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C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT. No.:
OFFICE No.:

S U P E R I O R C O U R T
Commercial Division

IN THE MATTER OF A PLAN OF ARRANGEMENT OR COMPROMISE OF:

COLLÈGE LASALLE, a non-profit organization having its domicile at 2000 St-Catherine Street W., Montreal, Quebec H3H 2T2, Canada.

Debtor/Applicant

-and-

DELOITTE RESTRUCTURING INC., a legal person having a place of business at 500-1190 ave des Canadiens-de-Montréal, in the city and district of Montreal, province of Quebec, H3B 0M7, Canada.

Proposed Monitor

FIRST REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSED MONITOR
(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. Collège LaSalle, a non-profit organization ("**LaSalle College**", the "**Debtor**" or the "**Company**"), have filed an *Application for the issuance of an Initial Order, an Amended and Restated Initial Order and other accessory reliefs under the Companies' Creditors Arrangement Act* (the "**Initial Application**" and the "**CCAA**"), before the Superior Court of Quebec (the "**Court**") seeking the appointment of Deloitte Restructuring Inc. ("**Deloitte**") as the CCAA monitor in these proceedings (the "**Proposed Monitor**").

2. LaSalle College is part of a global network of higher education institutions (the "**LCI Group**").

3. This first report (the "**First Report**") has been prepared by the Proposed Monitor prior to its appointment as monitor in the contemplated CCAA proceedings (the "**CCAA Proceedings**") to provide information to the Court for its consideration in respect of the Initial Application and addresses mainly those matters set out in the proposed first day initial order (the "**Proposed First Day Initial Order**").

4. If the Proposed First Day Initial Order is granted, the Debtor intends to return to Court to seek the issuance of the amended and restated initial order sought pursuant to the Initial Application (the "**Proposed ARIO**") and the Proposed Monitor will file a supplemental report to provide additional information and its views on additional information and request to the Court in respect of the Proposed ARIO being sought by the Applicant.

5. Capitalized terms not otherwise defined in the First Report are as defined in the Initial Application.

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

7. The Proposed Monitor intends to make available a French translation of this First Report on its website dedicated to these CCAA Proceedings.

PURPOSE OF THIS REPORT

8. The purpose of this First Report of the Proposed Monitor is to provide information to the Court with respect to:

    (i) Deloitte's qualifications to act as monitor;

    (ii) The business, financial affairs and financial results of LaSalle College;

    (iii) LaSalle College's main creditors;

    (iv) The proposed restructuring process (the "**Restructuring Process**");

    (v) LaSalle College's cash flow forecast;

    (vi) The request for a stay of proceedings;

    (vii) The Charges sought in the Proposed First Day Initial Order; and,

    (viii) The Proposed Monitor's conclusions and recommendations.

9. In preparing the First Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, LaSalle College's books and records and financial information, partially provided by the Agent or provided directly by LaSalle College, in both cases prepared by LaSalle College, and discussions with management ("**Management**") of LaSalle College (collectively, the "**Information**"). Except as described in this First Report in respect of the Debtor's Cash Flow Statement (as defined below):

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

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

10. Future oriented financial information referred to in this First Report was prepared based on

estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

11. Unless otherwise indicated, the Proposed Monitor's understanding of factual matters expressed in the First Report concerning LaSalle College and their business is based on the Information, and not independent factual determinations made by the Proposed Monitor.

DELOITTE'S QUALIFICATIONS TO ACT AS MONITOR

12. Deloitte is a licensed insolvency trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) 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.

