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C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-057679-199

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:**

**INVESTISSEMENT QUÉBEC**, a corporation  
duly constituted under the *Act respecting  
Investissement Québec* (CQLR c I-16.0.1),  
having its head office at 1195 avenue Lavigerie,  
suite 060, in the city of Quebec, Province of  
Quebec, G1V 4N3;

**Principal Secured Creditor**

- and -

**FIERA PRIVATE DEBT INC.**, a legal person  
initially incorporated under Part IA of the  
*Québec Companies Act*, CQLR c C-38 and  
subsequently continued under the *Québec  
Business Corporations Act*, CQLR c S-31.1,  
having its head office located 400-1699 Le  
Corbusier Blvd., in the city of Laval, Province of  
Quebec, H7S 1Z3, acting in its capacity,  
respectively, as manager and agent under the  
IAM Loan Agreement and under the Bridge  
Financing Agreement (as such terms are defined  
in the Application);

**Secured Creditor**

**FORTRESS GLOBAL ENTERPRISES INC.**, a  
legal person duly incorporated under the British  
Columbia *Business Corporations Act*, SBC 2002,  
c 57 having its head office at 157 Chadwick  
Court, 2<sup>nd</sup> floor, in the city of North Vancouver,  
Province of British Columbia, V7M 3K2;

- 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 Canada;

- 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

#### **Debtors**

- and -

**DELOITTE RESTRUCTURING INC.**, a company incorporated under the laws of Canada, having a place of business at 500-1190 av. des Canadiens-de-Montréal, in the city of Montreal, Province of Quebec, H3B 0M7;

#### **Monitor/Applicant**

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

## **INTRODUCTION**

1. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined in the Application for the Issuance of a First Day Order, an Amended and Restated Initial Order, a Receivership Order and a Claims Procedure Order under the *Companies' Creditors Arrangement Act* ("**CCAA**") dated December 13, 2019 (the "**Initial Application**"). These proceedings commenced under the CCAA by Fortress will be referred to herein as (the "**CCAA Proceedings**").
2. On December 13, 2019, Investissement Québec ("**IQ**" or the "**Interim Lender**") and Fiera Private Debt Inc. ("**Fiera**" and collectively with IQ, the "**Secured Creditors**"), in their respective capacity as secured creditors of Fortress Global Enterprises Inc. ("**Fortress Global**"), Fortress Specialty Cellulose Inc. ("**Fortress Specialty**"), Fortress Bioenergy Ltd. ("**Fortress Bioenergy**"), Fortress Xylitol Inc. ("**Fortress Xylitol**") and

9217-6536 Québec Inc. ("**9217**") (collectively, "**Fortress**"), filed the Initial Application seeking, *inter alia*, the issuance of a First Day Initial Order, an Amended and Restated Initial Order in respect of Fortress pursuant to Sections 9, 11, 11.51, 11.52 of the CCAA, as well as a Claims Procedure Order and a Receivership Order pursuant to Section 243 of the *Bankruptcy and Insolvency Act*.

