



C71599

**BK01-09558**

District of Alberta  
Division No. 02 - Calgary  
Court File No. BK01-095559 and BK01-095558  
Estate No. 25-095559 and 25-095558

**ATTABOTICS INC. AND ATTABOTICS (US) CORP.**

**SECOND REPORT OF RICHTER INC.  
IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
ATTABOTICS INC. AND ATTABOTICS (US) CORP.**

**JULY 28, 2025**

## TABLE OF CONTENTS

I.	INTRODUCTION.....	2
II.	PURPOSES OF THE SECOND REPORT .....	2
III.	TERMS OF REFERENCE.....	3
IV.	ACTIVITIES OF THE COMPANY SINCE THE FIRST REPORT .....	4
VI.	UDPATED CASH FLOW FORECAST.....	6
VII.	ACTIVITIES OF THE PROPOSAL TRUSTEE SINCE THE FIRST REPORT .....	8
VIII.	REQUEST FOR APPROVAL OF SISP .....	10
IX.	OTHER RELIEF SOUGHT .....	11
X.	CONCLUSION AND RECOMMENDATION .....	13

## **APPENDICES**

APPENDIX “A” – Cash Flow Forecast for the period June 14, 2015 to August 1, 2025

APPENDIX “B” – Updated Cash Flow Forecast July 12, 2025 to October 3, 2025

**District of Alberta**  
Division No. 02 - Calgary  
Court File No. BK01-095559 and BK01-095558  
Estate No. 25-095559 and 25-095558

**ALBERTA  
COURT OF KING'S BENCH OF ALBERTA**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED  
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ATTABOTICS INC. AND  
ATTABOTICS (US) CORP, OF THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA**

**SECOND REPORT OF RICHTER INC.  
IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
ATTABOTICS INC. AND ATTABOTICS (US) CORP.**

**JULY 28, 2025**

## I. INTRODUCTION

1. On July 2, 2025 (the **"Filing Date"**), ATTAbotics Inc. (**"ATTAbotics Canada"**) and ATTAbotics (US), Corp. (**"ATTAbotics US"** and together with ATTAbotics Canada, **"ATTAbotics"** or the **"Company"**) filed a Notice of Intention to Make a Proposal (an **"NOI"**) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the **"BIA"**), and Richter Inc. (**"Richter"**) was appointed as trustee (in such capacity, the **"Proposal Trustee"**) under the NOI. The NOI proceedings of ATTAbotics are referred to herein as the **"NOI Proceedings"**.
2. On July 4, 2025, the Court of King's Bench of Alberta (the **"Court"**) issued an order (the **"Initial Order"**), inter alia,
  - (i) authorizing the Company to obtain interim financing up to a maximum amount of \$1,500,000 (the **"DIP Facility"**) provided by Export Development Canada (in such capacity, the **"DIP Lender"**) pursuant to an interim facility term sheet dated July 3, 2025 (the **"DIP Term Sheet"**);
  - (ii) approving a charge in the amount of \$300,000 to secure the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, McMillan LLP (**"McMillan"**), and the Company's counsel, Osler, Hoskin & Harcourt LLP (**"Osler"**), in accordance with Section 64.2 of the BIA (the **"Administration Charge"**);
  - (iii) a charge in the maximum amount of \$200,000 in favour of the Company's directors and officers (the **"Directors' Charge"**);
  - (iv) a charge in favour of the DIP Lender to secure obligations of the Company under the DIP Facility (the **"DIP Charge"**); and
  - (v) a charge in the maximum amount of \$90,000 in favour of the certain key employees (the **"KERP Charge"**); and
  - (vi) approving the Administrative Consolidation of these NOI Proceedings.
3. The Company's business, affairs, financial performance, and position, as well as the causes of insolvency, are detailed in the affidavit of Edna Conway, ATTAbotics' Chair of its Board of Directors sworn July 3, 2025 (the **"Conway Affidavit"**).