13. On February 24, 2026, the Proposed Monitor was retained by the Royal Bank of Canada ("**RBC**"), acting as administrative agent (the "**Agent**") for the bank syndicate which also include Bank of Montreal ("**BMO**") and Canadian Imperial Bank of Commerce ("**CIBC**," and collectively the "**Lenders**" or the "**Bank Syndicate**"), with the consent of the Obligors (as such term in defined in the Initial Application), to act as a consultant, to review the operations and financial position of the LCI Group. The mandate included the following matters:

    (i) A review and assessment of the LCI Group's financial forecasts, including projected cash flows, and the reasonableness of the underlying assumptions and future operating outlook, including consideration of the various options available to the LCI Group;

    (ii) A review and assessment of the LCI Group's business plan and future business prospects and the financial impact of this plan on the future viability of the LCI Group;

    (iii) An evaluation of the LCI Group's significant assets and liabilities and assessment of the current security position of the Lenders; and,

    (iv) Any other analysis or area of inquiry to validate the LCI Group's forecasts.

14. Since February 24, 2026, the Proposed Monitor has been involved with the LCI Group as financial advisor to the Lenders. During this period, the Proposed Monitor reviewed various short-term and long-term forecasts prepared by the LCI Group, together with the related liquidity requirements, reviewed and commented on numerous restructuring plans provided by LCI Group, and participated in various strategic discussions between the Lenders and LCI Group, including discussions regarding the debts owed by the Debtor and the financial viability of LCI Group in the current circumstances.

15. In the context of the foregoing, the Proposed Monitor's representatives working on this matter have acquired a good knowledge of the LCI Group, including LaSalle College, and its business over the last few months. The Proposed Monitor has spent time with Management and its advisors understanding the operations and financial structure as more fully described in this First Report, in order to provide assistance to the Court, and the Proposed Monitor is in position to act as Court-appointed monitor without delay, in the most efficient and diligent manner in the CCAA proceedings for the benefit of all of Debtor's stakeholders.

16. As agreed between the Debtor and the Lenders, Deloitte will remain the Financial Advisor to the Lenders in respect of the LCI Group.

17. The Proposed Monitor has retained Blake, Cassels & Graydon LLP ("**Blakes**") to act as its independent counsel in the CCAA Proceedings.

THE BUSINESS, FINANCIAL AFFAIRS AND FINANCIAL RESULTS OF LASALLE COLLEGE

Historical overview

18. The LCI Group is a network of entities operating private higher education institutions worldwide, principally in Quebec and British Columbia, as well as in Spain, Australia, Morocco, Colombia and Costa Rica. In several jurisdictions, in addition to operating the education institution, LCI group also owns the real estate properties where the institutions operate.

19. The LCI Group's global education network comprises 11 higher education institutions, including LaSalle College, and 14 campuses spread across five continents.

20. The LCI Group notably operates LaSalle College in Montreal, the core of its Canadian and global operations, which offers technical and pre-university college programs in both French and English. LaSalle College operates primarily from Complexe du Fort, a downtown Montreal commercial building owned by the LCI Group, where it is the principal tenant. Founded in 1959, LaSalle College was the first educational institution operated by the LCI Group.

21. LaSalle College occupies its Montreal campus premises pursuant to a series of emphyteutic leases (emphytéses) and sub-emphyteutic leases (sous-emphytéses) with related entities respectively granted by 9105-0476 Quebec Inc. and Collège LaSalle International Inc. (as successor to LaSalle International Inc.) to LaSalle College, dated between 2002 and 2011, as well as a lease agreement with 9105-0476 Quebec Inc. dated May 18, 2021. LaSalle College is also party to several management and rental agreements with related entities, including 8601062 Canada Inc. and Collège LaSalle International Inc.

22. LaSalle College offers 55 programs across the seven principal fields of study provided by LCI Group. While the majority of these programs are delivered on campus, certain programs are offered entirely online.