3. On December 13, 2019, the Monitor (as defined below) issued its First Report, which purpose was to provide information to the Court with respect to (i) Deloitte's qualification to act as Monitor; (ii) the business, financial affairs and financial results of Fortress; (iii) Fortress' main creditors; (iv) Fortress' solicitation process; (v) the proposed restructuring; (vi) the Key Employee Retention Program ("**KERP**"); (vii) the appointment of a receiver; (viii) the charges sought in the First Day Order; (ix) the D&O Trust; (x) the Claims Procedure Order; (xi) payments to Essential Suppliers (as defined in the First Report); (xii) overview of the 22-week cash flow projections as of the date of the First Report, in accordance with Section 23(1)(b) CCAA; and (xiii) the Monitor's conclusions and recommendations in the circumstances of the hearing and the motion presented by the Secured Creditors as co-applicants.
4. On December 16, 2019, the Superior Court of Quebec, Commercial Division (the "**Court**") partially granted the Initial Application and rendered a First Day Initial Order (the "**First Day Order**"), which provided for, *inter alia*, (i) a stay of proceedings against Fortress until December 26, 2019 (the "**Stay Period**"); (ii) a stay of proceedings against the Directors and Officers; (iii) the appointment of Deloitte Restructuring Inc. as the monitor under the CCAA (the "**Monitor**"); (iv) the approval of Interim Financing Facility; and (v) the granting of an Interim Lenders' Charge.
5. On the same day, the Court also rendered a Receivership Order appointing Deloitte as receiver to a bank account opened in the name of Fortress Global for the sole purpose of allowing its employees to recover certain amounts which may be owing to them pursuant to the Wage Earners Protection Program Act ("**WEPPA**").
6. On December 19, 2019, the Secured Creditors filed an Application for the Issuance of an Amended First Day Order, which was presentable by conference call on December 26, 2019.
7. On December 26, 2019, the above-mentioned application was granted, and the Court rendered an Amended First Day Order which provided for, *inter alia*, (i) an extension of the Stay Period until January 10, 2020; (ii) an increase of the maximum principal amount of the Interim Financing Facility to \$1.5M; (iii) an increase of the Interim Lender Charge to up to \$1.8M; and (iv) the payment of Essential Suppliers (as defined in the First Report) up to a maximum of \$250K. On such date, the Court advised the parties that it would hear the Secured Creditors' Application for an Amended and Restated First Day Order.
8. On January 8, 2020, the Monitor issued its Second Report. The purpose of the Second Report was to provide information to the Court on the activities of Fortress and of the Monitor since the commencement of the CCAA Proceedings and to support the Secured Creditors' demand for the issuance of an Amended & Restated Initial Order.
9. On January 10, 2020, an Amended & Restated Initial Order was rendered by the Court (the "**Amended & Restated Initial Order**") which provided for, *inter alia*, (i) an extension of the Stay Period until May 2, 2020; (ii) an increase of the maximum principal amount of the Interim Financing Facility to \$6M; (iii) an increase of the Interim Lender Charge to up to \$7.2M; (iv) a KERP and KERP Charge in an amount up to \$610K; (v) a D&O Charge in an amount up to \$500K; (vi) an Administration charge in an amount up to \$600K; (vii) an Intercompany Advance Charge in an amount up to \$3M; and (viii) the undertaking of the Monitor to file a report to the Court on further material development every two months, and to post these reports on the Monitor's website.

10. On January 10, 2020, the Court also rendered a Claims Procedure Order (the “**Claims Procedure Order**”) allowing the Monitor to conduct a process for the determination and, if applicable, adjudication of claims against Fortress. Pursuant to the Claims Procedure Order, a “Claims Bar Date” was set on March 16, 2020, at 5:00 p.m. (Montreal time).
11. Since January 10, 2020, the Monitor has filed several reports with the Court, shared same with the Secured Creditors and served same to the Service List from time to time. Copies of all of the Monitor’s reports are available on the Monitor’s website.
12. On March 23, 2020, at the request of the Monitor, the Court rendered an order, essentially clarifying that the Stay Period applied to the proceedings involving regulatory bodies and commenced before the *Tribunal Administratif du Québec* bearing the court file number STE-Q-211461-1509 (the “**TAT Proceedings**”) and suspending the proceedings commenced before the Court of Québec, criminal and penal division, district of Gatineau, in connection with the notices of infraction bearing numbers 100400-1116574361, 1004400-1116574353, 100400-1116574346, 100400-1116574338 and 100400-1116574312 (the “**Penal Proceedings**”) until May 2, 2020 (the “**Stay Order Regarding Regulatory Bodies**”).
13. On May 1, 2020, the Court extended the Stay Period, including the Stay Order Regarding Regulatory Bodies, up until August 11, 2020.
14. On June 8, 2020, Lauzon – Plancher de Bois Exclusif Inc. (“**Lauzon**”) filed an application (the “**Lauzon Application**”) seeking, *inter alia*, the amendment of the Initial Order, together with various declaratory orders, which was opposed by the Monitor, with the support of IQ.
15. On July 15, 2020, after a contested hearing which lasted 2 days, the Lauzon Application was rejected, in part, by the Court. As part of its order (the “**Lauzon Order**”), the Court essentially confirmed that the biomass stored on Lauzon’s premises was the property of Fortress and ordered that the purchase agreement entered into between Lauzon and Fortress could not be terminated as will be discussed further below.
16. On August 10, 2020, the Court extended the Stay Period up to and including October 23, 2020, and, at the request of the Secured Creditors, increased the Interim Financing Facility to \$8M and the Interim Lender’s Charge to \$9.6M.
17. On that same day, instead of specifically extending the Stay Order Regarding Regulatory Bodies, the Court reserved the parties’ rights to make representations on the applicability or not of the Stay Period to the TAT Proceedings and Penal Proceedings.
18. On October 23, 2020, the Court extended the Stay Period up to and including September 30, 2021, and increased, at the request of the Secured Creditors, the Interim Financing Facility to \$17M and Interim Lender’s Charge to \$20.4M.
19. On December 18, 2020, following a motion from the Company supported by the Monitor, the Court rendered:
  - (i) the Order Approving a Charge in Favour of Hydro-Québec (the “**Hydro-Québec Order**”).
  - (ii) the Order Allowing the Distribution of Funds Held in Trust and Assigning Claims to the Monitor, essentially allowing the Monitor to distribute funds that were held in trust to Fortress employees for their unpaid claims (the “**Trust Order**”).
20. On June 16, 2021, the Monitor filed an Application for the Issuance of an Order Approving:
  - (i) a Litigation Funding Agreement; (ii) a Litigation Financing Charge; (iii) the Transfer of Certain Litigation Proceedings Before the Superior Court (Commercial Division); and (iv) an Agreement in Principle to Settle Certain Penal Proceedings (the “**Initial LFA Application**”).

