granted Aviva with an exclusive and irrevocable right of first refusal to purchase any of the Company's assets, group of assets, or shares, the Company and KPMG CF re-engaged with Aviva before making any final decision with respect to the sale of the Company's assets and/or shares.

98. Accordingly, after receipt of a term sheet from a potential purchaser under such Sales Process, KPMG CF and the Company gave notice to Aviva as required by the Aviva Loan Agreement regarding the exercise of Aviva's ROFR. In response, on or around August 10, 2023, Aviva appointed Southampton as its nominee under the ROFR, as permitted by the Aviva Loan Agreement.

99. After Southampton was appointed as Aviva's nominee with respect to the ROFR, it confirmed the exercise of the ROFR and the Company entered into an exclusivity arrangement with Southampton.

100. A period of extensive and intensive arm's length negotiations ensued with Southampton with respect to the structure of the transaction and specific terms. Ultimately, after extensive deliberations and consultations with their professional advisors, the Applicants concluded, further to and on the basis of their commercial and business judgment, that the transactions (the "**Transactions**") contemplated in the purchase agreement (the "**Purchase Agreement**") entered

into between Ignite Holdings and Southampton on October 26, 2023, represented the best offer available in the circumstances and that proceeding with the Transactions was in the best interest of the Applicants and their stakeholders.

101. The conduct of the Sales Process will be described in greater detail in the Applicants' materials to be filed in respect of a motion (the "**Sale Approval Motion**") to approve, among other things, the Purchase Agreement and the Transactions contemplated therein (if this Court grants the Initial Order being sought herein).

PART VII – THE PURCHASE AGREEMENT AND TRANSACTIONS

A. Overview of Purchase Agreement

102. Subject to obtaining the Initial Order being sought herein, the Applicants will return to this Court to seek approval of the Purchase Agreement, the Transactions contemplated therein, and various ancillary relief on notice to all applicable parties. A redacted copy of the Purchase Agreement will be served and filed with the Applicants' materials in support of the Sale Approval Motion.

103. A redacted copy of the Purchase Agreement (without Schedules) is attached hereto as **Exhibit "M"** and an unredacted copy of the Purchase Agreement, which includes the purchase price payable by the Purchaser and other key economic terms, will be attached as a Confidential Appendix to the Pre-Filing Report. As it contains commercially sensitive information, the Applicants will seek to seal the Confidential Appendix to the Pre-Filing Report pending closing of each of the Transactions contemplated under the Purchase Agreement

104. The essential terms of the Purchase Agreement and the Transactions contemplated therein are as follows:

Key Terms	**Share Purchase**
Purchaser	Southampton Financial Inc.
Vendor	Ignite Holdings Inc.

Monitor	KPMG Inc.
Transaction Structure	Share purchase and reverse vesting structure.
Purchased Shares	On closing, the Purchaser shall purchase from the Vendor, all of the issued and outstanding shares in the capital of Ignite Services. For avoidance of doubt, Ignite Services shall be wholly owned by the Purchaser on closing.
Purchase Price	REDACTED
Intercompany Loan	On closing, the Vendor shall contribute, as a capital contribution to a company to be formed by the Vendor ("**Residual Co.**"), Vendor's contingent right to receive payment, if any, under the contingent indebtedness in an aggregate amount of $REDACTED owing by Ignite Services to the Vendor pursuant to a promissory note to be issued by Ignite Services in favour of the Vendor (the "**Intercompany Loan**").
Deposit	7.5% of the Purchase Price
Absence of Regulatory Concerns	No insurance regulator shall have suspended or terminated, or reasonably appears likely to imminently suspend or terminate, any material license or authorization held by Ignite Services, which the parties, acting in accordance with their obligations under the purchase agreement, have not been able to avoid or have lifted, reversed or cancelled.
Outside Date for Closing	December 7, 2023 or such later date as may be determined by the parties in writing, but in no event shall such later date be later than January 31, 2024.
Employees	Ignite Services, on closing of the Transactions, may terminate no more than five employees designated, in writing, by the Purchaser.
Retained Liabilities	• All post-filing claims; • All liabilities of Ignite Services arising after closing which relate to events or circumstances that occurred after closing;

	• All tax liabilities of Ignite Services other than any tax liabilities attributable to any pre-closing tax period; • The Intercompany Loan; and • Any other liabilities being retained, to be set out in a Schedule to the Purchase Agreement.
Administrative Expenses Reserve	On the closing date, the Company shall pay the Monitor cash in an amount equal to: (a) the reasonable and documented fees and costs of the Monitor and its professional advisors and the professional advisors of Ignite Services and Residual Co., in each case, relating directly or indirectly to the CCAA Proceedings and the Purchase Agreement (collectively, the "**Administrative Expense Costs**"); and (b) the amounts owing in respect of obligations secured by the Charges to be granted in the CCAA Proceedings (collectively with the Administrative Expense Costs, the "**Administrative Expense Amount**"). From time to time after the closing date, the Monitor may pay from the Administrative Expense Amount the Administrative Expense Costs and amounts secured by the Charges, with unused amounts (if any) being transferred by the Monitor to the Vendor.
Key Conditions to Closing	• Court granting an Order approving the Purchase Agreement and the Transactions contemplated therein, which Order shall be final; • Completion of the Pre-Closing Implementation Steps (as defined and described below); • Delivery of termination letters to the to be terminated employees; • Completion of the Capitalization Steps (as defined and described below); and • Duly executed original promissory note representing the Intercompany Loan.
Capitalization Steps	On the closing date, but prior to the closing time, the following transaction steps shall be completed (the "**Capitalization Steps**"): • Purchaser to loan an amount equal the Purchase Price to the Vendor (the "**Vendor Loan**"), for the purpose of Vendor

	using the Vendor Loan to acquire common shares in the capital of Ignite Services; • Vendor to deliver an interest-free promissory note in favour of the Purchaser, in the principal amount of the Purchase Price (the "**Promissory Note**"), representing the Vendor Loan; • Vendor to use the Vendor Loan to subscribe for [●] common shares in the capital of Ignite Services for an aggregate subscription price equal to the amount of the Purchase Price (the "**Capital Contribution**"); and • Ignite Services to direct the Vendor to pay the Capital Contribution to the Monitor for the benefit of Residual Co.
Other	Upon closing, the Purchaser and its affiliates shall release the Monitor and its affiliates, and each of their respective directors and officers, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors from all actual or potential claims relating to Ignite Services' business, the purchased shares, or the retained liabilities, save and except for claims arising out of fraud or gross negligence. Upon closing, the Vendor and its affiliates shall release the Monitor and its affiliates, and each of their respective directors and officers, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors from all actual or potential claims relating to (a) the purchased shares; (b) all other equity interests of Ignite Services which remain after the application of the Vesting Order, (ii) the retained liabilities, (iii) the excluded assets or (iv) the excluded liabilities, save and except for claims arising out of fraud or gross negligence.

B. Structure of Transactions

105. As noted above, further details regarding the conduct of the Sales Process and the Purchase Agreement will be provided in the Applicants' materials in support of the Sale Approval

Motion. Immediately below is a preliminary overview as to why the Transactions, and in particular, the reverse vesting structure, is necessary in the circumstances.

106. An asset sale through the CCAA is not feasible because Southampton does not have any licenses to operate as an insurance brokerage in the provinces in which the Company operates (Ontario, British Columbia, and Alberta) and preserving the tax attributes of Ignite Services is an important consideration behind its offer to purchase the Company's business, which is not possible through an asset sale.

107. I understand that the required licenses to operate the Company's business would likely take at least eight weeks to obtain. As can be seen in the Cash Flow Forecast (as defined below), the Company does not have the necessary funding to wait for Southampton to obtain new licenses required to operate the Company's business.

108. The Company and its advisors will have contacted the relevant regulatory entities to proactively address any questions, issues, or concerns that they may have with respect to the CCAA Proceedings and the potential Transactions to be implemented.

109. In order to preserve the Company's tax attributes, the Company and Primary have agreed to undertake certain preliminary steps before implementation of the Transactions (as described below).

C. Pre-Closing Implementation Steps

110. Subject to the Court's approval of the Purchase Agreement and Transactions contemplated therein, the Company intends to take certain steps prior to the proposed Transactions being implemented, in order to preserve the tax losses in Ignite Services while eliminating the debt owed by Ignite Services to Ignite Holdings under the Second Intercompany Loan Agreement, less \$2.5 million (such net amount referred to herein as the "**Services Loan**"), which are described immediately below (the "**Tax Restructuring**").

111. Ignite Services will incorporate a new wholly-owned Canadian subsidiary ("**Subco**"). Ignite Holdings will transfer the debt owing under the Services Loan to Subco in exchange for a note (the "**Subco Note**") having a principal amount equal to the fair market value of the Services Loan.

112. Subco will then be wound up into Ignite Services, resulting in a settlement of the amounts owing under the Services Loan, and the Subco Note becoming a liability of Ignite Services as a consequence of the winding up.

113. The Subco Note will then be converted into shares of Ignite Services (or contributed to the capital of Ignite Services).

114. The terms of the remaining $2.5 million owing under the Second Intercompany Loan Agreement will be amended and represented by the Adjustable Promissory Note (as defined in the Purchase Agreement and referred to herein as the “**Intercompany Loan**”).

115. I understand that Primary, as the significant creditor of the Companies with over $57.7 million of indebtedness owed to it pursuant to the Intercompany Loan Agreements and the proposed DIP Lender (as discussed below) supports approval of the Purchase Agreement and the Transactions contemplated therein.

PART VII – NEED FOR CCAA PROTECTION

116. As referenced above, Ignite Services does not have the necessary liquidity to pay all its obligations as they become due. Accordingly, without the protection of the CCAA and the relief available thereunder, Ignite Services will be unable to meet its obligations as they become due.

117. Ignite Holdings and Ignite Insurance will also be unable to meet their obligations as they become due. Both entities guaranteed the obligations of Ignite Services under the Aviva Loan Agreement and granted security over their assets in respect of same. Ignite Holdings does not have any assets aside from amounts due to it from Ignite Services under the Second Intercompany Loan Agreement, and Ignite Insurance has nominal assets. Accordingly, given the insolvent status of Ignite Services, Aviva will be in a position to seek to recover from both entities without the protection of the CCAA.

118. If Ignite Services is insolvent without the protection of the CCAA, Ignite Services would be forced to shut down operations, which would be extremely detrimental to its landlord, lenders, customers, and employees.

119. The Applicants intend to utilize the Stay of Proceedings and the protections of the CCAA to, among other things, maintain operations, seek to have the Purchase Agreement approved, and implement the Transactions for the benefit of their stakeholders.

PART VIII – THE PROPOSED INITIAL ORDER

A. Stay of Proceedings

120. As referenced above, the Companies are out cash and unable to meet their obligations as they become due. As set out in the cash flow projection (the "**Cash Flow Forecast**") that was prepared by the Applicants and reviewed by the Proposed Monitor for the period from the date of filing to January 31, 2024, a copy of which will be provided in the Pre-Filing Report of the Proposed Monitor, with the benefit of the Stay of Proceedings, the Applicants will be able to operate until the end of the initial requested 10-day stay period.

121. As set out in the Cash Flow Forecast, the Companies expect that, with the funds to be advanced under the DIP Facility Agreement referenced below, they will have sufficient cash to fund their projected operating costs and the professional fees associated with the CCAA Proceedings until December 7, 2023, being the outside date in the Purchase Agreement**.**

122. The Companies, therefore, request the Stay of Proceedings for an initial period of ten days, and, if granted by this Court, the Companies will subsequently request an extension of the Stay Period until and including January 31, 2024, at the Sale Approval Motion.

123. In addition to the Stay of Proceedings against the Companies and their Property, the Companies are seeking a stay of proceedings against the D&Os to ensure that they are able to focus on the Companies' restructuring efforts and to prevent creditors and others from seeking to do indirectly what they cannot do directly by asserting claims or other relief relating to the debts and obligations of the Companies against the D&Os.