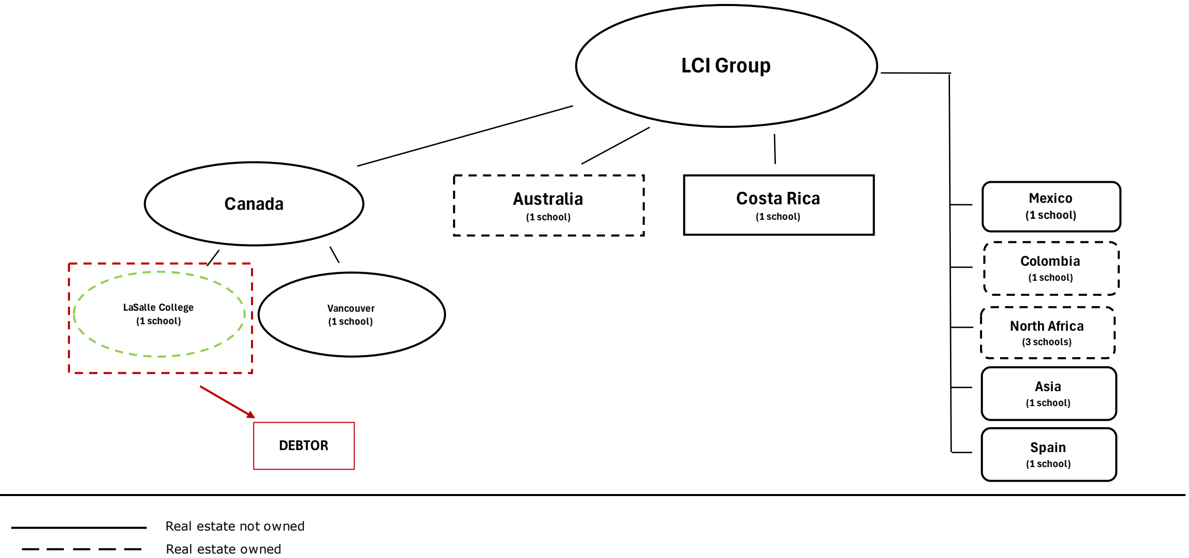
23. As of the date hereof, approximately 3,000 students are enrolled at LaSalle College for the Fall 2026 semester, which is scheduled to commence on August 27, 2026.

24. In addition, as of the date hereof, LaSalle College Montreal employs approximately 283 individuals.

25. LaSalle College is supported by the LCI Group's corporate team based at the headquarters in Montreal.

Corporate structure

26. LaSalle College's summary corporate structure is presented below:



27. The current proceedings relate only to LaSalle College, the entity included in the red square. Consequently, financial information that will be further presented in this First Report relates to LaSalle College only.

Financial analysis

28. The following table summarizes the consolidated financial results of LaSalle College for the year ended June 30, 2025, and June 30, 2026.

LASALLE COLLEGE

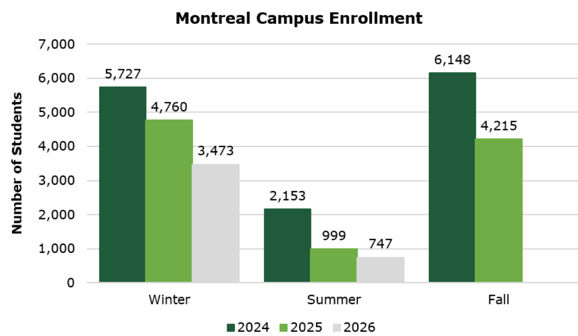
Income Statement **For the period ended** *in $000 CAD*	**Audited** 30-Jun-25 *12-month*	**Unaudited** 30-Jun-26 *12-month*
Revenues		
Tuitions	54,619	37,235
Subsidies	14,355	11,822
Others	2,970	2,057
Total revenues	**71,944**	**51,114**
Expenses	81,518	63,681
Excess (deficit) of revenue over expenses before Distribution from Société en Commandite Complexe du Fort	**(9,574)**	**(12,567)**
Distribution from Société en Commandite Complexe du Fort	689	779
Excess (deficit) of revenue over expenses	**(8,885)**	**(11,788)**

Note: *Income statement prepared with financial information provided by the Company and formatted by Deloitte.*

29. As indicated in the table above, LaSalle College recorded a deficit of revenue over expenses of $8.9 million during the year ended June 30, 2025, and a deficit of revenue over expenses of $11.8 million during the period ended on June 30, 2026.