21. On June 22, 2021, the Court rendered an order approving the settlement of the penal proceedings (the "**Penal Proceedings Order**") and postponed to August 12, 2021, the debate on the approval of the litigation funding agreement between Omni Bridgeway (Fund 5) Canada Investments Limited ("**Omni**"), the Monitor, in its capacity as Monitor of Fortress Specialty and Cain Lamarre LLP (the "**Lawyers**") (the "**Initial LFA**"), the litigation financing charge in favour of Omni and thereafter of the Lawyers in the amount of \$6M over only the litigation proceeds (the "**Litigation Financing Charge**") and the transfer of the litigation between Fortress Specialty and Goulds Pumps before the Superior Court (Commercial Division) (the "**Litigation Proceedings**").
22. On August 12, 2021, and August 13, 2021, the debate regarding the Initial LFA, the Litigation Financing Charge and the transfer of the Litigation Proceedings was heard by the Court.
23. On September 24, 2021, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Increasing the Interim Lender Charge.
24. On September 29, 2021, the Court extended the Stay Period up to and including October 8, 2021.
25. On October 8, 2021, the Court extended the Stay Period up to and including March 31, 2022, and increased, at the request of IQ, the Interim Financing Facility to \$24M and the Interim Lender Charge to \$28.8M.
26. On November 1, 2021, the Court rendered its judgment on the Initial LFA Application which refused to approve the LFA in its proposed form and expressed the Court's view with respect to the required changes as described further in this report (the "**Initial LFA Judgment**").
27. On November 19, 2021, the Monitor filed an *Application for the Issuance of an Order Approving a Litigation Funding Agreement and a Litigation Financing Charge* (the "**Amended LFA Application**").
28. On December 30, 2021, the Court rendered its judgment on the Amended LFA Application which refused to approve the Amended LFA in its proposed form and expressed the Court's view with respect to the required changes as described further in this report (the "**Amended LFA Judgment**").
29. On February 11, 2022, the Monitor filed an Application for the Issuance of an Order Approving an Amended Litigation Funding Agreement and the creation of a Litigation Funding Charge (the "**Re-amended LFA Application**"). On the same day, the Court rendered an *Order Approving a Litigation Funding Agreement and a Litigation Financing Charge* approving the Initial LFA, as amended pursuant to an Amendment No. 1 to Litigation Funding Agreement (the "**First Amendment**" and together with the Initial LFA, the "**Amended LFA**") and pursuant to an Amendment No. 2 to Litigation Funding Agreement (the "**Second Amendment**" and together with the Amended LFA, the "**LFA**").
30. On February 23, 2022, IQ filed an *Application for the Issuance of an Order Extending the Stay Period and Approving a Fourth Amending Agreement to the Interim Financing Agreement*.
31. On March 3, 2022, the Court extended the Stay Period up to and including May 31, 2022, and increased, at the request of IQ, the Interim Financing Facility to \$27M and the Interim Lender Charge to \$32.4M.
32. On May 24, 2022, IQ filed an *Application for the Issuance of an Order Extending the Stay Period and Approving a Fifth Amending Agreement to the Interim Financing Agreement*.

