

**THE KING'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c
C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MANITOBA CLINIC MEDICAL CORPORATION AND THE MANITOBA CLINIC
HOLDING CO. LTD.

(the “Applicants”)

**SUPPLEMENT TO
THE SIXTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.
DATED NOVEMBER 28, 2023**

MONITOR

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INTRODUCTION

1. The purpose of this supplement (the “**Sixth Report Supplement**”) to the Monitor’s Sixth Report dated November 20, 2023 (the “**Sixth Report**”) is to provide this Honourable Court and the members of the Service List with a copy of the Updated Forecast for the 13-week period from November 11, 2023 to February 9, 2023.
2. Unless otherwise set forth herein, capitalized words or terms not defined or ascribed a meaning in this Sixth Report Supplement are as defined or ascribed in the Sixth Report, the preceding reports of the Monitor or other orders of this Honourable Court, as the case may be.
3. This Sixth Report Supplement should be read in conjunction with the Sixth Report.

TERMS OF REFERENCE

4. In preparing this Sixth Report Supplement, A&M, in its capacity as the Monitor, has been provided with and has relied upon: (i) unaudited financial information and the books and records prepared by the Companies; and (ii) discussions that it has had with the Companies’ management (“**Management**”) and their respective counsel and directors (collectively, the “**Information**”).
5. While the Monitor has reviewed certain financial information in respect of the Companies, the Monitor has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Companies’ financial information that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of financial information.
6. Unless otherwise stated, all monetary amounts contained in this Sixth Report Supplement are expressed in Canadian dollars.

UPDATED FORECAST

7. The Updated Forecast is summarized below:

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. For the period from November 11, 2023 to February 9, 2023 <i>unaudited, in CAD \$000's</i>	
Medco	
Cash Receipts	5,413
Operating Disbursements	5,833
Medco Net Cash Flow from Operations	(420)
Realco	
Cash Receipts	732
Operating Disbursements	1,014
Realco Net Cash Flow from Operations	(282)
Net Cash Flow from Operations	(702)
Total Non-Operating Cash Receipts	5,500
Total Non-Operating Cash Disbursements	(530)
Net Cash Flow	4,268
Opening Cash	199
Net Cash Flow	4,268
DIP Advance (Repayment)	(1,250)
Ending Cash	3,217
Opening DIP Facility Availability	2,723
DIP Borrowings	-
DIP Repayments	1,250
Closing DIP Facility Availability	3,973

8. A copy of the Updated Forecast, together with a summary of assumptions, are attached hereto as Appendix “A”.
9. A summary of the Updated Forecast and select assumptions include the following:
 - a) total projected cash receipts of approximately \$11.6 million, which includes proceeds of \$5.5 million from the closing of the Dynacare PSA;
 - b) total forecast operating cash disbursements of approximately \$6.8 million relating to physician draws, rent, property taxes, payroll and employee benefits and medical supplies; and
 - c) non-operating cash disbursements of approximately \$530,000 primarily relating to the forecast payment of fees and disbursements of the Monitor, the Monitor’s Counsel, Companies’ counsel, and counsel to the Lender.

10. Accordingly, it appears that the Debtors will experience positive cash flow over the Forecast Period of approximately \$4.3 million.
11. Given the expected positive cash flow forecast over the forecast period, it is anticipated that the Debtors will repay the entire amount outstanding under the Interim Financing Facility of \$1.25 million and will not require additional borrowings.
12. The Updated Forecast assumes a conservative scenario where the Realco APA and the Medco APA do not close and the Companies continue operations in normal course. In this conservative scenario, the Companies are expected to have sufficient liquidity to operate throughout the extended stay period. If the Realco APA and the Medco APA do close, it is expected that the actual cash flow during the Forecast Period will be higher than forecast, as operations will cease and proceeds from those transactions will be received.