30. For the financial year 2026, LaSalle College suffered a significant decrease in its revenues and recorded a deficit of revenue over expenses of $11.8 million. These financial results are significantly lower than the FY25 financial results that were already presenting a deficit of revenue over expenses. This reduction is mainly explained by the decrease in the number of students enrolled in the different programs, which decreased significantly since 2024. This decline is largely explained by LaSalle College by the consequences of Bill 96 and the government application of it.

31. The following graph illustrates the decline in student enrollment since 2024, on a semester-by-semester basis, for LaSalle College campus in Montreal:



Note: *These numbers have been provided by Management.*

32. Even before the significant decline in its revenues in FY26, the Company had already generated a deficit of revenue over expenses of $8.9 million in FY25, which loss seems primarily driven by an important administrative cost structure and penalties totaling approximately $29.9 million, $7.8 million of which has been recorded in 2025, following its alleged non-compliance with Bill 96 limiting the number of students who may pursue English-language education at Quebec colleges, as more fully explained below.

33. Given the challenges described above, the significant amount of capital required to operate its business, LaSalle College has been unable to be profitable for the past two years.

34. The table below illustrates LaSalle College’s historical balance sheet:

LASALLE COLLEGE

Balance sheet **For the period ended** *in $000 CAD*	**Unaudited** 30-Jun-25 *12-month*	**Unaudited** 30-Jun-26 *12-month*
Cash	432	1,655
Tuition Receivables and Other Receivables	14,304	12,557
Current assets	**14,736**	**14,212**
Investments	9,757	9,757
Property and equipment	581	517
Intangible assets and Goodwill	5,220	4,971
Total assets	**30,294**	**29,457**
Trade and other payables	17,840	34,070
Deferred tuition revenues	9,201	8,673
Current liabilities	**27,041**	**42,743**
Grant to be reimbursed to Ministry of Education	7,798	7,770
Total liabilities	**34,839**	**50,513**
Net assets	**(4,545)**	**(21,056)**
Total liabilities + Net assets	**30,294**	**29,457**

Note: *Balance sheet prepared with financial information provided by the Company and formatted by Deloitte. Penalties totaling approximately $29.9 million from the Ministry in 2025 have not been totally recorded in the financial statements. It is the understanding of the Proposed Monitor that only 11 million was recorded over the years to the financial statements.*

35. LaSalle College's principal assets, as of June 30, 2026, are the following:

(i) Cash of approximately $1.7 million. As of August 20, 2026, LaSalle College's cash balance is estimated to be approximately 0.1 million.

(ii) Accounts receivable of approximately $12.6 million, mainly composed of receivables from related parties of $12.0 million, representing funds advanced to affiliated entities within the LCI Group to support their corporate and operational activities;

(iii) Investments of $9.8 million representing preferred shares of Complexe du Fort Limited Partnership, at cost;

(iv) Property, plant, and equipment primarily of $0.5 million consisting of leasehold improvements; and,

(v) Intangible assets of $5.0 million comprised of goodwill of $4.1 million and software of $0.9 million.

LASALLE COLLEGE'S MAIN CREDITORS

36. According to LaSalle College's books and records, the following table summarizes the obligation of LaSalle College to secured and unsecured creditors as of June 30, 2026:

Secured creditors

37. LaSalle College has no secured debt as of June 30, 2026.

Unsecured creditors

38. LaSalle College's principal unsecured liabilities, which are estimated to be approximately $50.5 million as per the books and records of LaSalle College, mostly consist of:

    (i) Trade payables and accrued expenses ($2.7 million);

    (ii) Deferred revenues ($8.7 million);

    (iii) Subsidies payable ($32.4 million);

    (iv) Salaries and benefits accruals ($5.0 million); and,

    (v) Others ($1.7M).

39. In 2022, the Quebec Government adopted Bill 96, an Act respecting French, the official and common language of Quebec, which has limited the number of students who may pursue English-language education at Quebec colleges and sanctioned non-compliance with those regulatory limits by diminishing the number of subsidies a college receives from the Minister. The Company therefore received disputed penalties totaling approximately $29.9 million from the Ministry in 2025.