33. On May 27, 2022, the Court extended the Stay Period up to and including October 14, 2022, and increased, at the request of IQ, the Interim Financing Facility to \$30.8M and the Interim Lender Charge to \$37.0M.
34. On October 4, 2022, IQ filed an *Application for the Issuance of an Order Extending the Stay Period* (the "**Application**").
35. On October 7, 2022, the Court extended the Stay Period up to and including November 25, 2022.
36. On November 21, 2022, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Approving a Sixth Amending Agreement to the Interim Financing Agreement.
37. On November 25, 2022, the Court extended the Stay Period up to and including April 28, 2023, and increased, at the request of IQ, the Interim Financing Facility to \$33.8M and the Interim Lender Charge to \$40.6M.
38. On April 21, 2023, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Extending the Stay to the SAP Proceedings.
39. On April 24, 2023, the Monitor filed an Application for the Issuance of an Order Approving the Settlement of the Claim of a Former Employee and the Execution of a Settlement.
40. On April 27, 2023, the Court extended the Stay Period up to and including June 23, 2023, and approved the above-mentioned settlement.
41. On June 19, 2023, IQ filed an *Application for a Stay Extension & Authorizing the Termination of a Trust and the Release of Trust Funds*.
42. On June 22, 2023, the Court extended the Stay Period up to and including September 29, 2023, and approved the termination of a trust and the release of trust funds.
43. On September 21, 2023, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Approving a Seventh Amending Agreement to the Interim Financing Agreement.
44. On September 26, 2023, the Court extended the Stay Period up to and including January 31, 2024, and approved the above-mentioned settlement.
45. On January 16, 2024, IQ filed an Application for the Issuance of an Order Extending the Stay Period.
46. On January 19, 2024, the Court extended the Stay Period up to and including March 15, 2024.
47. On March 12, 2024, IQ filed an Application for the Issuance of an Order Extending the Stay Period & Approving an Eighth Amending Agreement to the Interim Financing Agreement.
48. On March 15, 2024, the Court extended the Stay Period up to and including May 10, 2024, and approved the Eighth Amending Agreement to the Interim Financing Agreement.
49. On May 7, 2024, IQ filed an *Application for the Issuance of an Order Extending the Stay Period*.
50. On May 10, 2024, the Court extended the Stay Period up to and including July 30, 2024, and approved the Eighth Amending Agreement to the Interim Financing Agreement.

51. On July 19, 2024, the Monitor filed an *Application for the Issuance of an Approval and Vesting Order and an Ordonnance de Radiation (Discharge Order)* (as amended, the "Approval Application").
52. On July 25, 2024, the Court *inter alia* rendered:
- (i) an approval and vesting order (the "**Vesting Order**") approving the sale of substantially all of Fortress' assets (the "**Purchased Assets**") by way of "*credit-bid*" to 9109-3294 Québec Inc. (the "**Purchaser**") further to the partial assignment of IQ's secured debt as against the Debtors to 9109-3294 Quebec Inc. (the "**Sale Transaction**"); and
  - (ii) an extension order, extending the Stay Period up to and including September 30, 2024.
53. On September 26, 2024, the Monitor filed an *Application for the Issuance of an Extension Order*.
54. On September 30, 2024, the Court extended the Stay Period up to and including September 30, 2025, praying act of the Monitor's undertaking to file with the Court a report by April 30, 2025, to update the Court on the developments in the CCAA Proceedings.
55. In accordance with the Amended and Restated Initial Order, the Monitor hereby issues its twenty-seventh report (the "**Twenty-Seventh Report**"). The purpose of the Twenty-Seventh Report is to inform the Court with respect to the following:
- I. Update on Fortress' operations;
  - II. The Monitor's activities since the Twenty-Sixth Report;
  - III. Fortress' cash flow up to March 31, 2025;
  - IV. The Monitor's conclusions.

## **I. UPDATE ON FORTRESS' OPERATIONS**

56. As mentioned in the previous report, upon the closing of the Sale Transaction, the Purchased Assets were transferred to the Purchaser.
57. Since the Twenty-Sixth Report, the last employee of Fortress has been terminated.