All of which is respectfully submitted to this 28th day of November, 2023.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of
the Companies and not in its personal or
corporate capacity**



Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President



Cassie Riglin, CPA, CA, CIRP, LIT
Senior Vice President


APPENDIX A
Updated Forecast

Manitoba Clinic Medical Corporation ("Medco") and The Manitoba Clinic Holding Co. Ltd. ("Realco")
Management Prepared 13 Week Cash Flow Forecast - Consolidated
For the period from November 11, 2023 to February 9, 2024
unaudited, in CAD \$000's

	Notes	Forecast Period													Total
		Week 51	Week 52	Week 53	Week 54	Week 55	Week 56	Week 57	Week 58	Week 59	Week 60	Week 61	Week 62	Week 63	Total Week 51 to Week 63
Medco		17-Nov-23	24-Nov-23	1-Dec-23	8-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	5-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24	9-Feb-24	
Cash Receipts	1	919	-	953	-	919	-	953	-	-	835	-	835	-	5,413
Operating Disbursements	2-14	214	976	734	164	214	762	654	244	46	333	654	837	-	5,833
Medco Net Cash Flow from Operations		704	(976)	219	(164)	704	(762)	299	(244)	(46)	503	(654)	(2)	-	(420)
Realco															
Cash Receipts	1	169	-	40	-	204	-	-	40	35	169	-	-	75	732
Operating Disbursements	2-14	41	21	318	6	46	6	46	193	53	-	37	193	53	1,014
Realco Net Cash Flow from Operations		127	(21)	(278)	(6)	158	(6)	(46)	(153)	(17)	169	(37)	(193)	23	(282)
Net Cash Flow from Operations		832	(997)	(59)	(170)	862	(768)	253	(397)	(63)	671	(691)	(195)	23	(702)
Non-Operating Cash Receipts															
Dynacare Sale	18	5,500	-	-	-	-	-	-	-	-	-	-	-	-	5,500
Total Non-Operating Cash Receipts		5,500	-	-	-	-	-	-	-	-	-	-	-	-	5,500
Non-Operating Cash Disbursements															
Monitor's Fees	15	40	-	30	-	75	-	-	-	-	75	-	-	-	220
Monitor's Expenses	15	5	-	5	-	5	-	-	-	-	5	-	-	-	20
Monitor's Counsel's Fees	15	80	-	-	-	50	-	-	-	-	20	-	-	-	150
Company's Counsel's Fees	15	-	25	-	-	25	-	-	-	-	15	-	-	-	65
MLT Legal Fees	15	-	13	-	-	13	-	-	-	-	13	-	-	-	38
Key Employee Retention	16	-	-	25	-	-	-	-	-	-	-	-	-	-	25
Interim Financing Interest	17	-	-	13	-	-	-	-	-	-	-	-	-	-	13
Total Non-Operating Cash Disbursements		125	38	73	-	168	-	-	-	-	128	-	-	-	530
Net Cash Flow		6,207	(1,034)	(132)	(170)	695	(768)	253	(397)	(63)	544	(691)	(195)	23	4,268
Opening Cash	19	199	6,406	4,122	3,990	3,819	4,514	3,745	3,998	3,601	3,538	4,081	3,390	3,194	199
Net Cash Flow		6,207	(1,034)	(132)	(170)	695	(768)	253	(397)	(63)	544	(691)	(195)	23	4,268
DIP Advance (Repayment)		-	(1,250)	-	-	-	-	-	-	-	-	-	-	-	(1,250)
Ending Cash		6,406	4,122	3,990	3,819	4,514	3,745	3,998	3,601	3,538	4,081	3,390	3,194	3,217	3,217
Opening DIP Facility Availability		2,723	2,723	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	2,723
DIP Borrowings		-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Repayments		-	1,250	-	-	-	-	-	-	-	-	-	-	-	1,250
Closing DIP Facility Availability		2,723	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973	3,973

UNAUDITED CASH FLOW FORECAST TO BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & MONITOR'S REPORT ON THE CASH FLOW FORECAST

Alvarez & Marsal Canada Inc., in its capacity as Monitor of
Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd.,
and not in its personal or corporate capacity