B. Appointment of KPMG as Monitor

124. KPMG has consented to act as the Court-appointed monitor of the Applicants, subject to Court approval. A copy of KPMG's consent to act is attached as **Exhibit "N"**.

125. I am advised by Anamika Gadia of KPMG that KPMG is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (as amended) and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA.

126. I understand that KPMG has experience in matters of this nature and is therefore well-suited to this mandate. KPMG has acted as financial advisor to the Companies leading up to the filing. Further, as noted above, KPMG CF was engaged to assist with conducting the Sales Process and is therefore familiar with the Applicants' business. KPMG has provided no accounting or auditing advice to the Companies.

127. I am advised by Ms. Gadia of KPMG that the Proposed Monitor is supportive of the relief being sought by the Applicants in the draft Initial Order, as described in this affidavit. Ms. Gadia has also advised me that the Proposed Monitor will be filing a pre-filing report of the Monitor in respect of such relief, and if appointed as Monitor, KPMG will also file a report in respect of the relief to be sought at the Sale Approval Motion.

C. Administration Charge

128. The Initial Order provides for a Court-ordered Administration Charge in favour of the Monitor, counsel to the Monitor, and the Applicants' counsel over all of the Applicants' Property in order to secure payment of their respective fees and disbursements incurred in connection with services rendered in respect of the Applicants up to a maximum amount of $750,000.

129. The Administration Charge is proposed to rank ahead of and have priority over all of the other Charges (other than in respect of any super priority amounts owing to CRA) and the Aviva Facility.

130. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during these CCAA proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

131. The Applicants have worked with the Proposed Monitor to estimate the proposed quantum of the Administration Charge. The Proposed Monitor has reviewed the quantum of the Administration Charge and has advised that it believes that the Administration Charge (including its proposed quantum) is reasonable and appropriate in the circumstances, given the services to

be provided by the beneficiaries of the Administration Charge and the complexities of the CCAA Proceedings.

132. At the Sale Approval Motion, the Applicants intend to seek super-priority ranking for the Administration Charge over all existing encumbrances.

D. DIP Facility and DIP Lender's Charge

133. As appears from the Cash Flow Forecast, the Applicants expect the need for interim financing, including during the 10-day Stay Period prior to the Sale Approval Motion, to fund these CCAA Proceedings.

134. As a result of needing financing to fund the operations of the Applicants during these CCAA Proceedings in short order, the Applicants commenced negotiations with Primary to provide debtor-in-possession financing. Based on the Applicants' debt structure with Primary being the ultimate parent and a significant creditor and having over $57.7 million in liabilities owed to it, the Applicants, in consultation with their legal and financial advisors, did not believe that any third party would be able to provide the financing urgently required on significantly better terms on the timeline required by the Applicants.

135. Accordingly, on October 26, 2023, the DIP Facility Agreement was entered into between Ignite Services, as borrower, Ignite Holdings and Ignite Insurance, as guarantors, and Primary, as the DIP Lender. A copy of the DIP Facility Agreement is attached hereto as **Exhibit** "**O**".

136. The DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties made by the Applicants to the DIP Lender. Among other things, the DIP Facility Agreement provides for the following:

(a) DIP Facility: non-revolving loan up to the maximum amount of $1.1 million.

(b) Advances: The DIP Facility shall be available by three advances, as follows:

(i) an initial advance in the amount of $350,000, as to be advanced by no later than October 31, 2023 to finance working capital requirements and professional fees and expenses for the 10-day period immediately following the date of the Initial Order, and

(ii) a subsequent advances in the amount of $400,000, to be advanced by no later than November 10, 2023, and $350,000, to be advanced by no later than November 13, 2023, representing the balance of the DIP Facility.

(c) Interest Rate: The loans made under the DIP Facility Agreement shall be interest free.

(d) Recoverable Expenses: Ignite Services shall pay all fees and expenses incurred by Primary in connection with the preparation, registration and ongoing administration of the DIP Facility Agreement, the Initial Order, the ARIO, the DIP Lender's Charge and with the enforcement of Primary's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. Recoverable expenses by Primary shall also include all reasonable fees and expenses incurred by the Primary in connection with the CCAA Proceedings including in connection with the proposed Transactions or any other transaction and all Court attendances in respect thereof. These fees and expenses shall be secured by the DIP Lender's Charge, whether or not any funds under the DIP Facility are advanced.

137. Per the DIP Facility Agreement, the DIP Facility must be repaid in full by the date that is the earliest of: (a) November 30, 2023 (or such other date as may be agreed to in writing by the DIP Lender, in its sole discretion); (b) the closing of the Transactions; and (c) the date on which the DIP Lender elects to terminate the DIP Facility as a result of an event of default under the DIP Facility Agreement.

138. The proposed Initial Order contemplates that the DIP Lender's Charge will rank subordinate to all the other Charges.

139. The DIP Lender's Charge will secure all of the credit advanced under the DIP Facility. The DIP Lender's Charge will not secure any obligations incurred prior to these CCAA Proceedings.

140. As the DIP Facility will rank subordinate to all the other Charges and the existing secured debt of the Applicants, except for the Aviva Facility, I do not expect any material prejudice to any of the other existing secured creditors of the Applicants should the Court approve the DIP Facility Agreement and grant the DIP Lender's Charge.

141. The Proposed Monitor has advised that it is supportive of the approval of the DIP Facility Agreement and the corresponding DIP Lender’s Charge. Accordingly, I believe that it is appropriate in the circumstances for this Court to approve the DIP Facility Agreement and grant the DIP Lender’s Charge

E. D&O Charge

142. In order to continue to carry on business during these CCAA Proceedings, the Applicants require the active and committed involvement of their D&Os.

143. Since the continued assistance of the D&Os is required to ensure that these CCAA Proceedings are successfully completed, these D&Os require, in turn, that the Applicants indemnify them for liabilities which they may incur in the context of their positions with the Applicants after the filing of these CCAA Proceedings, including liabilities relating to employee vacations accrued prior to these CCAA Proceedings, but which may be crystallized after the commencement of such proceedings.

144. Although the Applicants intend to comply with all applicable laws and regulations, including with respect to the timely remittance of deductions at source and federal and provincial sales taxes, the D&Os remain nevertheless concerned about their potential personal liability, particularly in the present circumstances.

145. The Applicants maintain directors and officers’ liability insurance (the “**D&O Insurance**”) for the D&Os which provides up to $1 million in coverage. It is uncertain whether all claims for which the D&Os may be personally liable will be covered by the D&O Insurance given the complex nature of the exclusions provided for under the D&O Insurance. It is also uncertain whether the amount of coverage provided by the D&O Insurance will be sufficient to adequately protect the D&Os from liability and to incentivize the D&Os to continue their service with the Applicants.

146. Absent the approval by this Court of the D&O Charge in the amounts set out above, the Applicants’ D&Os may be forced to resign, which would, in all likelihood, render these CCAA Proceeding much more challenging, and possibly much more costly, to the detriment of the Applicants’ creditors and other stakeholders.

147. The Applicants therefore seek the D&O Charge over its Property in the amount of $250,000 as part of the Initial Order to the secure the above referenced indemnity of the Applicants in favour of the D&Os in connection with any claim which may be asserted against

them from and after the commencement of these proceedings, including claims relating to employee vacation entitlements accrued prior to these CCAA Proceedings, but which may be crystalized after the commencement of such proceedings, to the extent that such claims are not covered or sufficiently by the D&O Insurance.

148. The proposed Initial Order provides that the D&O Charge ranks behind the Administration Charge and the Source Deductions, but ahead of the DIP Lender's Charge and Aviva Facility.

149. The Proposed Monitor has advised that it is supportive of the proposed D&O Charge and quantum thereof.

150. I believe that in these circumstances, the requested D&O Charge is reasonable and adequate given, notably, the complexity of their business, and the corresponding potential exposure of the Applicants' D&Os to personal liability, especially in the present context. The quantum of the D&O Charge contemplated in the Initial Order was specifically determined by the Applicants, in consultation with the Proposed Monitor, based upon the potential director liabilities that could be outstanding at any time during the CCAA Proceedings.

F. Proposed Ranking of the Court-Ordered Charges

151. The proposed ranking of the Charges is as follows:

First – Administration Charge;

Second – D&O Charge; and

Third – DIP Lender's Charge.

152. Pursuant to the proposed Initial Order, the charges on the assets and property of the Company would rank in priority to the claims of Aviva, who will receive notice of this Application. The Applicants intend to ask for an order declaring that the Administration Charge and D&O Charge would rank ahead of all encumbrances at the Sale Approval Motion (if the Initial Order is granted).

G. Sealing Request and Sale Approval Motion

153. As stated above, the Applicants are seeking to have the Confidential Appendix to the Pre-Filing Report, being a copy of the unredacted Purchase Agreement, sealed and not form part of

the public record. I believe that disclosure of the redacted information contained in the Confidential Appendix, being the purchase price payable by the Purchaser and other key economic terms, at this time poses a serious risk to the objective of maximizing value in these CCAA Proceedings, including because disclosure of the redacted pricing information may impair any efforts to remarket the Company if the Transactions do not close.

154. The Applicants are only seeking to have the Confidential Appendix sealed until (a) closing of the Transactions contemplated under the Purchase Agreement; or (b) by further Order of this Court.

155. As referenced above, Exhibit "M" to this affidavit contains a redacted copy of the Purchase Agreement. The redactions in Exhibit "M" are as minimal as reasonably possible and will be filed as part of the public record.

H. Sale Approval Motion

156. At the Sale Approval Motion, the Applicants will seek:

(a) an order (the "**Approval and Reverse Vesting Order**"), among other things:

(i) approving the Purchase Agreement and the Transactions contemplated therein, providing for a going-concern sale transaction for the Company's business, to be implemented by way of a "reverse vesting" structure; and

(ii) granting releases to certain parties who have contributed to the Applicants' restructuring; and

(b) an amended and restated Initial Order (the "**ARIO**"), among other things:

(i) extending the Stay Period to and including January 31, 2024;

(ii) authorizing the Applicants to increase the amounts which may be borrowed by the Applicants under the DIP Facility Agreement to $1.1 million and granting a corresponding increase to the DIP Lender's Charge; and

(iii) ordering that the Charges rank in priority to all other security interests, trusts, liens, charges, encumbrances, and claims of secured creditors, statutory or otherwise, in favour of any person, notwithstanding the order of perfection or attachment, on notice to those persons likely to be affected thereby.

157. Further details in support of the Approval and Reverse Vesting Order and ARIO being sought by the Applicants on the Sale Approval Motion will be filed with the Applicants' Motion Record in support of same, on notice to persons who may be affected by such orders.

158. The conduct of the Sales Process will be described in greater detail in the Applicants' materials to be filed in respect of a motion (the "**Sale Approval Motion**") to approve, among other things, the Purchase Agreement and the Transactions contemplated therein (if this Court grants the Initial Order being sought herein).

PART IX – CONCLUSION

159. For the reasons set out above, I believe that it is in the interests of the Applicants and its stakeholders that the Applicants be granted protection under the CCAA in accordance with the terms of the proposed Initial Order.

160. I swear this affidavit in support of the Companies' Application pursuant to the CCAA and for no other or improper purpose.