### ***Les Pompes Goulds***

58. As indicated in previous reports, on or about February 14, 2014, Fortress Specialty filed an originating application before the Québec Superior Court (Civil Division) under court file number 500-17-082483-143 against Goulds Pumps Canada Inc. claiming an amount of \$17,363,683.38, which was amended on June 25, 2014, to add Goulds Pump Inc. as defendant, for restitution of the purchase price and for damages in relation to the defect of two boiler feedwater pumps manufactured and sold to Fortress Specialty by Goulds Pumps (the "**Claim**").
59. Rather than filing a counterclaim in response to Fortress Specialty's originating application, Goulds Pumps Canada Inc. and ITT Goulds Pumps Inc. filed an originating demand against Fortress Specialty before the Québec Superior Court (Civil Division) under court file number 500-17-094108-167 claiming an amount of \$508,717.09 in connection with allegedly unpaid invoices (the "**Goulds Pumps' Claim**" and together with the Claim, the "**Litigation**").

**Proceedings**"). Both claims were since consolidated and were set to be heard together in the same trial scheduled in March 2025.

60. As mentioned in the Twenty-Sixth Report, Fortress' rights and interest in the Litigation Proceedings were excluded from the Purchased Assets and therefore remained in Fortress' patrimony.
61. Shortly prior to the start of the trial, the parties entered into a final round of negotiation with a view to attempting to settle the Litigation Proceedings and avoiding the costs and inconveniences associated with a trial. In this context, the parties were able to agree on the terms and conditions for the settlement of the Litigation Proceedings.
62. In accordance with the terms of the LFA approved by the Court, the Monitor possesses the exclusive authority to make all decisions relating to the Litigation Proceedings, including the exclusive right to settle, in consultation with IQ, the Litigation Proceedings taking into consideration the advice of Lawyers and the guidelines set out in Exhibit C of the Amended LFA.
63. Considering the foregoing, the guidelines set out in Exhibit C of the Amended LFA, the consent of Omni, the Lawyers and IQ as well as the fact that the settlement of the litigation does not constitute the disposition of property which would require approval of the Court, the Monitor has accepted the terms and conditions of the settlement and final documentation confirming the settlement amongst the parties will be executed in the coming weeks. Allocation of the proceeds of the settlement will be provided to the Court in the next monitor's report once confirmed among the parties to the Amended LFA according to its terms and conditions.

## **II. MONITOR'S ACTIVITIES SINCE THE LAST REPORT**

### General

64. More generally, the Monitor, with the assistance of Fortress, has been responding to questions from various stakeholders as to the status of the CCAA Proceedings.
65. The Monitor has also analyzed the receipts and disbursements transacted through Fortress' bank accounts with the full co-operation of Management.
66. As described later in this report, delays occurred in the refunds of sales tax. The Monitor tried to resolve this situation without success. Therefore, the Monitor's legal counsel is currently in discussion with the legal counsel of Revenu Québec in order to resolve this situation.

### Remaining Assets

67. As previously mentioned in the Twenty-Sixth Report, as part of the Sale Transaction, two vacant lands were excluded from the Purchased Assets and are therefore still owned by Fortress:
  - (i) a vacant land located in Gatineau and covered by dense forest.
  - (ii) a vacant land located in Notre-Dame-de-la-Salette known as the Poupore Bark Pile Site. The site was covered and revegetated. It is estimated that the site contains 300,000 tons of wood bark residue.
68. Since the previous report, the Monitor, at the request of the Interim Lender, mandated firms to conduct a phase 1 environmental study on both lands as well as an assessment of the value of those sites.

69. The Monitor also mandated a real estate agent to sell the two remaining lands. As of the date of this report, offers were received regarding one of the two lands and are currently being reviewed and evaluated by the Monitor in consultation with the Interim Lender.
70. In addition, during the closing of the various accounts by the remaining employee, the Monitor was informed that Fortress held unused carbon credits in an account. After conducting validation, the Monitor discovered that these carbon credits had value and that there was a market to sell them.
71. As of the date of this report, the Monitor is finalizing a transaction with a broker specialized in transactions for this type of assets and should receive the proceeds of the sale in May 2025. The value of the contemplated transaction is below the maximum threshold pursuant to which the Monitor and Fortress are dispensed from seeking Court approval of the transaction. Accordingly, the Monitor will not be seeking Court approval of the contemplated transaction.