40. The Debtor is actively contesting the penalties by way of an application for judicial review of the Quebec Government Decisions (in court file no. 500-17-130879-243).

41. In addition, each year, the Minister of Higher Education of Quebec's (the "**Minister**") subsidy allocations are initially determined based on prior-years student enrollment levels, estimated eligible activities, and prescribed funding formulas. These preliminary allocations are subsequently subject to a detailed validation and reconciliation process, particularly following the confirmation of final student enrollment figures. As a result, the Ministry issues a revised allocation reflecting the final entitlement.

42. During the 2025/2026 academic year, LaSalle College received an initial subsidy allocation of $29.2 million. Following the Ministry's final reconciliation process, the allocation was revised to $11.9 million as a result of the actual student enrollment figure, resulting in a subsidy clawback of $17.3 million.

43. The Ministry's preliminary subsidy allocation for the 2026/2027 academic year has been established at $31.8 million. As this allocation is based primarily on prior-years student enrollment levels, it remains subject to future validation and reconciliation. Accordingly, if enrollment levels remain consistent with those of the 2025/2026 academic year, LaSalle College may be exposed to an additional subsidy clawback upon completion of the Ministry's final allocation review. Without receiving the full preliminary subsidies allocation for 2026/2027, the financial business model of LaSalle College for 2026/2027 is not profitable and does not currently have the liquidity to meet its financial obligations.

44. According to Management, payroll obligations are current, and the Debtor intends, subject to receiving the 2026-2027 subsidies, to continue to fulfill LaSalle College's payroll obligations as a going concern with respect to the employees. Payments are generally made on a biweekly basis. Payroll management is outsourced to third parties. As per Management, all source deductions are current.

45. Deferred revenues of $8.7 million represent advance payments from students registered to on-campus and e-learning programs that have not yet been earned through delivery of instruction. This balance usually reduces over the session as classes are delivered and revenue is recognized.

Liquidity

46. Over the past several years, LaSalle College has faced significant and recurring liquidity constraints resulting from, among other things, declining enrollment, regulatory pressures and financial penalties and operating losses. These pressures have materially impaired LaSalle College's ability to meet its obligations as they become due and to fund its operations without further financial support.

47. Following declining enrollment, LaSalle College is experiencing a deteriorating financial situation which threatens its capacity to meet its obligations as they become due.

48. As previously mentioned, LaSalle College received a disputed penalty totaling approximately $29.9 million following its alleged non-compliance with Bill 96 limiting the number of students who may pursue English-language education at Quebec colleges.

49. LaSalle College was also directly impacted by the reduced enrollment in Montreal and received, as previously mentioned, a clawback of approximately $17 million related to the 2025/2026 academic year.

50. LaSalle College's significant cost structure, combined with the addition of disputed penalties from the Quebec Government and subsidy clawback, as well as the uncertainty surrounding the amount of subsidies that might be received for the 2026/2027 academic year, is placing considerable pressure on its liquidity position, which results in LaSalle College not having sufficient liquidity to operate in the course of the coming months.

51. As demonstrated later in this report, LaSalle College's financial projections indicate an impending liquidity shortfall in the coming months, which compromises its ability to deliver the next academic session. This situation highlights the urgency of the situation and the need of implementing a restructuring process in the near term. LaSalle College is also not in position, as of today, to present a business model that will revert the current financial situation to a profitable financial model particularly given the uncertainty surrounding government funding for the 2026/2027 academic year.

52. As at August 20, 2026, the combined cash on hand of LaSalle College totaled approximately $0.1 million.

53. As of the date of this First Report, and as explained in further detail below, LaSalle College's available liquidity is clearly not sufficient to allow it to meet its financial obligations and financial commitments.

54. Consequently, the Proposed Monitor is of the view that LaSalle College is insolvent.

THE PROPOSED RESTRUCTURING PROCESS

55. At this preliminary stage, the detailed restructuring process has not completely been determined, and the restructuring process should preserve flexibility to pursue the alternative or combination of alternatives that best maximize value for the benefit of the different stakeholders.