## II. PURPOSES OF THE SECOND REPORT

4. The purpose of this second report (the **"Second Report"**) of the Proposal Trustee is to provide the Court with information pertaining to the following:
  - (i) the activities of the Company since the date of the First Report;
  - (ii) the Company's reported receipts and disbursements for the period from June 14, 2025 to July 18, 2025 (the **"Reporting Period"**), including a comparison of reported to forecasted results;

- (iii) an updated forecast of the Company's receipts and disbursements (the "**Updated Cash Flow Forecast**") for the period July 12, 2025 to Oct 3, 2025 (the "**Forecast Period**"), prepared in accordance with Section 50.4(2) of the BIA;
- (iv) the activities of the Proposal Trustee since the date of the First Report;
- (v) the Company's application for an order, *inter alia*:
  - a. approving the sale and investment solicitation process ("**SISP**") and authorizing and directing the Company and the Proposal Trustee to implement the SISP in accordance with its terms;
  - b. extending the time within which the Company is required to file a proposal to its creditors to September 15, 2025 (the "**Stay Extension**");
  - c. approving an amendment and restatement of the DIP Term Sheet (the "**Amended DIP Term Sheet**") to increase permitted borrowings under the Interim Facility from \$1.5 million to \$3.5 million and extend the Maturity Date (as defined therein) until September 15, 2025;
  - d. approving the second key employee retention plan (the "**Second KERP**") and increasing the KERP Charge to \$222,921; and
  - e. directing that the Confidential Exhibit to the Dickinson Affidavit be treated as confidential and sealed and not form part of the public record, pending further order of this Court.
- (vi) the Proposal Trustee's recommendation that this Court make the foregoing order, as requested by the Company.

### III. TERMS OF REFERENCE

- 5. In preparing this Second Report, the Proposal Trustee has relied upon certain unaudited, draft, and / or internal financial information prepared by representatives of the Company, the Company's books and records, and discussions with representatives of the Company and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in this Second Report, the Proposal Trustee has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, as such, the Proposal Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

6. Future orientated financial information contained in the Cash Flow Forecast is based on the Company's estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved.
7. Parties using this Second Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes and consequently should not be used for any other purpose.
8. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

#### **IV. ACTIVITIES OF THE COMPANY SINCE THE FIRST REPORT**

9. Since the First Report, the activities of the Company, with the support of its counsel, have included:
  - (i) managing relationships with key stakeholders, including creditors, its landlords, and secured lenders;
  - (ii) addressing operational issues arising in connection with the NOI Proceedings;
  - (iii) negotiating the DIP Term Sheet and the Amended DIP Term Sheet, including corresponding with the DIP Lender and its counsel;
  - (iv) working, in consultation with the Proposal Trustee, to manage the Company's cash flows and making payments in accordance with the Cash Flow Forecast and DIP Term Sheet;
  - (v) preparing material for, and attending at Court in connection with, the Initial Order;
  - (vi) liaising with the Proposal Trustee and preparing and providing the Proposal Trustee the Updated Cash Flow Forecast; and
  - (vii) preparing materials for Court in connection with the within application.
10. In addition to the above, in connection with the objectives of its 30-day initial stay period, the Company has been working with its counsel and the Proposal Trustee to solicit options to sell the Company's assets and business or obtain an investment in its assets and business during the initial 30-day period of the NOI Proceedings, and to develop a strategic plan. Details regarding the Company's informal solicitation process (the "**Informal Solicitation Process**") are provided later in this Second Report. The Company's activities in this regard have included:
  - (i) preparing and providing the Proposal Trustee with information in connection with the Informal Solicitation Process;
  - (ii) assisting the Proposal Trustee with due diligence requests received;

- (iii) negotiating and signing non-disclosure agreements with interested parties; and
- (iv) attending meetings with interested parties.