### **III. FORTRESS' CASH FLOW UP TO MARCH 31, 2025 (6 MONTHS)**

72. Fortress' financial performance highlights for the period from September 22, 2024, to March 31, 2025, are presented in the Actual Cash Flow annexed hereto as **Appendix A**. The Monitor's comments on Fortress' financial performance during this period are the following:
- (i) compared with the initial statement of projected cash flow presented to the Court in the Twenty-Sixth Report on September 26, 2024 (the "**Initial Cash Flow Statement**"), Fortress experienced a favorable variance of \$610K in cash inflows mainly explained by:
    - i. a favorable variance of \$610K in Reimbursement of expenses. This favorable variance is offset by the unfavorable variance in Cold Idle Plus disbursements described below. This variance is explained by the fact that some works required by the purchaser have been paid through Fortress in order to facilitate the process with the suppliers. These funds were advance by the purchaser and then immediately disbursed by Fortress; and
    - ii. an unfavorable variance of \$84K in GST & QST refunds. This variance is temporary and due to timing. The Monitor is working with Revenu Québec in order to correct the situation.
  - (ii) compared with the Initial Cash Flow Statement, Fortress experienced an unfavorable variance of \$780K in cash outflows. The variance is primarily attributable to an unfavorable variance of \$849K in Cold Idle Plus. As described above, certain works requested by the purchaser have been paid through Fortress. The remaining unfavorable variance of \$155K in Cold Idle Plus is due to higher than budgeted costs for works that have to be completed by Fortress as per the budget.
  - (iii) compared with the Initial Cash Flow Statement, Fortress experienced a net unfavorable variance of approximately \$170K, as explained, mainly related to permanent variance in Cold Idle Plus as well as timing of QST/GST refunds.
73. As of the date of this Twenty-Seventh Report, all post-filing expenses incurred by Fortress have been or will be paid in the normal course of business out of the Interim Financing Facility described in the First Report or from the funds to be collected. The Monitor will not submit an updated budget and will continue to report on the Cash Flow Statement provided with the Twenty-Sixth Report as no material changes are expected.

**IV. THE MONITOR'S CONCLUSIONS**

74. The Monitor confirms that there is no further material development to report in this matter at this time, other than what is provided for in this Twenty-Seventh Report of the Monitor.

75. The Monitor respectfully submits to the Court this, its Twenty-Seventh Report.

DATED AT MONTREAL, this 30<sup>th</sup> day of April 2025.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Monitor of Fortress



Jean-François Nadon, CPA, CIRP, LIT  
President



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

# Appendix A

## APPENDIX A

### Fortress Global Enterprises

### Budget-to-Actual Analysis for the 6-month period ended March 31, 2025

(in \$000 CAD)

	For the 6-month period ended March 31, 2025				Note
	Actual	Budget	Var (\$)	Var (%)	
<b>Consolidated Receipts</b>					
Deposit reimbursement from Hydro-Québec	200	200	-	0%	
Reimbursement of expenses	868	174	694	399%	Note 1
GST & QST refunds	70	154	(84)	-55%	Note 2
Others	-	-	-	0%	
<b>Total - Receipts</b>	<b>1,138</b>	<b>528</b>	<b>610</b>	<b>116%</b>	
<b>Disbursements</b>					
Environmental site assessment	890	890	-	0%	
Cold Idle Plus	1,041	192	(849)	-442%	Note 1
Payroll	178	153	(25)	-16%	
Vacations	114	150	36	24%	
Trade payables - Operation	-	23	23	100%	
Land surveying	-	10	10	100%	
Insurance	21	36	15	42%	
Professional fees	735	750	15	2%	
Others	5	-	(5)	0%	
<b>Total - Disbursements</b>	<b>2,984</b>	<b>2,204</b>	<b>(780)</b>	<b>-35%</b>	
<b>Change in Cash-Flow</b>	<b>(1,846)</b>	<b>(1,676)</b>	<b>(170)</b>	<b>-10%</b>	
Net cash (Shortfall) - Beginning	2,039	2,039	-	0%	
<b>Net cash (Shortfall) - Ending</b>	<b>193</b>	<b>363</b>	<b>(170)</b>	<b>-47%</b>	

#### Note 1 : Reimbursement of expenses & Cold Idle Plus

Reimbursement of expenses & Cold Idle Plus variances should be analyzed together since in order to facilitate the progress of the work to be completed on site, some works required by the purchaser was advanced by the purchaser and then paid through Fortress. The remaining unfavorable variance of \$155K is due to higher than budgeted costs for works that has to be completed by Fortress as per the budget.

#### Note 2 : GST & QST refunds

The unfavorable variance of \$84K is due to delay in QST/GST refunds. The Monitor is working with Revenu Quebec in order to correct the situation.