SWORN remotely via videoconference, by Stephen Livingstone, stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in Province of Ontario, this day of October 26, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*. DocuSigned by: Rania Hammad 3CCD226759524E3... Commissioner for Taking Affidavits, etc. RANIA HAMMAD	DocuSigned by: Steve Livingstone 421DD567E50D4AD... **STEPHEN LIVINGSTONE**

EXHIBIT "A"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

Corporate Organizational Chart

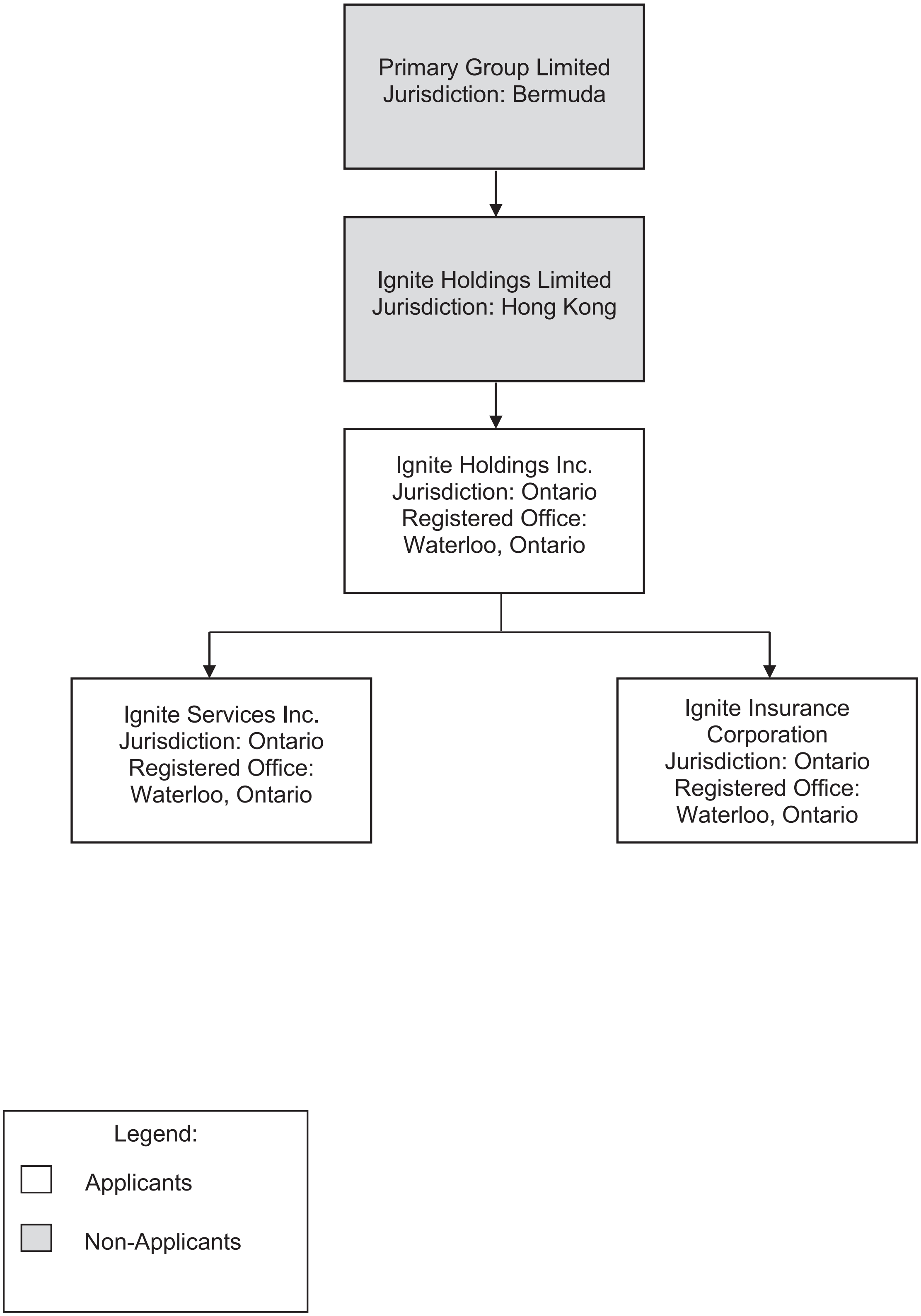

EXHIBIT "B"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:
Rania Hammad
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Commissioner for Taking Affidavits

Ignite Services Inc.

Financial Statements
March 31, 2019

Independent auditor's report

To the Shareholder of Ignite Services Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ignite Services Inc. (the Company) as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

The audited financial statements

The Company's financial statements comprise:

- the balance sheet as at March 31, 2019;
- the statement of operations and comprehensive loss for the year then ended;
- the statement of changes in shareholder's deficit for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

The summary consolidated financial statements do not contain all the disclosures required by Canadian accounting standards for private enterprises. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

pwc

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario
February 28, 2020

Ignite Services Inc.

Balance Sheet

As at March 31, 2019

	2019 $	2018 $
Assets (note 10)		
Current assets		
Cash (note 6)	218,190	170,981
Accounts receivable	1,610,279	319,674
Prepaid expenses	290,233	482,729
	2,118,702	973,384
Property and equipment (note 7)	206,724	314,860
Intangible assets (note 8)	9,104,351	8,907,073
	11,429,777	10,195,317
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	3,698,314	1,102,292
Unearned revenue	318,824	-
Current portion of long-term debt (note 10)	2,186,667	-
	6,203,805	1,102,292
Long-term liabilities		
Due to related party (note 13)	25,563,748	16,090,752
Long-term debt (note 10)	-	2,046,667
	31,767,553	19,239,711
Shareholder's Deficit		
Share capital (note 11)	10	10
Accumulated deficit	(20,337,786)	(9,044,404)
	(20,337,776)	(9,044,394)
	11,429,777	10,195,317

Commitments (note 12)

Approved by the Board of Directors

______________________ Director ______________________ Director

The accompanying notes are an integral part of these financial statements.

Ignite Services Inc.

Statement of Operations and Comprehensive Loss

For the year ended March 31, 2019

	2019 $	2018 $
Revenue (note 15)	357,631	75,578
Expenses		
Advertising and promotion	2,202,279	1,419,561
Amortization	2,112,766	703,437
Bad debt expense	10,428	-
Computer	751,656	57,702
Consulting fees	326,392	469,267
Insurance	26,236	16,000
Interest and bank charges	1,155,243	556,709
Meals and entertainment	19,451	18,738
Office	82,232	76,239
Professional fees	122,104	153,497
Public relations	20,939	-
Rent	82,300	166,711
Repairs and maintenance	363	326
Salaries and related benefits (note 13)	2,964,188	1,770,173
Security	349	549
Subscriptions, permits and licenses	935,084	568,219
Sundry	744,643	136,748
Telephone and utilities	85,327	87,835
Travel and automotive	3,879	39,923
	11,645,859	6,241,634
	(11,288,228)	(6,166,056)
Other (expense) income		
(Loss) gain on foreign exchange	(5,154)	11,973
Net loss and comprehensive loss for the year	(11,293,382)	(6,154,083)

The accompanying notes are an integral part of these financial statements.

Ignite Services Inc.

Statement of Changes in Shareholder's Deficit

For the year ended March 31, 2019

	Share capital $ (note 10)	Accumulated deficit $	Total $
Balance – April 1, 2018	10	(2,890,321)	(2,890,311)
Net loss and comprehensive loss for the year	-	(6,154,083)	(6,154,083)
Balance – March 31, 2018	10	(9,044,404)	(9,044,394)
Net loss and comprehensive loss for the year	-	(11,293,382)	(11,293,382)
Balance – March 31, 2019	10	(20,337,786)	(20,337,776)

The accompanying notes are an integral part of these financial statements.

Ignite Services Inc.

Statement of Cash Flows

For the year ended March 31, 2019

	2019 $	2018 $
Cash provided by (used in)		
Operating activities		
Net loss and comprehensive loss for the year	(11,293,382)	(6,154,083)
Items not involving cash		
Amortization of property and equipment	112,632	103,733
Amortization of intangible assets	2,000,134	599,704
Accrued interest expense	1,102,427	520,081
Change in non-cash operating items		
Accounts receivable	(1,290,605)	(319,674)
Prepaid expenses	192,496	(448,339)
Accounts payable and accrued liabilities	2,596,022	(1,513,161)
Unearned revenue	318,824	-
	(6,261,452)	(7,211,739)
Investing activities		
Purchases of property and equipment	(4,496)	(56,540)
Purchases of intangible assets	(2,197,412)	(5,446,041)
	(2,201,908)	(5,502,581)
Financing activities		
Funding received from related party	8,510,569	10,895,156
Proceeds from long-term debt	-	2,000,000
	8,510,569	12,895,156
Increase in cash during the year	47,209	180,836
Cash (bank indebtedness) – Beginning of year	170,981	(9,855)
Cash – End of year	218,190	170,981

The accompanying notes are an integral part of these financial statements.

1 Nature of business

Ignite Services Inc. (the company) was incorporated under the laws of the Province of Ontario on February 8, 2016. The company operates as an insurance broker and is located in Waterloo, Ontario. The company's parent company is Ignite Holdings Limited, incorporated in Hong Kong, and its ultimate parent is Primary Group Limited, incorporated in Bermuda. The company's registered address is located at 615 Kumpf Drive #500, Waterloo, Ontario, Canada.

2 Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IRFS).

The financial statements were approved on February 28, 2020.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the company's functional currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in note 4.

3 Summary of significant accounting policies

Going concern

The financial statements have been prepared on a going concern basis notwithstanding that the company has total liabilities in excess of total assets and shareholder's deficit of $20,337,776 as at March 31, 2019 (2018 – $9,044,394). The ultimate parent of the company has confirmed it will provide sufficient financial resources to the company to continue its operations and meet its liabilities as and when they fall due. The company is dependent on financing from its ultimate parent and in meeting its objectives to grow revenues and profitability. If it does not obtain support from its ultimate parent and does not meet its objectives, the going concern assumption may no longer be appropriate.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations.

Revenue recognition

The company earns commission revenue through placement of insurance policies with insurance companies, as well as through the administration of those policies. The company recognizes the commission revenue over time and over the individual policy coverage period.

The transaction price in a contract is known at contract inception and is allocated to the performance obligations based upon the stand-alone selling prices of the promised services. The company's contracts with customers generally have a duration of less than one year. Therefore, the transaction price allocated to the remaining performance obligations at the end of the reporting period is not disclosed, as permitted by IFRS 15.

The company does not enter into contracts in which the period between transfer of services to the customer and payment by the customer is greater than one year. Therefore, the consideration amounts are not adjusted for the time value of money.

The company recognizes any incremental costs to obtain a contract as an expense when incurred, as these costs are not material and would be amortized over a period less than one year if recognized.

Property and equipment

Property and equipment are stated at cost. Amortization is charged to operations at rates intended to write the assets off over their estimated useful lives. Amortization is provided using the following methods and annual rates:

Furniture and fixtures	Straight-line over 5 years
Leasehold improvements	Straight-line over 5 years
Computer equipment	Straight-line over 3 years

Financial instruments

Financial assets and financial liabilities are recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. The company's financial assets include cash and receivables.

Financial assets

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, financial assets are carried at amortized cost using the effective interest method, less any identified impairment losses.

Financial liabilities

The company's financial liabilities, including due to related party, accounts payable and long-term debt, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost, using the effective interest method.

Intangible assets

Intangible assets consist of internally generated software development costs and website development costs.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available to use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probably future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Finite life intangible assets are amortized on a straight-line basis over their estimated useful lives and are carried at cost less accumulated amortization. Finite life intangible assets are tested for impairment when events or circumstances indicate that the carrying value may not be recoverable. Indefinite life intangible assets are not amortized but are evaluated for impairment annually or more frequently when an event or circumstance occurs that indicates impairment.

Amortization is provided using the following methods and annual rates:

Software	Straight-line over 5 years
Website	Straight-line over 5 years

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

Leases of property and equipment where the company is not exposed to substantially all of the risks and rewards of ownership are classified as operating leases. Where substantially all of the risks and rewards have been transferred to the company the lease is classified as a finance lease. In these cases, an obligation and an asset are recognized based on the present value of the future minimum lease payments and balances are amortized over the lease term or useful life, as applicable.

Restricted cash

Restricted cash includes funds on deposit in separate accounts with respect to insurance premiums collected on behalf of third party insurance companies.

Impairment of financial assets

Financial assets include receivables that are also evaluated for impairment. These financial assets are considered impaired when there is objective evidence that indicates the company no longer has reasonable assurance that the full amount of receivables will be collected. The company then establishes specific provisions for losses and balances are subsequently measured at their net realizable amount.