## V. CASH FLOW VARIANCE ANALYSIS REPORTING

11. As noted in the First Report, ATTAbotics, with the assistance of the Proposal Trustee, prepared a cash flow forecast for the period June 14, 2025 to August 1, 2025 (the “**Cash Flow Forecast**”). A copy of the Cash Flow Forecast is attached hereto as **Appendix “A”**.
12. ATTAbotics cooperated with the Proposal Trustee and provided information as requested by the Proposal Trustee in order for the Proposal Trustee to monitor ATTAbotics’ receipts and disbursements on a weekly basis. The Proposal Trustee has also prepared forecasted to actual variance analyses with respect to ATTAbotics’ weekly receipts and disbursements as compared to the Cash Flow Forecast.
13. A comparison of ATTAbotics’ actual receipts and disbursements as compared to the Cash Flow Forecast for the Reporting Period is summarized as follows:

Week Ending Date	For the cumulative period ended - Jul 18, 2025			
	Forecast	Reported	\$ Variance	% Variance
<b>RECEIPTS</b>				
Installed Systems - Service and maintenance receipts	89,314	41,495	(47,819)	-115%
Other Income	-	3,497	3,497	100%
Alberta Tax Refund	-	182,386	182,386	100%
DIP Loan Advances	900,000	900,000	-	0%
<b>Total Receipts</b>	<b>989,314</b>	<b>1,127,378</b>	<b>138,064</b>	<b>12%</b>
<b>DISBURSEMENTS</b>				
Payroll, benefits and payroll related disbursements	1,474,398	1,276,050	198,348	16%
Business Insurance	44,820	45,147	(327)	-1%
Rent - Dream Summit Industrial	42,195	42,195	-	0%
Rent - Mancal Property Investments	80,390	80,390	-	0%
Tier 1 Vendors	-	83,024	(83,024)	-100%
Cleaning - 2403086 Alberta LTD.	3,000	-	3,000	0%
Utilities - Direct Energy	4,700	-	4,700	0%
Utilities - Enmax Energy	5,000	-	5,000	0%
Miscellaneous - ADT Security Services Canada Inc	1,300	-	1,300	0%
Software Subscriptions	125,275	-	125,275	0%
Fees Banking	11,500	1,348	10,152	753%
Restructuring Professional Fees	396,450	293,883	102,567	35%
Insurance (D&O)	88,860	87,500	1,360	2%
<b>Total Disbursements</b>	<b>2,277,889</b>	<b>1,909,537</b>	<b>368,352</b>	<b>19%</b>
<b>Net Cash Flow Before Transfer</b>	<b>(1,288,575)</b>	<b>(782,159)</b>	<b>506,416</b>	<b>65%</b>
Internal Transfer	-	(2,314)	(2,314)	100%
FX Gains/(Losses)	-	9,976	9,976	100%
<b>Net Cash Flow After Transfer</b>	<b>(1,288,575)</b>	<b>(774,497)</b>	<b>514,078</b>	<b>66%</b>
<b>Beginning Cash Balance</b>	<b>1,522,499</b>	<b>1,676,411</b>	<b>153,912</b>	<b>9%</b>
<b>Ending Cash Balance</b>	<b>233,924</b>	<b>901,914</b>	<b>667,990</b>	<b>74%</b>
<b>Funds Held as Cash Collateral for Credit Cards</b>	<b>524,630</b>	<b>383,435</b>	<b>(141,195)</b>	<b>-37%</b>
<b>FX on Restricted Funds</b>	<b>-</b>	<b>190</b>	<b>190</b>	<b>100%</b>
<b>Funds Held as Cash Collateral for Credit Cards</b>	<b>524,630</b>	<b>383,625</b>	<b>(141,005)</b>	<b>-37%</b>
<b>Total Cash Including Cash Collateral</b>	<b>\$ 758,554</b>	<b>\$ 1,285,539</b>	<b>526,985</b>	<b>41%</b>

