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C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
DIVISION No.: 01-Montréal
COURT No.: 500-11-066584-257
ESTATE No.: 41-3311071

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

**IN THE MATTER OF THE
BANKRUPTCY OF:**

FORTRESS GLOBAL ENTERPRISES INC., a legal person duly incorporated under the Law, having its head office and principal place of business at 2500-1100 René-Lévesque Boulevard West, Montreal, Quebec, H3B 5C9

- and -

FORTRESS SPECIALTY CELLULOSE INC., a legal person initially incorporated under the British Columbia *Business Corporations Act*, SBC 2002, c 57 and subsequently continued under the *Canada Business Corporations Act*, RSC 1985, c C-44, having its head office located at 2500-1100 René-Lévesque Boulevard, in the city of Montreal, Province of Quebec, H3B 5C9;

- and -

FORTRESS BIOENERGY LTD., a legal person initially incorporated under the British Columbia *Business Corporations Act*, SBC 2002, c 57 and subsequently continued under the *Canada Business Corporations Act*, RSC 1985, c C-44, having its head office located at 2500-1100 René-Lévesque Boulevard, in the city of Montreal, Province of Quebec, H3B 5C9;

- and -

FORTRESS XYLITOL INC. a legal person initially incorporated under the British Columbia *Business Corporations Act*, SBC 2002, c 57, having its registered office located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, Province of British Columbia, V6C 3L2;

- and -

9217-6536 QUÉBEC INC. a legal person incorporated under the Quebec *Business Corporations Act*, RLRQ, C. S-31.1 having its head office located at 2500-1100 René-Lévesque Boulevard, in the city of Montreal, Province of Quebec, H3B 5C9;

Bankrupt

- and -

DELOITTE RESTRUCTURING INC.

(Jean-François Nadon, CPA, CIRP, LIT, designated responsible person) having its place of business at 1190 avenue des Canadiens-de-Montréal, Suite 500, Montreal, Quebec, H3B 0M7

Trustee

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

1. The *Bankruptcy and Insolvency Act*, a federal act in Canada (the "**BIA**"), provides for a first meeting of creditors to discuss the creditors' collective interest in the administration of the Bankrupt estate.
2. Unless otherwise stated, all the amount included in this trustee's preliminary report to creditors are presented in Canadian dollars.

A) Background

3. Fortress Global Enterprises Inc., Fortress Specialty Cellulose Inc., Fortress Bioenergy LTD, Fortress Xylitol Inc. and 9217-6536 Québec Inc. (collectively "**Fortress**") were part of a group of companies whose main focus was producing dissolving pulp at their pulp mill located in Thurso, Quebec, Canada.
4. On December 16, 2019, Fortress filed for court protection under the Companies' Creditors Arrangement Act ("**CCAA**"). Deloitte Restructuring Inc. was appointed Monitor under the CCAA (in such capacity, the "**Monitor**").
5. As described during the CCAA proceedings, in the Monitor's Twenty-Fifth Report dated July 19, 2024, Fortress sought and obtained an Approval and Vesting Order in view of transferring, through a credit-bid, the majority of Fortress's assets to an acquire.
6. Pursuant to the Order dated September 29, 2025, the Monitor was empowered and authorized to assign Fortress into bankruptcy. On December 16, 2025, the Monitor assigned Fortress into bankruptcy.

Financial Statements

7. For reference, below is Fortress's income statement for the operating years before the filing ended December 31, 2017, December 31, 2018, and for the nine-month period ended September 30, 2019.

Fortress Global Enterprises Inc. - Consolidated Income Statement (\$'000 CAD) (Unaudited)	(9 months)		
For the 12-month period ended on	31-Dec-17	31-Dec-18	30-Sep-19
Revenue	156,414	185,945	91,815
Costs and Expenses	(182,917)	(196,077)	(212,335)
Gross Profit	(26,503)	(10,132)	(120,520)
Other Expense	(6,488)	(22,048)	(9,364)
Net Loss From Continuing Operations Before Taxes	(32,991)	(32,180)	(129,884)
Income Tax Recovery	3	-	-
Net Loss From Continuing Operations	(32,988)	(32,180)	(129,884)
Net Loss From Discontinued Operations	(60,394)	-	-
Net Loss	(93,382)	(32,180)	(129,884)

Causes of insolvency

8. As shown in the consolidated income statement above, Fortress has accumulated deficits over the years. The company incurred net losses of approximately \$93.4M, \$32.2M, and \$129.9M for the years ended December 31, 2017, December 31, 2018, and for the nine-month period ended September 30, 2019, respectively.
9. The operating losses were explained by a significant decrease in the average selling price per ton of dissolving pulp, challenging global market conditions, particularly in China, lower-than-expected electricity sales, and increased pulp costs. Under these conditions, Fortress was unable to generate the required level of revenue to cover the expenses.