Impairment of non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less expected selling costs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in income in the period in which the impairment is determined.

Accounting standards issued and applied

IFRS 15 – Revenue from contracts with customers

IFRS 15 was issued in May 2014 and is intended to replace IAS 18 "Revenue", IAS 11 "Construction Contracts" and related IFRICs. The standard was issued as a result of an ongoing project to align revenue recognition between IFRS and U.S. Generally Accepted Accounting Principles. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The standard was effective for annual periods beginning on or after January 1, 2018. In accordance with the transition provisions for IFRS 15, the company has elected to reflect the impact on a modified retrospective basis. However, due to there not being a material volume of premiums written in the prior periods, opening retained earnings has not been adjusted.

IFRS 9 – Financial instruments

IFRS 9 was issued in July 2014 and is intended to replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 is a three-part standard aimed at reducing complexity in reporting financial instruments. The project has been divided into three phases: Phase 1 Classification and measurement, Phase 2 Impairment and Phase 3 Hedge accounting. Phase 1 was issued in November 2009 and amended in October 2010. It requires financial assets to be recorded at amortized cost or fair value depending on the entity's business model for managing the assets and their associated cash flow characteristics. All financial assets are to be measured at fair value on the balance sheet if they are not measured at amortized cost. At initial recognition, an entity may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Phase 2 was completed in July 2014 and introduced a new expected loss impairment methodology that will result in more timely recognition of impairment losses. Phase 3 was completed in November 2013. This phase replaces the rule-based hedge accounting requirements in IAS 39 to more closely align the accounting with risk management activities. The standard is effective for annual periods beginning on or after January 1, 2018. Due to the nature of the company's financial instruments, this standard currently does not significantly impact the company.

Future changes in accounting policies

IFRS 16 – Leases

IFRS 16 was issued in January 2016 and is intended to replace IAS 17 "Leases", and related IFRICs. The standard provides a single lessee accounting model, requiring lessees to recognize right of use assets and related liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019. As of March 31, 2019, the remaining term on the building lease is less than 12 months. Therefore, this standard does not have a significant impact on the company in the current year.

4 Significant accounting estimates and judgments

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of intangible assets

Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The company tests in year of acquisition and annually whether intangible assets have suffered any impairment in accordance with the accounting policy stated in note 3.

Changes in facts and circumstances may result in revisions in estimates of recoverable amounts and to the conclusions as to whether an indication of impairment exists, which could affect profit or loss in future years. The recoverable amount of the intangible assets is most sensitive to the achievement of budgeted future cash flows. The budgeted cash flows include forecasts of revenue and expenditures based on current and anticipated market conditions that have been considered by management. If the aggregate future anticipated cash flows were to decrease by 25%, an approximate impairment charge of $1,000,010 would be applied to the intangible assets.

5 Financial risk management

Market risk

Foreign exchange risk

The company undertakes certain transactions denominated in foreign currencies and, hence exposures to exchange rate fluctuations arise. The company does not have any significant foreign exchange risk as foreign exchange dealing is small in volume and amount.

Interest rate risk

Interest rate risk is the risk the value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is managed by maintaining an appropriate mix of financial instruments.

For the year as at March 31, 2019 and March 31, 2018, the company’s interest rate risk relates primarily to the cash and cash equivalents balances.

Credit risk

Credit risk is the risk of financial loss due to failure of a counterparty to pay amounts in full when due.

The company is exposed to credit risk principally through its balances receivable from policyholders. The company's credit exposure to any one individual policyholder is not material. Receivables as at March 31, 2019 are substantially within 90 days of the original due date.

The following table summarizes the company's maximum exposure to credit risk related to financial instruments. The maximum credit exposure is the carrying value of the asset net of any allowances for losses:

	2019 **$**	**2018** **$**
Cash	218,190	170,981
Accounts receivable	1,610,279	319,674
	1,828,469	490,655

Liquidity risk

Liquidity risk is the risk of having insufficient cash resources to meet current financial obligations as they fall due, without raising funds at unfavourable rates or selling assets on a forced basis. Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due.

Liquidity risk management implies maintaining sufficient cash and the availability of financial support from the intermediate holding company. Financial support has been provided by the ultimate parent to enable the company to meet its liabilities as they fall due for the twelve months commencing from March 31, 2019.

Fair value estimation

Fair value measurement by level of hierarchy is not disclosed as the company has no financial instruments measured at fair value on the three-level hierarchy basis in the balance sheet. The financial instruments' carrying value is an approximation of fair value.

Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to the shareholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the return of capital to the shareholder, return on capital to the shareholder, issue new shares or sell assets to reduce debt.

6 Cash

Certain balances included in cash are funds on deposit with respect to insurance premiums collected on behalf of third party insurance companies. Therefore, they are restricted for other purposes. Current year balances under such conditions are $203,016 (2018 – $37,616).

7 Property and equipment

	Furniture and fixtures $	Leasehold improvements $	Computer equipment $	Total $
Cost				
March 31, 2017 (unaudited)	245,937	100,905	71,339	418,181
Additions	848	-	55,692	56,540
March 31, 2018	246,785	100,905	127,031	474,721
Additions	-	-	4,496	4,496
March 31, 2019	246,785	100,905	131,527	479,217
Accumulated amortization				
March 31, 2017 (unaudited)	25,571	10,091	20,466	56,128
Amortization	48,836	20,182	34,715	103,733
March 31, 2018	74,407	30,273	55,181	159,861
Amortization	49,357	20,182	43,093	112,632
March 31, 2019	123,764	50,455	98,274	272,493
Net carrying value				
March 31, 2018	172,378	70,632	71,850	314,860
March 31, 2019	123,021	50,450	33,253	206,724

8 Intangible assets

Intangible assets consist of the following:

	Website $	Computer software $	Total $
Cost			
March 31, 2017 (unaudited)	910,266	3,150,470	4,060,736
Additions	108,983	5,337,058	5,446,041
March 31, 2018	1,019,249	8,487,528	9,506,777
Additions	-	2,197,412	2,197,412
March 31, 2019	1,019,249	10,684,940	11,704,189
Accumulated amortization			
March 31, 2017 (unaudited)	-	-	-
Amortization	95,464	504,240	599,704
March 31, 2018	95,464	504,240	599,704
Amortization	203,850	1,796,284	2,000,134
March 31, 2019	299,314	2,300,524	2,599,838
Net carrying value			
March 31, 2018	923,785	7,983,288	8,907,073
March 31, 2019	719,935	8,384,416	9,104,351

9 Accounts payable and accrued liabilities

	2019 $	2018 $
Accounts payable	1,782,311	576,731
Premiums payable	1,494,346	278,983
Other accrued liabilities	421,657	246,578
	3,698,314	1,102,292

10 Long-term debt

	2019 $	2018 $
Term loan payable, interest at 7% per annum, payable in full, including principal and interest, on June 1, 2019	2,186,667	2,046,667
Less: current portion	(2,186,667)	-
Long-term debt	-	2,046,667

The term loan is collateralized by a first charge over all of the assets of the company.

Accrued interest related to the loan booked as at March 31, 2019 is $186,667 (2018 – $46,667).

Subsequent to year-end, the agreement was amended to have the maturity date extended to December 1, 2020.

11 Share capital

Authorized
Unlimited number of common shares

	2019 $	2018 $
Issued		
100 common shares	10	10

12 Operating lease commitments

Future minimum commitments under existing long-term operating lease is as follows:

	$
2020	14,291

The obligations from minimum lease payments relate to the rent obligation from the property leasing contract for its office property in Waterloo, Ontario, Canada.

Subsequent to year-end, a new lease agreement was signed, extending the rent obligation related to the property until May 2022.

13 Related party transactions

During the year, the company entered into material transactions with a related party. The balances represent funding from the immediate holding company for the company's operations. These loans due to related party as at the balance sheet date is $25,563,748 (2018 – $16,090,752), of which $1,541,465 (2018 – $579,038) is accumulated interest. The loans are unsecured with interest at LIBOR plus 4% per annum. Repayments are scheduled to commence in fiscal year 2022. A letter of support from the ultimate parent's majority shareholder has been provided, noting the ultimate parent company shall not call upon the company to repay any of the amounts due to it until it is in a financial position to do so while remaining in operational existence.

Subsequent to year-end, the company's ultimate parent has provided $4,729,042 in additional funding to continue to support the company's operations.

Key management personnel of the company includes all directors and executive and senior management. The summary of compensation of key management personnel for the year is as follows:

	2019 $	2018 $
Salaries and other short-term benefits	1,001,937	1,191,707
Post-employment benefits	71,545	89,378
	1,073,482	1,281,085

14 Income taxes

The provision for income taxes is computed by applying the combined Canadian federal and provincial statutory income tax rates to the company's income before income taxes, as shown below:

	2019 $	2018 $
Loss before income taxes	(11,293,382)	(6,154,083)
Combined statutory income tax rates	26%	26%
Income tax recovery based on statutory rate	(2,936,279)	(1,600,062)
Adjustments for		
Permanent differences	549,319	187,895
Unrecognized tax losses	2,386,960	1,412,167
Income tax expense	-	-

The company has available $17,679,383 in non-capital tax losses, which can be carried forward and used to reduce net income for tax purposes of future years and, if unused, will begin to expire in 2036. Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize these assets.

15 Revenue from contracts with customers

The company has recognized revenue-related receivables and contract liabilities in its balance sheet. Accounts receivable include $1,610,279 of receivables from contracts with customers. Unearned revenue includes $318,824 of liabilities from contracts with customers. No revenue was recognized during the year that was included in the contract liability balance at the beginning of the period, as the contract liability balance was $nil at the beginning of the period. The aggregate amount of the transaction price allocated to unsatisfied performance obligations as of the end of the year amounted to $318,824. Management expects that the full amounts of the transaction price allocated to unsatisfied performance obligations will be recognized during the next year.

EXHIBIT "C"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

IGNITE SERVICES INC.

FINANCIAL STATEMENTS

MARCH 31, 2020

THE MACPHERSON
Group of Companies

IGNITE SERVICES INC.

INDEX

Jaimie MacPherson, CPA Professional Corporation

First Canadian Place

100 King Street West, Suite 5600

Toronto, ON M5X 1C9

(416) 847-1858

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the financial statements of Ignite Services Inc. (the "Company") which comprise the statement of financial position as at March 31, 2020, and the statement of operations and comprehensive loss, statement of changes in shareholder's deficit, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ignite Services Inc. as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

I conducted our audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Toronto, Ontario
September 28, 2021

Jaimie MacPherson, CPA Professional Corporation
Chartered Professional Accountant, Licensed Public Accountant

Ignite Services Inc.
Statement of Financial Position
As at March 31, 2020

	Note	2020	2019
Assets		$	$
Current assets			
Cash	6	276,995	218,190
Commission receivables	7	403,292	334,513
Account receivables		1,408,457	1,275,766
Prepaid expenses		181,328	290,233
		2,270,072	2,118,702
Fixed assets			
Property and equipment	8	361,743	206,724
Intangible assets	9	8,041,387	9,104,351
		8,403,130	9,311,075
Total assets		10,673,202	11,429,777
Liabilities			
Current liabilities			
Premium payables		1,796,484	1,494,346
Account payables and accrued liabilities	10	2,540,028	2,203,968
Unearned revenue		425,048	318,824
Current portion of long-term debt	11	520,828	2,186,667
Current portion of lease liabilities	12	117,420	-
		5,399,808	6,203,805
Long-term liabilities			
Long-term debt	11	1,558,734	-
Lease liabilities	12	164,952	-
Due to related party	13	34,259,352	25,563,748
		41,382,846	31,767,553
Shareholder's Deficit			
Share capital		10	10
Accumulated deficit		(30,709,654)	(20,337,786)
		(30,709,644)	(20,337,776)
Total liabilities and shareholder's deficit		10,673,202	11,429,777

Approved by the Board of Directors

______________________ Director ______________________ Director

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.
Statement of Operations and Comprehensive Loss
For the year ended March 31, 2020