14. As reflected in the summary table above, ATTAbotics reported a net cash outflow of approximately \$774,000 over the Reporting Period and had a cash balance of approximately \$1,286,000 as of July 18, 2025. ATTAbotics has a favourable net cash flow variance of approximately \$514,000 as compared to the Cash Flow Forecast during the Reporting Period. We note that the Reporting Period includes the period June 14, 2025 to July 1, 2025 (the “**Pre-Filing Period**”). As such, certain receipts and disbursements made were completed in the Pre-Filing Period.
15. The favourable cash flow variance of approximately \$514,000 pertains primarily to the following:
- (i) favourable variances associated with:
    - (a) approximately \$182,000 received related to an Alberta tax refund that was not forecast to be received during the Reporting Period;
    - (b) approximately \$198,000 related to delays in paying forecast pre-filing accrued vacation to employees;
    - (c) approximately \$125,000 related to delay in payment of software subscription costs; and
    - (d) approximately \$103,000 related to timing difference in payment of costs associated with professional fees related to these NOI Proceedings; offset by
  - (ii) unfavourable variances associated with:
    - (a) approximately \$48,000 in lower service and maintenance receipts due to delays receiving payment from customers; and
    - (b) approximately \$83,000 in vendor payments including approximately \$54,000 paid in respect of the Company’s outstanding credit cards in order to facilitate the release of the cash collateral held.

## **VI. UPDATED CASH FLOW FORECAST**

16. The Company, with the assistance of the Proposal Trustee, prepared an updated weekly cash flow forecast (the “**Updated Cash Flow Forecast**”) for the period from July 12, 2025 to October 3, 2025 (the “**Cash Flow Period**”). A copy



of the Updated Cash Flow Forecast is attached hereto as **Appendix “B”**. As summarized in the table below, the Updated Cash Flow Forecast shows net cash flows of approximately negative \$1.4 million during the Cash Flow Period.

	Jul 12, 2025 to Oct 3, 2025
<b>RECEIPTS</b>	
Installed Systems - Service and maintenance receipts	37,200
DIP Loan Advances	2,800,000
<b>Total Receipts</b>	<b>2,837,200</b>
<b>DISBURSEMENTS</b>	
Payroll, Benefits and Payroll Related Disbursements	1,130,215
Business Insurance	135,561
Legal (IP) - Patent Fees	57,000
Legal - Litigation Purposes	500
Legal - General ongoing matters	15,800
Rent	490,342
Other Operating Costs	33,000
Software Subscriptions	375,825
Fees Banking	13,600
Restructuring Professional Fees	1,640,000
KERPs	302,921
<b>Total Disbursements</b>	<b>4,194,764</b>
<b>Net Cash Flow Before Transfer</b>	<b>(1,357,564)</b>
Transfer From / (To) Cash Collateral	383,435
<b>Net Cash Flow After Transfer</b>	<b>(974,129)</b>
<b>Beginning Cash Balance</b>	<b>\$ 981,000</b>
<b>Ending Cash Balance</b>	<b>\$ 6,871</b>
<b>Funds Held as Cash Collateral for Credit Cards</b>	<b>383,435</b>
Transfer From / (To) Operating Cash	(383,435)
<b>Funds Held as Cash Collateral for Credit Cards</b>	<b>(0)</b>
<b>Total Cash Including Cash Collateral</b>	<b>\$ 6,871</b>

17. The Proposal Trustee notes the following with respect to the Updated Cash Flow Forecast:

- (i) cash receipts of approximately \$2.8 million during the Cash Flow Period are primarily related to advances under the DIP Facility;
- (ii) cash disbursements are approximately \$4.2 million and primarily relate to payroll and operating costs and professional fees associated with these NOI Proceedings; and
- (iii) at the end of the Cash Flow Period, the Company is forecast to have cash of approximately \$7,000.

18. Based on the Proposal Trustee’s review, nothing has come to its attention that causes it to believe that, in all material respects:

- (i) the cash flow assumptions are not consistent with the purposes of the Updated Cash Flow Forecast;

(ii) as at the date of this Second Report, the cash flow assumptions are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Updated Cash Flow Forecast, given the cash flow assumptions; or

(iii) the Updated Cash Flow Forecast does not reflect the cash flow assumptions.