Orest Konowalchuk, LIT
Senior Vice President

Manitoba Clinic Medical Corporation ("Medco")
Management Prepared 13 Week Cash Flow Forecast
For the period from November 11, 2023 to February 9, 2024
unaudited, in CAD \$000's

		Forecast Period													Total
		Week 51	Week 52	Week 53	Week 54	Week 55	Week 56	Week 57	Week 58	Week 59	Week 60	Week 61	Week 62	Week 63	Total
		17-Nov-23	24-Nov-23	1-Dec-23	8-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	5-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24	9-Feb-24	Week 51 to Week 63
Notes															
Cash Receipts															
		877	-	877	-	877	-	877	-	-	793	-	793	-	5,093
		19	-	53	-	19	-	53	-	-	19	-	19	-	183
		13	-	13	-	13	-	13	-	-	13	-	13	-	81
		9	-	9	-	9	-	9	-	-	9	-	9	-	56
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	1	919	-	953	-	919	-	953	-	-	835	-	835	-	5,413
Operating Cash Disbursements															
	2	-	812	598	-	-	598	598	-	-	-	598	598	-	3,803
	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4	-	164	26	164	-	164	-	190	-	164	-	185	-	1,057
	5	31	-	31	-	31	-	31	-	31	-	31	-	-	185
	6	15	-	15	-	15	-	15	-	15	-	15	-	-	90
	6	-	-	10	-	-	-	10	-	-	-	10	-	-	30
	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	8	169	-	-	-	169	-	-	-	-	169	-	-	-	506
	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10	-	-	25	-	-	-	-	25	-	-	-	25	-	76
	13	-	-	4	-	-	-	-	4	-	-	-	4	-	11
	14	-	-	25	-	-	-	-	25	-	-	-	25	-	75
Total Operating Cash Disbursements		214	976	734	164	214	762	654	244	46	333	654	837	-	5,833
Net Cash Flow from Operations		704	(976)	219	(164)	704	(762)	299	(244)	(46)	503	(654)	(2)	-	(420)

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Alvarez & Marsal Canada Inc., in its capacity as Monitor of
Manitoba Clinic Medical Corporation, and not in its personal or corporate capacity



Orest Konowalchuk, LIT
Senior Vice President

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		Week 51	Week 52	Week 53	Week 54	Week 55	Week 56	Week 57	Week 58	Week 59	Week 60	Week 61	Week 62	Week 63	Total
		17-Nov-23	24-Nov-23	1-Dec-23	8-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	5-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	2-Feb-24	9-Feb-24	Week 51 to Week 63
Notes															
Cash Receipts															
		-	-	-	-	35	-	-	-	35	-	-	-	35	106
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	8	169	-	-	-	169	-	-	-	-	169	-	-	-	506
		-	-	40	-	-	-	-	40	-	-	-	-	40	120
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	0	-	-	-	-	-	-	-	-	-	-	0
Total Cash Receipts		169	-	40	-	204	-	-	40	35	169	-	-	75	732
Operating Cash Disbursements															
	6	31	-	31	-	31	-	31	-	31	-	31	-	31	219
	4	-	6	0	6	-	6	-	-	6	-	6	-	6	38
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		10	-	-	-	15	-	-	-	15	-	-	-	15	55
	9	-	15	-	-	-	-	15	-	-	-	-	-	-	29
	10	-	-	13	-	-	-	-	13	-	-	-	13	-	40
	11	-	-	41	-	-	-	-	41	-	-	-	41	-	123
		-	-	1	-	-	-	-	1	-	-	-	1	-	3
	12	-	-	186	-	-	-	-	93	-	-	-	93	-	373
	13	-	-	20	-	-	-	-	20	-	-	-	20	-	60
	14	-	-	25	-	-	-	-	25	-	-	-	25	-	75
Total Operating Cash Disbursements		41	21	318	6	46	6	46	193	53	-	37	193	53	1,014
Net Cash Flow from Operations		127	(21)	(278)	(6)	158	(6)	(46)	(153)	(17)	169	(37)	(193)	23	(282)