	2020	2019
	$	$
Revenue		
Commission Revenue	714,235	268,925
Other Revenue	105,708	88,706
	819,943	**357,631**
Operating expenses		
Commission expense	236,183	347,421
Compensation expense	3,377,404	2,964,188
Information technology expense	1,110,885	751,656
Marketing & advertising expense	1,047,789	2,223,218
Rent	13,646	82,300
Repairs and maintenance	-	363
Legal and professional fees	302,437	448,496
Telephone and utilities	92,393	111,563
Interest and bank charges	1,665,789	1,155,243
Interest on lease liabilities	32,651	-
Subscriptions, permits and licenses	857,859	935,084
Administrative expense	761,496	503,133
Amortization	1,650,090	2,112,766
Bad debts	32,108	10,428
Total operating expenses	11,180,730	11,645,859
Net loss	(10,360,787)	(11,288,228)
Other expense		
Loss on foreign exchange	(11,081)	(5,154)
Net loss and comprehensive loss for the year	(10,371,868)	(11,293,382)

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.
Statement of Changes in Shareholder's Deficit
For the year ended March 31, 2020

	Common shares	Share capital	Accumulated deficit	Total
	#	$	$	$
Balance - April 1, 2018	100	10	(9,044,404)	(9,044,394)
Net loss and comprehensive loss for the year	-	-	(11,293,382)	(11,293,382)
Balance - March 31, 2019	100	10	(20,337,786)	(20,337,776)
Net loss and comprehensive loss for the year	-	-	(10,371,868)	(10,371,868)
Balance - March 31, 2020	100	10	(30,709,654)	(30,709,644)

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.
Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used in)	$	$
Operating activities		
Net loss and comprehensive loss for the year	(10,371,868)	(11,293,382)
Items not involving cash		
Amortization of property and equipment	200,158	112,632
Amortization of intangible assets	1,449,932	2,000,134
Accrued interest expense	1,398,061	1,102,427
Change in non-cash operating items		
Account receivables	(132,691)	(956,092)
Commission receivables	(68,779)	(334,513)
Prepaid expenses	108,905	192,496
Account payables and accrued liabilities	336,060	1,215,363
Premium payables	302,138	1,380,659
Unearned revenue	106,224	318,824
	(6,671,860)	(6,261,452)
Investing activities		
Purchase of property and equipment	(3,705)	(4,496)
Purchase of intangible assets	(386,968)	(2,197,412)
	(390,673)	(2,201,908)
Financing activities		
Payment of lease liabilities	(69,100)	-
Funding received from related party	7,297,543	8,510,569
Proceeds from long-term debt	(107,105)	-
	7,121,338	8,510,569
Increase in cash during the year	58,805	47,209
Cash - Beginning of the year	218,190	170,981
Cash - End of the year	276,995	218,190

The accompanying notes are an integral part of the financial statements.

1 Nature of business

Ignite Services Inc. (the "company") was incorporated under the laws of the Province of Ontario on February 8, 2016. The company operates as an insurance broker and is located in Waterloo, Ontario. The company's parent company is Ignite Holdings Limited, incorporated in Hong Kong, and its ultimate parent is Primary Group Holdings 1 Limited, incorporated in Bermuda. The company's registered address is located at 615 Kumpf Drive no. 500, Waterloo, Ontario, Canada.

2 Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements were authorized for issue by the Board of Directors on September 28, 2021.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the company's functional currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in note 4.

3 Going concern

The financial statements have been prepared on a going concern basis notwithstanding that the company has total liabilities in excess of total assets and shareholder's deficit of $30,709,644 as at March 31, 2020 (2019 - $20,337,776). The ultimate parent of the company has confirmed it will provide sufficient financial resources to the company to continue its operations and meet its liabilities as and when they fall due. The company is dependent on financing from its ultimate parent and in meeting its objectives to grow revenues and profitability. If it does not obtain support from its ultimate parent and does not meet its objectives, the going concern assumption may no longer be appropriate.

4 Summary of significant accounting policies

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations.

Revenue recognition

The company earns commission revenue through placement of insurance policies with insurance companies, as well as through the administration of those policies. The company recognizes the commission revenue over time and over the individual policy coverage period.

The transaction price in a contract is known at contract inception and is allocated to the performance obligations based upon the stand-alone selling prices of the promised services. The company's contracts with customers generally have a duration of less than one year. Therefore, the transaction price allocated to the remaining performance obligations at the end of the reporting period is not disclosed, as permitted by IFRS 15.

The company does not enter into contracts in which the period between transfer of services to the customer and payment by the customer is greater than one year. Therefore, the consideration amounts are not adjusted for the time value of money.

The company recognizes any incremental costs to obtain a contract as an expense when incurred, as these costs are not material and would be amortized over a period less than one year if recognized.

Property and equipment

Property and equipment are stated at cost. Depreciation is charged to operations at rates intended to write the assets off over their estimated useful lives. Depreciation is provided using the following methods and annual rates:

Furniture and fixtures	Straight-line over 5 years
Leasehold improvements	Straight-line over 5 years
Computer equipment	Straight-line over 3 years

4 Summary of significant accounting policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently measures at either fair value or amortized cost based on their classification under IFRS 9 as described below.

Fair value through profit or loss ("FVTPL")

Financial assets and financial liabilities that the company purchases or incurs, respectively, with the intention of generating earnings in the near term are classified as FVTPL. Such assets and liabilities are carried on the statements of financial position at fair value, with any subsequent changes to fair value recognized through the statements of operations. Transaction costs are recognized in the statements of operations as incurred.

Amortized cost

Financial assets held to collect contractual cash flows (in the form of payment of principal and interest earned on the principal outstanding) are carried at amortized cost. The assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest rate method. The company's financial assets include cash and receivables.

Financial assets

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, financial assets are carried at amortized cost using the effective interest method, less any identified impairment losses.

Financial liabilities

The company's financial liabilities, including due to related party, accounts payable and long-term debt, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost, using the effective interest method.

Intangible assets

Intangible assets consist of internally generated software development costs and website development costs.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available to use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;

4 Summary of significant accounting policies (Continued)

- it can be demonstrated how the software product will generate probably future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Finite life intangible assets are amortized on a straight-line basis over their estimated useful lives and are carried at cost less accumulated amortization. Finite life intangible assets are tested for impairment when events or circumstances indicate that the carrying value may not be recoverable. Indefinite life intangible assets are not amortized but are evaluated for impairment annually or more frequently when an event or circumstance occurs that indicates impairment.

Amortization is provided using the following methods and annual rates:

Software	Straight-line over 7 - 10 years
Website	Straight-line over 5 years

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

Leases of property and equipment where the company is not exposed to substantially all of the risks and rewards of ownership are classified as operating leases. Where substantially all of the risks and rewards have been transferred to the company, the lease is classified as a finance lease. In these cases, an obligation and an asset are recognized based on the present value of the future minimum lease payments and balances are amortized over the lease term or useful life, as applicable.

Restricted cash

Restricted cash includes funds on deposit in separate accounts with respect to insurance premiums collected on behalf of third party insurance companies.

Impairment of financial assets

Financial assets include receivables that are also evaluated for impairment. These financial assets are considered impaired when there is objective evidence that indicates the company no longer has reasonable assurance that the full amount of receivables will be collected. The company then establishes specific provisions for losses and balances are subsequently measured at their net realizable amount.

Impairment of non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

4 Summary of significant accounting policies (Continued)

The recoverable amount of an asset is the greater of its value in use and its fair value less expected selling costs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in income in the period in which the impairment is determined.

Accounting standards issued and applied

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and is intended to replace IAS 17 "Leases", and related IFRICs. The standard provides a single lessee accounting model, requiring lessees to recognize right of use assets and related liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The standard is effective for annual periods beginning on or after January 1, 2019. After adoption of IFRS 16, Leases, the company applies a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The company recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

Future changes in accounting policies

Amendments to IAS 1 and IAS 8 – Definition of Material

The amendments to IAS 1 and IAS 8 provided a definition and clarifies the concept of materiality. The new definition states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting."

Then amendment clarifies that an entity assesses materiality in the context of the financial statements as a whole. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The standard is effective for annual periods beginning on or after 1 January 2020. The adoption did not have a significant impact on the preparation of the financial statements.

Amendments to IAS 1 - Presentations of financial statements' - Classification of liabilities as current or non-current

Amendments to IAS 1, in classification of liabilities as current or non-current was issued in January 2020 with an effective date of annual reporting periods beginning on or after January 1, 2023. It clarify that the "classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability."

Early application of the January 2020 amendments is permitted.

4 Summary of significant accounting policies (Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of intangible assets

Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The company tests in year of acquisition and annually whether intangible assets have suffered any impairment in accordance with the accounting policy stated in note 4.

Changes in facts and circumstances may result in revisions in estimates of recoverable amounts and to the conclusions as to whether an indication of impairment exists, which could affect profit or loss in future years. The recoverable amount of the intangible assets is most sensitive to the achievement of budgeted future cash flows. The budgeted cash flows include forecasts of revenue and expenditures based on current and anticipated market conditions that have been considered by management. If the aggregate future anticipated cash flows were to decrease by 10%, an approximate impairment charge of $729,000 would be applied to the intangible assets.

Change in estimate

During the year, the company conducted an operational review of its software, which resulted in changes in the expected usage of certain items of intangible assets. Certain software, which management has intended to use for five years is now expected to use up to 10 years from the date of purchase. As a result, the expected useful lives of these assets increased and their estimated residual values decreased.
The effect of these changes on actual and expected amortization expense, included in 'operating expense', in current and future years respectively is as follows:

	2020 $	2021 $	2022 $	2023 $	Later $
(Decrease) increase in amortization expense	(1,045,637)	(1,045,637)	(1,045,637)	(373,737)	3,510,648

5 Financial risk management

Market risk

Foreign exchange risk

The company undertakes certain transactions denominated in foreign currencies and, hence exposures to exchange rate fluctuations arise. The company does not have any significant foreign exchange risk as foreign exchange dealing is small in volume and amount.

Interest rate risk

Interest rate risk is the risk the value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is managed by maintaining an appropriate mix of financial instruments.

For the year as at March 31, 2020 and March 31, 2019, the company's interest rate risk relates primarily to the cash and cash equivalents balances.

Credit risk

Credit risk is the risk of financial loss due to failure of a counterparty to pay amounts in full when due. The company is exposed to credit risk principally through its balances receivable from policyholders. The company's credit exposure to any one individual policyholder is not material. Receivables as at March 31, 2020 are substantially within 90 days of the original due date.

The following table summarizes the company's maximum exposure to credit risk related to financial instruments. The maximum credit exposure is the carrying value of the asset net of any allowances for losses:

	2020	2019
	$	$
Cash	276,995	218,190
Commission receivables	403,292	334,513
Account receivables	1,408,457	1,275,766
	2,088,744	**1,828,469**

5 Financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk of having insufficient cash resources to meet current financial obligations as they fall due, without raising funds at unfavourable rates or selling assets on a forced basis. Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due.

Liquidity risk management implies maintaining sufficient cash and the availability of financial support from the intermediate holding company. Financial support has been provided by the ultimate parent to enable the company to meet its liabilities as they fall due for the twelve months commencing from March 31, 2020.

Fair value estimation

Fair value measurement by level of hierarchy is not disclosed as the company has no financial instruments measured at fair value on the three-level hierarchy basis in the balance sheet. The financial instruments' carrying value is an approximation of fair value.

Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to the shareholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the return of capital to the shareholder, return on capital to the shareholder, issue new shares or sell assets to reduce debt.

6 Cash

Certain balances included in cash as at balance sheet date of $276,995 (2019 - $218,190) are funds on deposit with respect to insurance premiums collected on behalf of third-party insurance companies. Therefore, they are restricted for other purposes. Current year balances under such conditions are $258,402 (2019 - $203,016).

