

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF
REHABTRONICS INC.**

**TRUSTEE'S REPORT TO CREDITORS
JANUARY 19, 2026**

BACKGROUND

This report has been prepared by BDO Canada Limited (“**BDO**”), in its capacity as Licensed Insolvency Trustee (the “**Trustee**”) of the bankrupt estate of Rehabtronics Inc. (the “**Company**”) to provide preliminary information to creditors as at January 19, 2026.

The Company was incorporated on December 17, 2003 in Alberta. The Company is a Canadian medical technology company founded to develop, commercialize, and supply rehabilitation and pressure injury prevention solutions to hospitals and rehabilitation providers.

Over the past several years, the Company invested substantially in research and development, regulatory clearances, clinical evaluation activities, and commercialization efforts, to bring its pressure injury product, Prelivia, to market. Despite these efforts, the Company experienced sustained financial pressure driven by the long timelines and high costs associated with its pivotal PROTECT2 clinical trial, alongside a materially more difficult financing environment for early-stage medical device companies.

Over the past 12 months, the Company pursued multiple avenues to stabilize operations and obtain sufficient capital, including engaging with strategic partners and exploring financing and transaction alternatives; however, these efforts did not result in a completed financing or transaction on terms and timing sufficient to meet the Company’s ongoing obligations.

As liquidity deteriorated and the Company became unable to pay its liabilities as they became due, the directors determined that the Company is insolvent and that an assignment into bankruptcy was necessary in order to administer the Company’s affairs in an orderly manner for the benefit of creditors.

The Company was assigned into bankruptcy on December 30, 2025.

FINANCIAL SITUATION

The Company's external accountant, Crowe MacKay LLP ("Crowe MacKay"), was retained by the Company to prepare the financial statements for the year ended September 30, 2025 and the final corporation income tax return of the Company. As at the date of this report, Crowe MacKay has not yet completed the compilation.

The table below is a summary of the profit and loss for the year ended September 30, 2024, per the Company's records:

	For the year ended September 30, 2024 (\$000's)
Revenue	476
Other income	480
Cost of sales	(79)
Operating expenses	(2,412)
Net income (loss)	(1,535)

CONSERVATORY AND PROTECTIVE MEASURES

The Company ceased operations prior to bankruptcy in or about December 2025. The physical assets of the Company were removed from the Company's premises at the University of Alberta and secured with Kastner Auction. The Company's lease at the premises was disclaimed in December 2025.

The Trustee has:

- Frozen the Company's bank accounts;
- Held discussions with management; and,
- Reviewed the Company's available records.

BOOKS AND RECORDS

The Trustee has taken possession of certain books and records of the Company and is in the process of reviewing financial records available.

PRELIMINARY EVALUATION OF ASSETS

Overview

The Company's assets consist of funds on hand, accounts receivable, physical equipment, and intangible assets (intellectual property). The book value of the Company's assets is summarized below:

- Cash on hand as at December 30, 2025 - \$57,876
- Accounts receivable as at December 30, 2025 - \$4,558
- Physical equipment as at December 30, 2025 - \$1
- Intangible assets (intellectual property) as at December 30, 2025 - \$1

Bank Account Balance

The Company has a bank account with the Royal Bank of Canada with a balance of \$57,876.

Accounts Receivables

The Trustee understands from management of the Company that approximately \$4,558 of the accounts receivable ("AR") balance is estimated to be collectible. The Trustee has sent out an AR demand letter in this regard and engaged in preliminary discussions with this customer.

Equipment

The book value of the equipment of the Company as at September 30, 2024 is \$50,146.

In discussions with Kastner Auction, the forced liquidation value of the equipment is estimated to be \$10,000 to \$15,000 at this time. Management of the Company believes the lower end of the range to be inline with its internal assessment.

The Trustee is evaluating next steps with respect to the realization of the equipment and will discuss with the inspector(s) of the estate on the same.

Intellectual Property

The intellectual property (the "IP") of Prelevia is an asset of the Company. The IP's realizable value is unknown at this time. The Trustee has been in contact with several parties who had indicated interest in the purchase of the IP.

The Trustee is evaluating next steps with respect to the realization of the IP and will discuss with the inspector(s) of the estate on the same.

SECURED CREDITORS AND PRIORITY CREDITORS

The Trustee is also evaluating potential super priority claims from the Canada Revenue Agency ("CRA"). Although the Company has indicated the likelihood of super priority claims from

the CRA to be minimal, any claim by CRA for outstanding payroll source deductions would rank in priority to the claims of all secured and unsecured creditors.

The Trustee is aware of the following parties which may have priority over the claims of unsecured creditors.

	Estimated Claim (\$000s)
Estimated priority claims	
Canada Revenue Agency	Unknown
Total estimated priority claims	Unknown
Secured creditors	
Genome BC	2,029
Total estimated claims ahead of unsecured creditors	2,029

UNSECURED CREDITORS

The Company's records indicate there are unsecured creditors with estimated claims totaling \$3,220,011. This balance is subject to adjudication by the Trustee. The onus is on the creditor to submit a proof of claim to prove their claim.

Based on the available information on hand, it is unlikely that there will be any recovery for the unsecured creditors.

EMPLOYEES

The employees of the Company were terminated in accordance with the applicable employment standards of the province. The Trustee understands there are no employee claims for unpaid wages, vacation, and termination pay. Accordingly, there are no claims to be processed through the Wage Earners Protection Program ("WEPP").

LEGAL ACTIONS

The Trustee is not aware of any legal actions undertaken by the Company or stakeholders of the Company. The Trustee has not continued or commenced any legal actions on behalf of the Company.

REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS

The Trustee has taken possession of certain books and records of the Company and has conducted a preliminary review of the information available.

The Trustee has not identified transactions which could be regarded as preference payments or transfers at undervalue to date. Further investigations may be conducted which could reveal such transactions.

TRUSTEE'S REMUNERATION

The Trustee's fees will be based on its actual time charges at its normal hourly rates and disbursements. The Trustee's fees will be paid from any asset realizations and estate funds subject to the approval of the estate inspectors in accordance with the *Bankruptcy and Insolvency Act*.

CONFLICT OF INTEREST

The Trustee is not aware of any potential conflicts of interest.

CONCLUSION

As at the date of this report, the Trustee does not expect there will be any funds available in the bankruptcy estate for distribution to the Company's unsecured creditors.

DATED at Vancouver, British Columbia this 19th day of January 2026.

BDO Canada Limited

In its capacity as the Licensed Insolvency Trustee
of the bankrupt estate of
Rehabtronics Inc.
and not in its personal capacity.

Per:



Chris Bowra, CPA, CA, CIRP, LIT