56. The CCAA proceedings are intended to afford the Debtor, under the supervision of the Proposed Monitor, the opportunity to stabilize LaSalle College's financial affairs while ongoing discussions with the Government of Quebec continue concerning the applicable penalties, the clawback for 2025-2026 and subsidies for the 2026/2027 academic year. Should no viable restructuring solution be identified and no agreement be reached with the Government or the Court does not grant the subsidy payments requested by LaSalle College for 2026-2027, there is a material risk that LaSalle College's educational operations will not begin for the Fall 2026 semester and potentially beyond that point.

57. Given its lack of available liquidity, LaSalle College has no alternative but to implement significant cash preservation measures and resort to financing through other LCI Group parties to halt the operations while ensuring the preservation of the value of the Company's assets and give LaSalle College opportunity to achieve a successful agreement with the Government of Quebec regarding the penalties, the clawback for 2025-2026 and the coming subsidies for 2026-2027.

58. Accordingly, the Company, in consultation with the Proposed Monitor, believes that the CCAA proceedings constitute the only viable option under the circumstances.

LASALLE COLLEGE'S CASH FLOW FORECAST

59. The Proposed Monitor, with the information provided by the Company, has prepared the statement of projected cash flow (the "**Cash Flow Statement**") for the 3-week period from August 17, 2026, to September 6, 2026 (the "**Cash Flow Period**") for the purpose of forecasting LaSalle College's estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement is provided in **Appendix A** of this First Report.

60. The Cash Flow Statement has been prepared by the Proposed Monitor with the information made available using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

61. The Proposed Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions need not to be supported, the Proposed Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Proposed Monitor also reviewed the support provided by the Company for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

62. Based on the Proposed Monitor's review and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:

    (i) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;

    (ii) As at the date of this First Report, the probable assumptions are not suitably supported and consistent with the plans of LaSalle College or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or

    (iii) The Cash Flow Statement does not reflect the probable and hypothetical assumptions.

63. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no opinion as to whether the projections in the Cash Flow Statement will be achieved. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report. Neither does the Proposed Monitor express any opinion as to the performance of LaSalle College's statutory obligations regarding projected payments to be made in accordance with the Cash Flow Statement, *inter alia* the payment of wages, the government remittances and the payroll deductions to be made by LaSalle College.

64. The Cash Flow Statement has been prepared solely for the purpose described in the Notes to the Cash Flow Statement, and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.

65. The key assumptions used in the Cash Flow Statement are based on the Company's most specific cost trends prior to the First Day Initial Order. LaSalle College's consolidated cash balance as of September 6, 2026, is estimated to be approximately $0.5 million.

66. The Cash Flow Statement demonstrates that the liquidity level will not be sufficient to fund the current level of operations during the initial 3-week period without access to intercompany advances.

67. The LCI Group, with the consent of the Lenders, which is subject to an agreement entered into among entities that are part of the LCI Group and the Lenders on August 21, 2026, has agreed to provide the Company with intercompany advances during the CCAA proceedings. The intercompany advances for the first 3-week period cannot exceed $2.3 million, according to the Cash Flow Statement requirements.

68. The Proposed Monitor anticipates more restrictive payment terms for purchases from suppliers following the announcement of the CCAA proceedings. As such, the Proposed Monitor has anticipated certain "cash on delivery" purchases.

69. As appears from the Cash Flow Statement and the Initial Application it is the intention to continue to pay LaSalle College's trade creditors for services rendered and goods supplied in the normal course of business during these CCAA proceedings.

70. The Proposed Monitor believes that the forecast reflected in the Cash Flow Statement is reasonable.

CHARGES SOUGHT IN THE PROPOSED FIRST DAY INITIAL ORDER

Administration Charge sought in the Proposed First Day Initial Order

71. The Proposed First Day Initial Order provides that the Applicant's counsel (Osler and Rigaud Legal), the Applicant's financial advisor (Raymond Chabot), the Proposed Monitor (Deloitte), the Proposed Monitor's counsel (Blakes) and Casacom and 9428-1227 Quebec Inc. for communication and recruitment as security for the professional fees and disbursements incurred both before and after the issuance of the First Day Initial Order and directly related to the CCAA proceedings, are entitled to the benefit of a charge, hypothec and security against the Debtor's property, up to an aggregate amount of $0.5 million (the "**Administration Charge**"). The Administration Charge has been established based on the respective professionals' previous experience with restructurings of similar magnitude and complexity.