7 Commission receivables

	2020	2019
	$	$
Commission Receivable	450,847	335,436
Other Receivable	957	(923)
Provision for Bad Debts	(48,512)	-
	403,292	334,513

8 Property and equipment

	Furniture and fixtures	Leasehold improvements	Computer equipment	Right-of-use asset	Total
Cost	$	$	$	$	$
Balance as at April 1, 2018	246,785	100,905	127,031	-	474,721
Additions	-	-	4,496	-	4,496
Balance as at March 31, 2019	246,785	100,905	131,527	-	479,217
Recognition of right-of-use on initial application of IFRS 16	-	-	-	351,472	351,472
Additions	-	-	3,705	-	3,705
Balance as at March 31, 2020	246,785	100,905	135,232	351,472	834,394
Accumulated depreciation					
Balance as at April 1, 2018	74,407	30,273	55,181	-	159,861
Additions	49,357	20,182	43,093	-	112,632
Balance as at March 31, 2019	123,764	50,455	98,274	-	272,493
Recognition of right-of-use on initial application of IFRS 16	-	-	-	97,631	97,631
Additions	49,357	20,181	32,989	-	102,527
Balance as at March 31, 2020	173,121	70,636	131,263	97,631	472,651
Net carrying value					
Balance as at March 31, 2019	123,021	50,450	33,253	-	206,724
Balance as at March 31, 2020	73,664	30,269	3,969	253,841	361,743

9 Intangible assets

	Website	Computer software	Total
Cost	$	$	$
Balance as at April 1, 2018	1,019,249	8,487,528	9,506,777
Additions	-	2,197,412	2,197,412
Balance as at March 31, 2019	1,019,249	10,684,940	11,704,189
Additions	-	386,968	386,968
Balance as at March 31, 2020	1,019,249	11,071,908	12,091,157
Accumulated depreciation			
Balance as at April 1, 2018	95,464	504,240	599,704
Additions	203,850	1,796,284	2,000,134
Balance as at March 31, 2019	299,314	2,300,524	2,599,838
Additions	203,850	1,246,082	1,449,932
Balance as at March 31, 2020	503,164	3,546,606	4,049,770
Net carrying value			
Balance as at March 31, 2019	719,935	8,384,416	9,104,351
Balance as at March 31, 2020	516,085	7,525,302	8,041,387

10 Account payables and accrued liabilities

	2020	2019
	$	$
Accounts payable	2,142,152	1,805,318
Other accrued liabilities	-	67,346
Personnel-related Items	397,876	331,304
	2,540,028	2,203,968

11 Current portion of long-term debt

	2020	2019
	$	$
Term loan payable, interest at 12% per annum, maturity date of December 1, 2020	2,079,562	2,186,667
Less: current portion	(520,828)	(2,186,667)
Long-term debt	1,558,734	-

The term loan is collateralized by a first charge over all of the assets of the company and is guaranteed by Primary Group Limited.

Accrued interest related to the loan booked as at March 31, 2020 is $79,562 (2019 - $186,667).

Subsequent to year-end, the agreement was amended to have the maturity date extended to August 19, 2021 and again to October 29, 2021.

12 Lease liabilities

During the year ended March 31, 2020, the company entered into a new head office lease for three years with an option to extend the original term of the lease for a further period of three (3) years.
A right-of-use asset related to leased properties that do not meet the definition of investment property are presented as property and equipment (see note 8).

The following is a reconciliation of the changes in the lease liabilities

	2020
	$
Lease liabilities at the beginning	-
Additions on adoption of IFRS 16	351,472
Accrued interest on lease liabilities	32,651
Lease payments during the period	(101,751)
Lease liabilities at the end	282,372

	2020
	$
Current	117,420
Non-Current	164,952
	282,372

13 Related party transactions

During the year, the company entered into material transactions with a related party. The balances represent funding from the immediate holding company for the company's operations. These loans due to related party as at the balance sheet date is $34,259,352 (2019 - $25,563,748), of which $2,939,527 (2019 - $1,554,763) is accumulated interest. The loans are unsecured with interest at LIBOR plus 4% per annum. Repayments are scheduled to commence in fiscal year 2022. A letter of support from the ultimate trading parent has been provided, noting the ultimate trading parent shall not call upon the company to repay any of the amounts due to it until it is in a financial position to do so while remaining in operational existence.

Subsequent to year-end, the company's ultimate parent has provided $9,158,512 in additional funding to continue to support the company's operations.

Key management personnel of the company includes all directors and executive and senior management. The summary of compensation of key management personnel for the year is as follows:

	2020	2019
	$	$
Salaries and other short-term benefits	796,156	1,001,937
Post-employments benefits	94,177	71,545
	890,333	1,073,482

14 Income taxes

The provision for income taxes is computed by applying the combined Canadian federal and provincial statutory income tax rates to the company's income before income taxes, as shown below:

	2020	2019
	$	$
Loss before income taxes	(10,371,868)	(11,293,382)
Combined statutory income tax rates	26%	26%
Income tax recovery based on statutory rate	(2,696,686)	(2,936,279)
Adjustments for		
Permanent differences	429,023	549,319
Unrecognized tax losses	2,267,663	2,386,960
Income tax expenses	-	-

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize these assets.

15 Subsequent event and contingency

During the year, the outbreak of the novel corona virus ('COVID'-19') has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, has caused disruption to certain businesses globally; as a result there is uncertainty around its duration and future business conditions. If the outbreak continues, it could cause disruption to the company's service capabilities resulting in a negative impact on revenue, liquidity and capital resources, which could be material.

The company paid $94,177 as severance to a former member of the executive management team in accordance with the company's payroll practices stipulated in the contract of employment.

EXHIBIT "D"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

IGNITE SERVICES INC.

FINANCIAL STATEMENTS

MARCH 31, 2021

THE MACPHERSON
Group of Companies

IGNITE SERVICES INC.

INDEX

Jaimie MacPherson, CPA Professional Corporation
First Canadian Place
100 King Street West, Suite 5600
Toronto, ON M5X 1C9

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the financial statements of Ignite Services Inc. (the "Company") which comprise the statement of financial position as at March 31, 2021, and the statement of operations and comprehensive loss, statement of changes in shareholder's equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ignite Services Inc. as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw your attention to Note 3 of the financial statements, which describes that the Company has suffered recurring losses from operations, has a net capital deficiency, and is dependent on financing from its ultimate parent. These conditions along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect to that matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

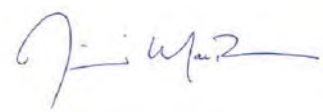
Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Toronto, Ontario
June 30, 2022

Jaimie MacPherson, CPA Professional Corporation
Chartered Professional Accountant, Licensed Public Accountant

Ignite Services Inc.
Statement of Financial Position
As at March 31, 2021

	Note	2021	2020
Assets		$	$
Current assets			
Cash	6	434,181	276,995
Commission receivables	7	310,453	403,292
Account receivables		1,812,379	1,408,457
Prepaid expenses		148,782	181,328
		2,705,795	2,270,072
Fixed assets			
Property and equipment	8	176,337	361,743
Intangible assets	9	6,921,939	8,041,387
		7,098,276	8,403,130
Total assets		9,804,071	10,673,202
Liabilities			
Current liabilities			
Premium payables		2,052,248	1,796,484
Account payables and accrued liabilities	10	3,069,368	2,540,028
Unearned revenue		620,659	425,048
Current portion of long-term debt	11	1,309,979	520,828
Current portion of lease liabilities	12	139,801	117,420
		7,192,055	5,399,808
Long-term liabilities			
Long-term debt	11	-	1,558,734
Lease liabilities	12	25,151	164,952
Due to related party	13	42,121,460	34,259,352
		49,338,666	41,382,846
Shareholder's Deficit			
Share capital		10	10
Accumulated deficit		(39,534,605)	(30,709,654)
		(39,534,595)	(30,709,644)
Total liabilities and shareholder's deficit		9,804,071	10,673,202

Approved by the Board of Directors

_______________________ Director _______________________Director

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.

Statement of Operations and Comprehensive Loss

For the year ended March 31, 2021

	2021	2020
	$	$
Revenue		
Commission Revenue	1,034,044	714,235
Other Revenue	92,394	105,708
	1,126,438	**819,943**
Operating expenses		
Commission expense	29,829	236,183
Compensation expense	3,214,698	3,377,404
Information technology expense	216,130	1,110,885
Marketing & advertising expense	1,161,817	1,047,789
Rent	-	13,646
Legal and professional fees	225,618	302,437
Telephone and utilities	63,312	92,393
Interest and bank charges	1,841,366	1,665,789
Interest on lease liabilities	27,645	32,651
Subscriptions, permits and licenses	867,840	857,859
Administrative expense	610,575	761,496
Amortization	1,696,561	1,650,090
Bad debts	6,892	32,108
Total operating expenses	9,962,283	11,180,730
Net loss	(8,835,845)	(10,360,787)
Other expense		
Gain/(loss) on foreign exchange	10,894	(11,081)
Net loss and comprehensive loss for the year	(8,824,951)	(10,371,868)

tatement of Changes in Shareholder's Deficit

For the year ended March 31, 2021

	Common shares	Share capital	Accumulated deficit	Total
	#	$	$	$
alance - April 1, 2019	100	10	(20,337,786)	(20,337,776)
et loss and comprehensive loss for the year	-	-	(10,371,868)	(10,371,868)
alance - March 31, 2020	100	10	(30,709,654)	(30,709,644)
et loss and comprehensive loss for the year	-	-	(8,824,951)	(8,824,951)
alance - March 31, 2021	100	10	(39,534,605)	(39,534,595)

The accompanying notes are an integral part of the financial statements

Ignite Services Inc.
Statement of Cash Flows
For the year ended March 31, 2021

Cash provided by (used in)	2021 $	2020 $
Operating activities		
Net loss and comprehensive loss for the year	(8,824,951)	(10,371,868)
Items not involving cash		
Amortization of property and equipment	191,440	200,158
Amortization of intangible assets	1,505,121	1,449,932
Accrued interest expense	1,564,040	1,398,061
Change in non-cash operating items		
Account receivables	(403,922)	(132,691)
Commission receivables	92,839	(68,779)
Prepaid expenses	32,546	108,905
Account payables and accrued liabilities	529,340	336,060
Premium payables	255,764	302,138
Unearned revenue	195,611	106,224
	(4,862,172)	(6,671,860)
Investing activities		
Purchase of property and equipment	(6,034)	(3,705)
Purchase of intangible assets	(385,673)	(386,968)
	(391,707)	(390,673)
Financing activities		
Payment of lease liabilities	(117,420)	(69,100)
Funding received from related party	6,298,068	7,297,543
Proceeds from long-term debt	(769,583)	(107,105)
	5,411,065	7,121,338
Increase in cash during the year	157,186	58,805
Cash - Beginning of the year	276,995	218,190
Cash - End of the year	434,181	276,995

1. Nature of business

Ignite Services Inc. (the "company") was incorporated under the laws of the Province of Ontario on February 8, 2016. The company operates as an insurance broker and is located in Waterloo, Ontario. The company's parent company is Ignite Holdings Limited, incorporated in Hong Kong, and its ultimate parent is Primary Group Holdings 1 Limited, incorporated in Bermuda. The company's registered address is located at 283-291 Northfield Road Unit #4, Waterloo, Ontario, Canada.

2. Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements were authorized for issue by the Board of Directors on June 30, 2022.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the company's functional currency.

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in note 4.

3. Going concern

The financial statements have been prepared on a going concern basis notwithstanding that the company has total liabilities in excess of total assets and shareholder's deficit of $39,534,595 as at March 31, 2021 (2020 - $30,70,644). The ultimate parent of the company has confirmed it will provide sufficient financial resources to the company to continue its operations and meet its liabilities as and when they fall due. The company is dependent on financing from its ultimate parent and in meeting its objectives to grow revenues and profitability. If it does not obtain support from its ultimate parent and does not meet its objectives, the going concern assumption may no longer be appropriate.

4. Summary of significant accounting policies

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations.

Revenue recognition

The company earns commission revenue through placement of insurance policies with insurance companies, as well as through the administration of those policies. The company recognizes the commission revenue over time and over the individual policy coverage period.