19. The Updated Cash Flow Forecast has been prepared solely for the purpose and subject to the assumptions described therein, and readers are cautioned that it may not be appropriate for other purposes. The Updated Cash Flow Forecast is subject to material change based on operating activities, the Company's restructuring efforts, and circumstances arising from the NOI Proceedings.

## VII. ACTIVITIES OF THE PROPOSAL TRUSTEE SINCE THE FIRST REPORT

20. The Proposal Trustee's activities since the First Report have included, *inter alia*, the following:

(i) maintaining a website at: <https://www.richter.ca/insolvencycase/attabotics-inc/> (the "**Proposal Trustee's Website**") where material documents pertaining to the NOI Proceedings are available in electronic form;

(ii) implementing procedures for the monitoring of the Company's cash flows and reporting of variances to the Cash Flow Forecast;

(iii) assisting the Company with preparing the Updated Cash Flow Forecast;

(iv) administering the Informal Solicitation Process as described below;

(v) meeting and corresponding with the Company and its legal counsel regarding the Cash Flow Forecast, the Informal Solicitation Process, the DIP Facility, and various other matters in connection with the Company's operations and its NOI Proceedings;

(vi) communicating with the Company's primary lender and DIP Lender, EDC, and its counsel regarding the DIP Term Sheet, the Informal Solicitation Process, the Cash Flow Forecast, the Updated Cash Flow Forecast and the NOI Proceedings generally;

(vii) responding to calls and enquiries from creditors, employees and other stakeholders in connection with the NOI Proceedings; and

(viii) drafting this Second Report.

## **Informal Solicitation Process**

21. Since the First Report, the Proposal Trustee on behalf of and with the assistance of ATTAbotics, has administered the Informal Solicitation Process.
22. A summary of activities undertaken during the Informal Solicitation Process is as follows:
- (i) the Proposal Trustee distributed an initial offering summary (the “**Teaser Email**”) detailing the opportunity to potential interested parties (the “**Prospective Participants**”) identified by the Proposal Trustee, the Company and the DIP Lender. Attached to the Teaser Email, the Proposal Trustee included a form of non-disclosure agreement (“**NDA**”);
  - (ii) the Proposal Trustee posted the Teaser Email on the Proposal Trustee’s Website (as defined herein);
  - (iii) in total, the Proposal Trustee distributed the Teaser Email to approximately 201 Prospective Participants, including approximately 94 strategic parties and 107 financial parties;
  - (iv) as of the date of this Second Report, 36 parties have an NDA and a further 6 are still under negotiation;
  - (v) upon execution of an NDA, Prospective Participants were provided with access to a virtual data room (the “**Data Room**”) maintained by the Proposal Trustee. The Data Room contains various financial and other information concerning the Company for purposes of performing diligence on the opportunity;
  - (vi) the Proposal Trustee facilitated due diligence on the opportunity for Prospective Participants, including updating the Data Room with current information, responding to queries from Prospective Participants with the assistance of the Company, and arranging virtual meetings between key employees and Prospective Participants; and
  - (vii) the Proposal Trustee has kept the DIP Lender and ATTAbotics apprised of the progress of the Informal Solicitation Process throughout.
23. Offers or letters of interest were requested to be submitted to the Proposal Trustee by no later than 1:00 pm (Calgary time) on July 25, 2025 (the “**LOI Submission Time**”).
24. Various letters of interest were received by and after LOI Submission Time and certain Prospective Participants have advised that they are otherwise still considering the opportunity. The Proposal Trustee will report on the letters of interest received in a subsequent report at the conclusion of the SISF, if approved.