72. The Proposed Monitor believes that the Administration Charge is required and reasonable under the circumstances.

Intercompany Charge

73. The Applicant also seeks the approval of an intercompany charge in order to secure the repayment of intercompany advances which are projected to be made in accordance with the Cash Flow Statement by the LCI Group to LaSalle College during these proceedings, which vary up to $2.3 million and thus justifying a charge of $2.3 million as of the date of this First Report (the "**Intercompany Charge**").

74. The Proposed Monitor therefore believes that the Intercompany Charge, which would represent a significant measure of protection when monies are expected to flow between the LCI Group and LaSalle College, is necessary in the circumstances.

Directors' and Officers' Charge

75. The Proposed Monitor understands that LaSalle College maintains directors' and officers' insurance ("**D&O Insurance**") which provides for coverage as well as for various deductibles depending on the nature of the loss. The D&O Insurance has not been reviewed by the Proposed Monitor.

76. The Proposed Monitor understands that there might be insufficient coverage in respect of potential directors' and officers' liability, notably in respect of wages, including accrued vacation pay and other employee-related obligations.

77. It is expected that the directors and officers of the Debtor will remain in their functions if the Proposed First Day Initial Order is granted by the Court, and their committed and continued support is key to complete restructuring process. In exchange for their continued service, the directors and officers are requiring indemnification against any obligations and liabilities that they may incur in such capacity.

78. The Proposed First Day Initial Order provides for a priority charge in the amount of up to $500K in favor of the directors and officers of LaSalle College in respect of liabilities incurred in such capacity after the issuance of the First Day Initial Order, except to the extent that such obligation or liability was incurred as a result of the directors' and officers' gross negligence, willful misconduct or gross or intentional fault ("**D&O Charge**").

79. As per the Proposed First Day Initial Order, the D&O Charge becomes effective only if the existing D&O Insurance is not responsive or sufficient, such that the added D&O Insurance coverage reduces the risk that the D&O Charge would be triggered.

80. The amount of the D&O Charge has been calculated by the Proposed Monitor, taking into consideration the periodic payroll costs of existing employees, the accruing and accrued vacation and average sales tax payments, having considered the analysis prepared by LaSalle College in that regard.

81. The Proposed Monitor believes that the D&O Charge is required and is reasonable under the circumstances.

82. As provided for in the First Day Initial Order, the charges shall rank as follows:

    1. Administration Charge;
    2. Intercompany Charge; and
    3. D&O Charge.

83. These charges, including the Administration Charge, may be subject to an increase at the comeback hearing based on the projected disbursements outlined in the cash flow forecast to be filed.

THE PROPOSED MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

84. The Proposed Monitor believes that the Debtor qualifies for and should be granted the benefit of protection under the CCAA, in accordance with the Proposed First Day Initial Order (including granting of the charges provided therein for the initial amounts set out above) as it will allow the Debtor the opportunity to proceed with the contemplated restructuring, the whole for the benefit of their stakeholders.

85. The Proposed Monitor respectfully recommends that the Applicant's request for the Proposed First Day Initial Order, including the ancillary relief described in this First Report be granted by this Court.

86. The Proposed Monitor respectfully submits to the Court this, its First Report.

DATED AT MONTREAL, this 23rd day of August 2026.