The transaction price in a contract is known at contract inception and is allocated to the performance obligations based upon the stand-alone selling prices of the promised services. The company's contracts with customers generally have a duration of less than one year. Therefore, the transaction price allocated to the remaining performance obligations at the end of the reporting period is not disclosed, as permitted by IFRS 15.

The company does not enter into contracts in which the period between transfer of services to the customer and payment by the customer is greater than one year. Therefore, the consideration amounts are not adjusted for the time value of money. The company recognizes any incremental costs to obtain a contract as an expense when incurred, as these costs are not material and would be amortized over a period less than one year if recognized.

Property and equipment

Property and equipment are stated at cost. Depreciation is charged to operations at rates intended to write the assets off over their estimated useful lives. Depreciation is provided using the following methods and annual rates:

Furniture and fixtures	Straight-line over 5 years
Leasehold improvements	Straight-line over 5 years
Computer equipment	Straight-line over 3 years

4. Summary of significant accounting policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently measures at either fair value or amortized cost based on their classification under IFRS 9 as described below.

Fair value through profit or loss ("FVTPL")

Financial assets and financial liabilities that the Company purchases or incurs, respectively, with the intention of generating earnings in the near term are classified as FVTPL. Such assets and liabilities are carried on the statements of financial position at fair value, with any subsequent changes to fair value recognized through the statements of operations. Transaction costs are recognized in the statements of operations as incurred.

Amortized cost

Financial assets held to collect contractual cash flows (in the form of payment of principal and interest earned on the principal outstanding) are carried at amortized cost. The assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest rate method.
The company's financial assets include cash and receivables.

Financial assets

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, financial assets are carried at amortized cost using the effective interest method, less any identified impairment losses.

Financial liabilities

The company's financial liabilities, including due to related party, accounts payable and long-term debt, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost, using the effective interest method.

4. Summary of significant accounting policies (Continued)

Intangible assets

Intangible assets consist of internally generated software development costs and website development costs.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available to use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probably future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Finite life intangible assets are amortized on a straight-line basis over their estimated useful lives and are carried at cost less accumulated amortization. Finite life intangible assets are tested for impairment when events or circumstances indicate that the carrying value may not be recoverable. Indefinite life intangible assets are not amortized but are evaluated for impairment annually or more frequently when an event or circumstance occurs that indicates impairment.

Amortization is provided using the following methods and annual rates:

Software	Straight-line over 7 - 10 years
Website	Straight-line over 5 years

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

Leases of property and equipment where the company is not exposed to substantially all of the risks and rewards of ownership are classified as operating leases. Where substantially all of the risks and rewards have been transferred to the company, the lease is classified as a finance lease. In these cases, an obligation and an asset are recognized based on the present value of the future minimum lease payments and balances are amortized over the lease term or useful life, as applicable.

4. Summary of significant accounting policies (Continued)

Restricted cash

Restricted cash includes funds on deposit in separate accounts with respect to insurance premiums collected on behalf of third party insurance companies.

Impairment of financial assets

Financial assets include receivables that are also evaluated for impairment. These financial assets are considered impaired when there is objective evidence that indicates the company no longer has reasonable assurance that the full amount of receivables will be collected. The company then establishes specific provisions for losses and balances are subsequently measured at their net realizable amount.

Impairment of non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less expected selling costs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in income in the period in which the impairment is determined.

Accounting standards issued and applied

Amendments to IAS 1 and IAS 8 – Definition of Material

The amendments to IAS 1 and IAS 8 provided a definition and clarifies the concept of materiality. The new definition states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting."

Then amendment clarifies that an entity assesses materiality in the context of the financial statements as a whole. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The amendment to the standard is effective for annual periods beginning on or after 1 January 2020. The adoption did not have a significant impact on the preparation of the financial statements.

4. Summary of significant accounting policies (Continued)

Future changes in accounting policies

IFRS 17 - Insurance contracts

IFRS 17 was issued in May 2017 to replace IFRS 4. The standard was issued to fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts.

The standard is effective annual periods beginning on or after 1 January 2021, with earlier application permitted if IFRS 15 and IFRS 19 are also applied. The standard should be applied retrospectively unless impracticable. The adoption of this standard has no impact on the preparation of the financial statements.

Amendments to IAS 1 - Presentations of financial statements' - Classification of liabilities as current or non-current

Amendments to IAS 1, in classification of liabilities as current or non-current was issued in January 2020 with an effective date of annual reporting periods beginning on or after January 1, 2023. It clarifies that the "classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability".

Early application of the January 2020 amendments is permitted.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of intangible assets

Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The company tests in year of acquisition and annually whether intangible assets have suffered any impairment in accordance with the accounting policy stated in note 4.

Changes in facts and circumstances may result in revisions in estimates of recoverable amounts and to the conclusions as to whether an indication of impairment exists, which could affect profit or loss in future years. The recoverable amount of the intangible assets is most sensitive to the achievement of budgeted future cash flows. The budgeted cash flows include forecasts of revenue and expenditures based on current and anticipated market conditions that have been considered by management. If the aggregate future anticipated cash flows were to decrease by 10%, an approximate impairment charge of $729,000 would be applied to the intangible assets.

5. Financial risk management

Market risk

Foreign exchange risk

The company undertakes certain transactions denominated in foreign currencies and, hence exposures to exchange rate fluctuations arise. The company does not have any significant foreign exchange risk as foreign exchange dealing is small in volume and amount.

Interest rate risk

Interest rate risk is the risk the value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is managed by maintaining an appropriate mix of financial instruments.

For the year as at March 31, 2021 and March 31, 2020, the company's interest rate risk relates primarily to the cash and cash equivalents balances.

Credit risk

Credit risk is the risk of financial loss due to failure of a counterparty to pay amounts in full when due. The company is exposed to credit risk principally through its balances receivable from policyholders. The company's credit exposure to any one individual policyholder is not material. Receivables as at March 31, 2021 are substantially within 90 days of the original due date.

The following table summarizes the company's maximum exposure to credit risk related to financial instruments. The maximum credit exposure is the carrying value of the asset net of any allowances for losses:

		2021		2020
Cash	**$**	**434,181**	$	276,995
Commission receivables		**310,453**		403,292
Account receivables		**1,812,379**		1,408,457
	$	**2,557,013**	$	2,088,744

Liquidity risk

Liquidity risk is the risk of having insufficient cash resources to meet current financial obligations as they fall due, without raising funds at unfavorable rates or selling assets on a forced basis. Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due.

Liquidity risk management implies maintaining sufficient cash and the availability of financial support from the intermediate holding company. Financial support has been provided by the ultimate parent to enable the company to meet its liabilities as they fall due for the twelve months commencing from March 31, 2021.

5. Financial risk management (Continued)

Fair value estimation

Fair value measurement by level of hierarchy is not disclosed as the company has no financial instruments measured at fair value on the three-level hierarchy basis in the balance sheet. The financial instruments' carrying value is an approximation of fair value.

Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to the shareholder and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the return of capital to the shareholder, return on capital to the shareholder, issue new shares or sell assets to reduce debt.

6. Cash

Certain balances included in cash as at balance sheet date of $438,181 (2020 - $276,995) are funds on deposit with respect to insurance premiums collected on behalf of third-party insurance companies. Therefore, they are restricted for other purposes. Current year balances under such conditions are $207,441 (2020 - $258,402).

7. Commission receivables

	2021	2020
Commission receivables	**$ 363,002**	$ 450,847
Other receivables	**1,463**	957
Provision for bad debts	**(54,012)**	(48,512)
	$ 310,453	$ 403,292

8. Property and equipment

	Furniture and fixtures	Leasehold improve ments	Computer equipment	Right-of-use asset	Total
Cost					
Balance as at April 1, 2019	$ 246,785	$ 100,905	$ 131,527	$ -	$ 479,217
Recognition of right-of-use on initial application of IFRS 16	-	-	-	351,472	351,472
Additions	-	-	3,705	-	3,705
Balance as at March 31, 2020	246,785	100,905	135,232	351,472	834,394
Additions	-	-	6,034	-	6,034
Balance as at March 31, 2021	$ 246,785	$ 100,905	$ 141,266	$ 351,472	$ 840,428
Accumulated depreciation					
Balance as at April 1, 2019	$ 123,764	$ 50,455	$ 98,274	$ -	$ 272,493
Recognition of right-of-use on initial application of IFRS 16	-	-	-	97,631	97,631
Additions	49,357	20,181	32,989	-	102,527
Balance as at March 31, 2020	173,121	70,636	131,263	97,631	472,651
Additions	49,357	20,181	4,746	117,156	191,440
Balance as at March 31, 2021	$ 222,478	$ 90,817	$ 136,009	$ 214,787	$ 664,091
Net carrying value					
Balance as at March 31, 2020	$ 73,664	$ 30,269	$ 3,969	$ 253,841	$ 361,743
Balance as at March 31, 2021	$ 24,307	$ 10,088	$ 5,257	$ 136,685	$ 176,337

9. Intangible assets

	Website	Computer software	Total
Cost			
Balance as at April 1, 2019	$ 1,019,249	$ 10,684,940	$ 11,704,189
Additions	-	386,968	386,968
Balance as at March 31, 2020	1,019,249	11,071,908	12,091,157
Additions	-	385,673	385,673
Balance as at March 31, 2021	$ 1,019,249	$ 11,457,581	$ 12,476,830
Accumulated depreciation			
Balance as at April 1, 2019	$ 299,314	$ 2,300,524	$ 2,599,838
Additions	203,850	1,246,082	1,449,932
Balance as at March 31, 2020	503,164	3,546,606	4,049,770
Additions	203,850	1,301,271	1,505,121
Balance as at March 31, 2021	$ 707,014	$ 4,847,877	$ 5,554,891
Net carrying value			
Balance as at March 31, 2020	$ 516,085	$ 7,525,302	$ 8,041,387
Balance as at March 31, 2021	$ 312,235	$ 6,609,705	$ 6,921,939

10. Account payables and accrued liabilities

	2021	2020
Accounts payables	**$ 1,770,863**	$ 2,142,152
Other accrued liabilities	**33,994**	-
Personnel-related items	**1,264,511**	397,876
	$ 3,069,368	$ 2,540,028

11. Current portion of long-term debt

	2021	2020
Term loan payable, interest at 12% per annum, maturity date of August 19, 2021	**$ 1,309,979**	$ 2,079,562
Less: current portion	**(1,309,979)**	(520,828)
Long-term debt	**$ -**	$ 1,558,734

The term loan is collateralized by a first charge over all of the assets of the company and is guaranteed by Primary Group Limited. Accrued interest related to the loan booked as at March 31, 2021 is $5,150 (2020 - $79,562).

Subsequent to year-end, the agreement was amended to have the maturity date extended to August 19, 2021, and again to October 29, 2021. The loan was fully repaid subsequent to year end as described in note 15.

12. Lease liabilities

The company entered into a head office lease beginning June 1, 2019 for three years with an option to extend the original term of the lease for a further period of three (3) years. Right-of-use assets related to leased properties that do not meet the definition of an investment property are presented as property and equipment (see note 8). Subsequent to year-end, the company entered into a new head office lease as described in note 15.

The following is a reconciliation of the changes in the lease liabilities

		2021		2020
Beginning lease liabilities	$	**282,372**	$	-
Additions on adoption of IFRS 16		**-**		351,472
Accrued interest on lease liabilities		**27,645**		32,651
Lease payments during the period		**(145,065)**		(101,751)
Ending lease liabilities	$	**164,952**	$	282,372

		2021		2020
Current	$	**139,801**	$	117,420
Non-Current		**25,151**		164,952
	$	**164,952**	$	282,372

13. Related party transactions

During the year, the company entered into material transactions with a related party. The balances represent funding from the immediate holding company for the company's operations. These loans due to related party as at the balance sheet date is $42,122,066 (2020 - $34,259,352), of which $4,504,030 (2020 - $2,939,527) is accumulated interest. The loans are unsecured with interest at LIBOR plus 4% per annum. A letter of support from the ultimate trading parent has been provided, noting the ultimate trading parent shall not call upon the company to repay any of the amounts due to it until it is in a financial position to do so while remaining in operational existence.