## VIII. REQUEST FOR APPROVAL OF SISP

25. In order to maximize the value of its assets for all stakeholders and in view of maintaining its business and operations, ATTAbotics is seeking approval of SISP Procedures in the form attached as Exhibit A to the Dickinson Affidavit, to be run by the Proposal Trustee in consultation with the Company and the DIP Lender, under the supervision of the Court as part of these NOI Proceedings.
26. A copy of the SISP Procedures has been served on the Service List and will form part of the documentation to be provided to all interested parties at the beginning of the SISP. It will also be posted on the Proposal Trustee's website together with other relevant materials.
27. The timeline of the SISP is as follows and is the result of negotiations and consultation between ATTAbotics, the Proposal Trustee and the DIP Lender, with a view of implementing an efficient process, while providing a realistic timeline that is likely to generate broad interest among the parties most likely to be interested in the opportunity.

Milestone	Original Deadline
Deadline for submission of Bids (the "Bid Deadline")	No later than 12:00 p.m. (Calgary time) on August 21, 2025
Selection of the Successful Bid(s) and Back-Up Bid(s), and Notification of Auction (if any) ("Successful Bidder / Auction Notice Deadline")	No later than 12:00 p.m. (Calgary time) on August 28, 2025
Auction Date (if required)	September 3, 2025
Deadline for finalizing transaction documents based on Successful Bid(s)	September 8, 2025
Filing of application to approve the Successful Bid(s)	Week of Sept 8
Hearing of the Sale Approval Application	Week of Sept 15
Outside Date for the Closing of the Successful Bid(s) (the "Outside Date")	September 30

### Proposal Trustee's views on the SISP

28. The Proposal Trustee's view is that, considering the Updated Cash Flow Forecast and the DIP Facility available to the Company, the SISP is well structured and will provide for an appropriate canvassing of opportunities for sale, restructuring and/or recapitalization transactions for the benefit of the Company and its stakeholders generally.
29. As a result of the Informal Solicitation Process, Prospective Participants are up to speed on the Company's business and materials including the Data Room have been prepared and distributed. Accordingly, the Proposal Trustee is of the view that the SISP provides sufficient notice of the opportunity to Prospective Participants and a fair opportunity for Prospective Participants to participate in the SISP.
30. Two of the three Directors of the Company have advised the Proposal Trustee that they do not intend to participate in or submit a bid. The third director is currently on medical leave and has not been contacted by the Proposal Trustee.

31. The SISP provides the Proposal Trustee with sufficient flexibility to make reasonable and appropriate adjustments to the SISP, if required and to seek further direction from the Court, if needed.
32. Finally, the Proposal Trustee is satisfied that the factors to be considered in identifying Successful Bid(s) are reasonable and appropriate in the circumstances.

## **IX. OTHER RELIEF SOUGHT**

### **Stay Extension**

33. The Company is seeking an order from the Court granting the Stay Extension. In the Proposal Trustee's view, the Stay Extension is appropriate in the circumstances. The Proposal Trustee supports the Company's request for the Stay Extension for the following reasons:
  - (i) the Stay Extension will provide the Company with the time required to administer the SISP;
  - (ii) the Company is acting in good faith and with due diligence; and
  - (iii) it is the Proposal Trustee's view that the Stay Extension will not materially prejudice or adversely affect any group of creditors, as the Company is projecting to have sufficient funds to pay post-filing services and supplies, as contemplated in the Updated Cash Flow Forecast.

### **Approval of Amended DIP Term Sheet and Increase in DIP Charge**

34. ATTabotics requires funding immediately to continue operations and pursue its restructuring during the NOI Proceedings, including the SISP, as evidenced by the Updated Cash Flow Forecast.
35. It is a fundamental condition of the DIP Term Sheet that the DIP Lender receives the benefit of the DIP Charge.
36. Subject to the conditions of the Amended DIP Term Sheet, the Amended DIP Term Sheet provides the Company with access to the Interim Financing required to fund operations and undertake its restructuring activities until October 3, 2025, including the SISP. The Proposal Trustee recommends that the Court approve the Amendment to the DIP Term Sheet, and accordingly, the Proposal Trustee also supports the increase in the DIP Charge.
37. In consideration of the factors set out in subsection 50.6(5) of the BIA with respect to the granting of a Court order approving interim financing and granting a charge related thereto, the Proposal Trustee is of the view that the terms of the DIP Facility are reasonable and appropriate for the following reasons:
  - (i) the DIP Facility enhances the prospect that the Company will be able to successfully restructure;