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Alvarez & Marsal Canada Inc., in its capacity as Monitor of
The Manitoba Clinic Holding Co. Ltd., and not in its personal or corporate capacity


Orest Konowalchuk, LIT
Senior Vice President

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. (the "Company")
Notes to Management Prepared 13 Week Cash Flow Forecast
For the period from November 11, 2023 to February 9, 2023

Disclaimer

*In preparing this cash flow forecast (the "**Forecast**"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions discussed below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("**CCAA**"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or protections will be realized. The Forecast is presented in thousands of Canadian dollars.*

Note 1 Receipts

Receipts include professional fees received for services provided by the physicians, sundry and tray fees, EKG revenue, rent, parking receipts, lab revenue and other lease income. The projections are based on management's estimates, taking into consideration recent months receipts and expectations with respect to ongoing operations.

Note 2 Physician Draws

Physicians are provided with draws during the year, set at a percentage of their projected annual billings. Draws are completed on the last Friday of the month and the first Friday of the following month.

Note 3 Retention Payments

Court-approved Retention payments to be made to physicians who have not given notice under their service agreements and continue to work at the Clinic.

Note 4 Payroll and All Benefits

Salaries, wages, remittances and all employee benefits for salaried and hourly employees.

Note 5 Medical Supplies

Medical supplies consists primarily of the supplies required for the Company's procedures.

Note 6 Office Supplies and Repairs and Maintenance

Management has set a provision for ordinary course repairs and maintenance related to the Company's real estate assets. Included in this amount are the contracted costs for garbage removal, cleaning supplies, and costs of contracted security and cleaners at the building.

Note 7 Non-Salary Research Clinical Trial

Non-salary research is estimated as a percentage of research/clinical trial revenue.

Note 8 Rent

Monthly rent payments from Medco to Realco.

Note 9 Audit and Legal Fees

Forecast audit and legal fees includes the payments of post-filing obligations in accordance with the Initial Order and Amended and Restated Initial Order.

Note 10 Insurance

Management's forecast for insurance is based on the monthly financing costs for the insurance premium.

Manitoba Clinic Medical Corporation and The Manitoba Clinic Holding Co. Ltd. (the "Company")
Notes to Management Prepared 13 Week Cash Flow Forecast
For the period from November 11, 2023 to February 9, 2023

Disclaimer

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Note 11 Utilites

Forecast utility costs includes management's best estimate based on historical costs and seasonality.

Note 12 Business and Property taxes

Realco incurs monthly business and property tax payable to the City of Winnipeg pursuant to a tax installment payment plan.

Note 13 GST

GST payments are for the remittance to CRA for GST amounts collected net of any ITC's paid.

Note 14 Contingency

A contingency of \$25,000 per month has been included for both the Medco and Realco to account for possible unforeseen expenditures.

Note 15 Professional Fees and Expenses

Disbursements include forecast payments to Company's counsel, CIBC's counsel, the Monitor and the Monitor's legal counsel as well as the Monitor's expenses including travel costs, advertising and mailout expenses.

Note 16 Key Employee Retention Plan ("KERP")

Includes retention payments to one key employee who is critical for the day to day operations of the Company. The KERP involves the payment of \$25,000 forecast upon the completion of the SISP and a successful plan or transaction has been closed.

Note 17 Interim Financing Interest

The Forecast includes accrued interest payments owing to CIBC for the Interim Financing Facility at Prime +5%.

Note 18 Dynacare Sale

Net proceeds from the Court-approved sale of Realco's Class B Units in the Partnership (as defined in the Monitor's Fifth Report). The funds are currently being held in trust with the Monitor.

Note 19 Opening Cash

The opening cash balance reflects the current Company cash balance and includes previous interim financing draws completed by the Company during the CCAA proceedings.

**Alvarez & Marsal Canada Inc., in its capacity as
Monitor of Manitoba Clinic Medical Corporation and
The Manitoba Clinic Holding Co. Ltd.,
and not in its personal or corporate capacity**



Orest Konowalchuk, LIT
Senior Vice President