B) Trustee's preliminary evaluation of assets and liabilities

10. Below is a summary of the Statement of Affairs as of December 15, 2025, which includes the estimated net realization value of Fortress's assets as well as the estimated deficit:

Fortress Global Enterprises Inc. Statement of Affairs - in \$'000 CAD As at December 16, 2025	Estimated Realization Value¹
Assets	
Cash on hand	156
GST/QST receivables	200
Land held for sale	514
Potential Refund from Litigation ²	1
Total Assets	872
Liabilities	
Secured creditors ³	207,904
Unsecured creditors ³	115,753
Total Liabilities	323,657
Deficit	(322,785)

Note 1 Estimated realization value before any costs related to the liquidation of the assets and to the administration of the bankrupt estate.

Note 2 The outcome of the contingent asset related to an ongoing litigation is still uncertain, and its best estimate cannot be determined at the date of the bankruptcy.

Note 3 Amounts owed to creditors were established with the financial information available at the date of the bankruptcy. Creditors will have the onus to prove their claims and only proven claims will constitute valid claims and will receive a distribution if funds are available.

11. The estimated values attributed to the various assets of Fortress in the Statement of Affairs are discussed below:
- a) Cash: The net realization value of the cash balance is based on the cash balance received by the Trustee at the time of the bankruptcy.
 - b) GST/QST receivables: The net realization value of the GST and QST receivables was estimated based on information available received by the Trustee.
 - c) Land held for sale: The net realization value of the land held for sale was estimated based on the municipal assessment.
 - d) Potential refund from litigation: This potential refund arises from ongoing litigation between Fortress's insurer and an equipment manufacturer. Fortress may be eligible to receive reimbursement for the deductible previously paid on a claim. However, the timing of this potential reimbursement remains uncertain.

C) Description of the secured and unsecured creditors

12. As of the date of the bankruptcy, the secured creditors are 9109-3294 Québec Inc. being owed an amount of approximately \$46.7M, Investissement Québec being owed an amount of approximately \$124.9M and Fiera being owed an amount of approximately \$36.3M.
13. The unsecured creditors are essentially composed of suppliers. As of the date of the bankruptcy, an amount of approximately \$115.8M is owed to approximately 396 suppliers.

D) Conservatory and protective measures

14. Since December 16, 2025, the Trustee implemented the following conservatory and protective measures:
- a) Opening of trust bank accounts at the National Bank of Canada;
 - b) Freezing of Fortress's bank accounts and requesting the transfer of the cash balance to the Trustee's trust bank account;
 - c) Ensuring proper insurance coverage of Fortress's assets;
 - d) Publication of a notice to creditors in the *La Presse Plus* and *The Globe and Mail*; and,
 - e) Communication to all known creditors of Fortress and former employees to inform them of the notice of bankruptcy and the date and time of the first meeting of creditors.

E) Information relating to provable claims

15. As of the time of the preparation of this report, considering the limited number of proofs of claims received to date, the Trustee believes there will not be a significant difference between the number of claims declared by Fortress and the number of claims proven by the various creditors.

F) Legal proceedings, transfer at undervalue and preference payments

16. The Trustee has not initiated any legal proceedings and has not identified any transfer at undervalue or preference payments to date.

G) Projected distribution and Trustee's comments on anticipated asset realization

17. As illustrated in the Statement of Affairs (summarized above), based on the information available for the Trustee, the proceeds that will be realized from the liquidation of all of Fortress's assets will not be sufficient to fully reimburse the secured lenders and therefore no distribution to unsecured creditors is expected.

H) Other matters

18. None.

DATED AT MONTREAL, Quebec, this 5th day of January 2026.

DELOITTE RESTRUCTURING INC.

In its capacity as Trustee of the Estate of
Fortress Global Enterprises Inc.
and not in its personal capacity

Per:



Jean-François Nadon, CPA, CIRP, LIT
President