DELOITTE RESTRUCTURING INC.
In its capacity as Proposed Court-Appointed Monitor of the Petitioners

Benoit Clouâtre, CPA, CIRP, LIT
Senior Vice-President

Vincent Roy-Turgeon, CPA, CIRP, LIT
Senior Vice-President

APPENDIX A

CASH FLOW STATEMENT

LaSalle College

Statement of Cash Flows

In $000 - unaudited

	Forecast	Forecast	Forecast		
Week ending	**23-Aug-26**	**30-Aug-26**	**6-Sep-26**	**Total**	
Cash receipts					
Tuition and registration fees	305	1,879	2,022	4,206	
Tuition and registration fees - Restricted cash	(305)	(1,879)	(2,022)	(4,206)	**[1]**
	-	-	-	-	
Advances from LCI Group	-	2,300	-	2,300	**[2]**
	-	**2,300**	**-**	**2,300**	
Cash disbursements					
Salaries - Teaching staff	-	492	-	492	**[3]**
Salaries - Administrative staff	-	283	-	283	**[4]**
Rent	-	-	-	-	**[5]**
Other operating expenses	20	50	50	120	
Professional fees	-	730	185	915	**[6]**
Contingency	20	50	50	120	
	40	**1,605**	**285**	**1,930**	
Net increase (decrease) in cash	**(40)**	**695**	**(285)**	**370**	
Cash at beginning	103	63	758	103	**[7]**
Cash at end	**63**	**758**	**473**	**473**	

Note 1: *Tuition fee collections are based on projected enrollment for the Fall 2026 semester. These funds are restricted until the semester begins.*

Note 2: *Funding requirements will be met through transfers of funds from LCI Group.*

Note 3: *Teaching staff salaries represent the payment of their final payroll for services rendered before operations ceased (for the period from August 16 to 29, 2026).*

Note 4: *Administrative staff salaries represent the payment of their final payroll for services rendered before operations ceased (for the period from August 23 to September 5, 2026).*

Note 5 *: The Debtor has an amount receivable from the landlord, a related entity, of $750,000, which exceeds the rent that would otherwise be payable for the Forecast Period.*

Note 6 *:* Professional fees relate to the Debtor's legal, financial and communication advisors, as well as the Proposed Monitor and its legal

- Osler $400K
- RCGT $225K
- Rigaud Legal $60K
- Deloitte $80K
- Blakes $50K
- Public relations $100K

Note 7 *: Cash excludes a balance of approximately $566,000 held in a CIBC bank account. This amount is restricted, as the funds are reserved for the potential refund of tuition fees already paid by students.*

NOTES TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE

The purpose of these cash flow projections is to determine the liquidity requirements of LaSalle College during the CCAA proceedings until September 6, 2026.

NOTE B

The Cash Flow Statement has been prepared by the Proposed Monitor using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

The Proposed Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Proposed Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

NOTE C - DEFINITIONS

(1) CASH FLOW STATEMENT:
In respect of a company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash flow of the Proposed Monitor as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the company's planned course of action for the period covered.

(2) HYPOTHETICAL ASSUMPTIONS:
Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the Proposed Monitor's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) PROBABLE ASSUMPTIONS:
Means assumptions that:

- (i) The Proposed Monitor believes reflect the most probable set of economic conditions and planned courses of action, **Suitably Supported** that are consistent with the plans of the company; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

(4) SUITABLY SUPPORTED:
Means that the Assumptions are based on either one or more of the following factors:

- (i) The past performance of the company;
- (ii) The performance of other industries/market participants engaged in similar activities as the company;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

NOTE D - ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
Opening Cash Balance	Based on current bank balances as at August 20, 2026.	x	
Forecast Cash Receipts:			
Tuition and registration fees	Based on projected enrollment for Fall 2026.		x
Advances from related entities	Based on projected transfer of funds from related entities.	x	
Forecast Cash Disbursements:			
Salaries - Teaching staff & Administrative staff	Based on College Lasalle's historical payroll reports and forecasted payroll.	x	
Rent	Based on the amount receivable from College LaSalle's landlord. No repayment assumed.	x	
Other operating expenses	Based on Lasalle College's forecasted accounts payable and other operating expenses.		x
Professional fees	Estimated professional fees to be incurred in the following weeks for the Debtor's legal, financial and communications advisors, as well as the proposed Monitor.		x
Contingency	Allowance for contingencies.		x