Subsequent to year-end, the company's ultimate parent has provided $3,952,768 in additional funding to continue to support the company's operations.

Key management personnel of the company include all directors and executive and senior management. The summary of compensation of key management personnel for the year is as follows:

		2021		2020
Salaries and other short-term benefits	$	**660,150**	$	796,156
Post-employments benefits		**-**		94,177
	$	**660,150**	$	890,333

14. Income taxes

The provision for income taxes is computed by applying the combined Canadian federal and provincial statutory income tax rates to the company's income before income taxes, as shown below:

	2021	2020
Loss before income taxes	**$ (8,824,951)**	$ (11,371,868)
Combined statutory income tax rates	**26%**	26%
Income tax recovery based on statutory rate	**(2,294,487)**	(2,696,686)
Adjustments for		
Permanent differences	**441,106**	429,023
Unrecognized tax losses	**1,853,381**	2,267,663
Income tax expenses	**$ -**	$ -

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize these assets.

15. Subsequent events

On November 12, 2021, the company fully repaid the term loan disclosed in note 11 and entered into a new non-revolving credit facility on November 15, 2021, in the amount of $3,000,000. The loan term is three years and accrues interest at rate of 12% per annum. On March 21, 2022, the loan was amended to include an additional $2,500,000 with the same maturity date and interest. The loan is guaranteed by Ignite Insurance Corporation, Primary Group Limited, and a limited resource guarantee from Ignite Holdings Inc.

On May 1, 2022, the company entered into a new lease for its premises where Ignite Services Inc. is required to pay $4,902 per month to June 30, 2025.

EXHIBIT "E"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

Ignite Services Inc.
Financial Statements
March 31, 2022

Ignite Services Inc.
Statement of Financial Position
As at March 31, 2022

	2022	2021
Assets	$	$
Current assets		
Cash	1,676,574	434,181
Commission receivables	342,263	310,453
Account receivables	515,497	1,812,379
Prepaid expenses	37,283	148,782
	2,571,617	2,705,795
Fixed assets		
Property and equipment	56,642	176,337
Intangible assets	5,979,602	6,921,939
	6,036,244	7,098,276
Total assets	8,607,861	9,804,071
Liabilities		
Current liabilities		
Premium payables	620,981	2,052,248
Account payables and accrued liabilities	3,474,050	3,069,368
Unearned revenue	811,213	620,659
Current portion of long-term debt	-	1,309,979
Current portion of lease liabilities	25,115	139,801
	4,931,359	7,192,055
Long-term liabilities		
Long-term debt	5,644,164	-
Lease liabilities	-	25,151
Due to related party	47,733,312	42,121,460
	58,308,835	49,338,666
Shareholder's Deficit		
Share capital	10	10
Accumulated deficit	(49,700,984)	(39,534,605)
	(49,700,974)	(39,534,595)
Total liabilities and shareholder's deficit	8,607,861	9,804,071

Approved by the Board of Directors

____________________ Director ____________________ Director

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.

Statement of Operations and Comprehensive Loss

For the year ended March 31, 2022

	2022	2021
	$	$
Revenue		
Commission Revenue	1,507,695	1,034,044
Other Revenue	113,269	92,394
	1,620,964	**1,126,438**
Operating expenses		
Commission expense	124,147	29,829
Compensation expense	3,312,833	3,214,698
Information technology expense	192,978	216,130
Marketing & advertising expense	2,527,024	1,161,817
Legal and professional fees	218,460	225,618
Telephone and utilities	83,834	63,312
Interest and bank charges	2,008,599	1,841,366
Interest on lease liabilities	12,324	27,645
Subscriptions, permits and licenses	843,685	867,840
Administrative expense	739,045	610,575
Amortization	1,710,989	1,696,561
Bad debts	5,756	6,892
Total operating expenses	11,779,674	9,962,283
Net loss	(10,158,710)	(8,835,845)
Other expense		
Gain/(loss) on foreign exchange	(7,668)	10,894
Net loss and comprehensive loss for the year	(10,166,378)	(8,824,951)

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.

Statement of Changes in Shareholder's Deficit

For the year ended March 31, 2022

	Common shares	Share capital	Accumulated deficit	Total
	#	$	$	$
Balance - April 1, 2020	100	10	(30,709,654)	(30,709,644)
Net loss and comprehensive loss for the year	-	-	(8,824,951)	(8,824,951)
Balance - March 31, 2021	100	10	(39,534,605)	(39,534,595)
Net loss and comprehensive loss for the year	-	-	(10,166,378)	(10,166,378)
Balance - March 31, 2022	100	10	(49,700,984)	(49,700,974)

The accompanying notes are an integral part of the financial statements.

Ignite Services Inc.
Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used in)	**$**	**$**
Operating activities		
Net loss and comprehensive loss for the year	(10,166,378)	(8,824,951)
Items not involving cash		
Amortization of property and equipment	132,910	191,440
Amortization of intangible assets	1,578,078	1,505,121
Accrued interest expense	1,729,083	1,564,040
Change in non-cash operating items		
Account receivables	1,296,882	(403,922)
Commission receivables	(31,810)	92,839
Prepaid expenses	111,499	32,546
Account payables and accrued liabilities	404,682	529,340
Premium payables	(1,431,267)	255,764
Unearned revenue	190,554	195,611
	(6,185,766)	(4,862,173)
Investing activities		
Purchase of property and equipment	(13,215)	(6,034)
Purchase of intangible assets	(635,743)	(385,673)
	(648,958)	(391,707)
Financing activities		
Payment of lease liabilities	(139,837)	(117,420)
Funding received from related party	3,882,769	6,298,068
Proceeds from long-term debt	4,334,185	(769,583)
	8,077,117	5,411,066
Increase in cash during the year	1,242,393	157,186
Cash - Beginning of the year	434,181	276,995
Cash - End of the year	1,676,574	434,181

The accompanying notes are an integral part of the financial statements.

EXHIBIT "F"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits

Ignite Services Inc.

Financial Information

March 31, 2023

Ignite Services Inc.
Table of Contents
March 31, 2023

YNC LLP
Chartered Professional Accountants
Licensed Public Accountants
30 Water St. North,
Kitchener, ON ▪ N2H 5A8
www.yncllp.ca @yncllp
t 519.772.0125 f 519.772.0428

Compilation Engagement Report

To the Management of
Ignite Services Inc.

On the basis of information provided by management, we have compiled the balance sheet of Ignite Services Inc. as at March 31, 2023, the statement of loss and deficit for the year then ended, and note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

YNC LLP

YNC LLP
Chartered Professional Accountants
Licensed Public Accountants

Kitchener, Ontario
August 9, 2023

Ignite Services Inc.

Balance Sheet

As at March 31

	2023	2022
ASSETS		
Cash	$ 301,410	$ 1,676,574
Accounts receivable	659,753	857,759
Prepaid expenses	120,183	37,283
Due from related party	605	605
Property, plant and equipment (note 2)	6,110,567	6,036,247
	$ 7,192,518	$ 8,608,468
LIABILITIES		
Accounts payable and accrued liabilities	$ 5,713,251	$ 4,095,030
Unearned revenue	620,659	811,213
Due to corporate shareholder	53,761,580	47,733,918
Loan payable	6,763,982	5,644,164
Capital lease obligation	177,161	25,115
	67,036,633	58,309,440
SHAREHOLDERS' DEFICIT		
Share capital (note 3)	10	10
Deficit	(59,844,125)	(49,700,982)
	(59,844,115)	(49,700,972)
	$ 7,192,518	$ 8,608,468

On behalf of the board

_______________________________ Director

See accompanying notes

Ignite Services Inc.
Statement of Loss and Deficit
Year ended March 31

	2023	2022
Sales	$ 1,905,173	$ 1,620,964
Cost of sales	618,733	767,152
Gross profit	1,286,440	853,812
Expenses		
Advertising and promotion	1,588,855	2,527,024
Amortization	516,404	1,710,989
Bad debts	18,417	5,756
Computer expense	1,089,762	1,036,663
Interest	3,947,445	2,008,599
Office	102,361	74,495
Administration	142,252	89,281
Professional fees	312,368	218,460
Rent	4,040	36,090
Repairs and maintenance	1,757	-
Salaries and related benefits	3,705,922	3,312,833
	11,429,583	11,020,190
Loss	(10,143,143)	(10,166,378)
Deficit, beginning of year	(49,700,982)	(39,534,604)
Deficit, end of year	$ (59,844,125)	$ (49,700,982)

See accompanying notes

1. Basis of accounting

The basis of accounting applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of the following:

- accounts receivable less bad debts identified by management
- property, plant and equipment recorded at historical cost and amortized on a systematic basis
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date
- foreign transactions are measured at cost and translated to Canadian dollars at the applicable exchange rate for income statement account and at the year end rate for balance sheet accounts

2. Property, plant and equipment

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 256,296	$ 234,772	$ 246,784	$ 230,580
Leasehold improvements	100,905	90,815	100,905	90,815
Computer equipment	158,278	150,339	154,045	143,223
Computer software	13,465,040	7,556,490	13,113,011	7,133,406
	13,980,519	8,032,416	13,614,745	7,598,024
Right of use asset	576,422	413,958	351,472	331,946
	14,556,941	8,446,374	13,966,217	7,929,970
Net book value	$ 6,110,567		$ 6,036,247	

3. Share capital

	2023	2022
Authorized		
Unlimited number of common shares		
Issued		
100 common shares	$ 10	$ 10

EXHIBIT "G"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn October 26, 2023

DocuSigned by:
Rania Hammad
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Commissioner for Taking Affidavits

Ignite Services Inc P&L

In Canadian dollars
For the six month period ended Sep 30, 2023

Description	YTD 2024
Revenue	
Commission Revenue	840,873
Other Revenue	43,665
Total Revenue	884,538
Cost of Acquisition	352,441
GROSS PROFIT	532,098
Operating Expenses	
Marketing Expenses	63,361
Personnel Expenses	1,624,694
IT Expenses	574,919
Office Space Expenses	60,092
Administrative Expenses	27,812
Interest Expenses	3,533,910
Office Expense	49,187
Fixed Asset Depreciation	211,542
Legal & Professional Fees	196,642
Bad Debt Expenses	6,586
Write Off	166
Total Operating Expenses	6,348,911
Net Operating Income	(5,816,813)
NI BEFORE EXTR. ITEMS & TAXES	(5,816,813)
Income Taxes	-
NET INCOME BEFORE EXTR. ITEMS	(5,816,813)
Extraordinary Items	-
NET INCOME	(5,816,813)

Ignite Services Inc Balance Sheet

In Canadian dollars
As at September 30, 2023

Description	Balance
10000 ASSETS	
11700 Cash and deposits, Total	160,696
13400 Accounts Receivable Trust Account, Total	493,398
13590 Accounts Receivable, Total	183,104
13640 Prepaids, Total	(1,121)
15950 Current Assets, Total	836,077
16000 Fixed Assets	
17300 IT Systems, Total	4,723,137
17500 Ignite Brand, Total	-
18300 Property & Equpment, Total	238,147
18950 Fixed Assets, Total	4,961,284
19950 TOTAL ASSETS	5,797,361
20000 LIABILITIES AND EQUITY	
22500 Accounts Payable, Total	(1,822,279)
22690 Accounts Payable - Trust, Total	(1,007,425)
22790 Taxes Payables, Total	(1,396)
23900 Total Personnel-related Items	(4,104,293)
24400 Other Liabilities, Total	(809,713)
24500 Current Liabilities, Total	(7,745,107)
25000 Long-term Liabilities	
25400 Long-term Liabilities, Total	(65,002,954)
25995 Total Liabilities	(72,748,061)
30000 EQUITY	
30300 Equity, Total	66,950,700
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39950 TOTAL LIABILITIES AND EQUITY	(5,797,361)