- (ii) the Company is facing an imminent liquidity wall and is without the cash needed to fund operations, these proceedings and the SISP – additional short term funding is needed urgently;
- (iii) the Proposal Trustee believes that approval of the increase in the DIP Facility is in the best interests of the Company's stakeholders and will advance the Company's restructuring process. The Proposal Trustee does not believe that creditors will be prejudiced as a result of the approval of the increase to the DIP Facility – to the contrary, they will benefit from allowing the business to continue to operate on its current reduced basis, which will enhance value as compared to the most likely alternative, which is the immediate discontinuation of the Company's remaining operations and the liquidation of its assets;
- (iv) the Proposal Trustee has compared the principal financial terms of the DIP Facility to a number of other recent DIP financing approved by the Canadian courts, with respect to pricing, loan availability and certain security considerations. Based on this comparison, the Proposal Trustee remains of the view that, in the circumstances, the terms of the DIP Facility appear to be reasonable;
- (v) it is unlikely that any other DIP financing would be available on terms that are equal to, or more favourable than, what is offered under the DIP Facility; and
- (vi) in the Proposal Trustee's view, there is virtually no prospect of restructuring the Company's business under these NOI Proceedings absent funding under the DIP Facility.

#### **Approval of Second KERP and Increase in KERP Charge**

- 38. As discussed in the First Report, prior to the commencement of the NOI Proceedings, the Company reduced its headcount to twelve (12) key personnel to assist it during the initial 30-day period. In order to retain these key employees, a key employee retention plan was agreed to, and approved by this Court, in the aggregate amount of \$90,000 to be made available to nine (9) employees at the end of the initial 30-day period (the "**First KERP**"). The Company plans to pay amounts due under the First KERP to eight (8) of these employees on August 1, 2025 in accordance with the First KERP.
- 39. Since the First Report, three (3) individuals have resigned. In order to retain the remaining key employees, the Company proposes a Key Employee Retention Plan in the aggregate amount of \$222,921 (the "**Second KERP**") to be made available to eight (8) employees (the "**Participating Employees**"). Payment of the Second KERP, is to be made as follows:
  - (i) 25% payable on the earlier of August 31, 2025 and any of the following ("**Alternate Proceeding**"): (a) the termination or the expiration of the NOI Proceedings, (b) the voluntary assignment in bankruptcy or deemed voluntary

assignment in bankruptcy in respect of the Company, (c) a bankruptcy order in respect of the Company, or (d) the appointment of a receiver, interim receiver or receiver and manager over the Company or all or any material portion of the Company's assets;

(ii) 25% payable on the earlier of September 30, 2025 or the closing of a transaction within the NOI Proceedings; and

(iii) 50% on the earlier of October 31, 2025 or the closing of a transaction within the NOI Proceedings.

40. If an Alternative Proceeding occurs and the Proposal Trustee is appointed as receiver or trustee of the Company's estate(s) or property, then the Proposal Trustee has agreed to apply to the Court for the approval of continued payment of the KERP and for the continuation of the KERP Charge in such Alternate Proceeding in order to secure the KERP Payment for so long as the other conditions to payment of the KERP remain satisfied.
41. The Proposal Trustee supports the Second KERP and the increase in the KERP Charge as these employees will be critical to executing the SISP.

#### **Sealing the Confidential Exhibit to the Dickinson Affidavit**

42. Exhibit A to the Dickinson Affidavit contains a table listing the Participating Employees, their current annual salaries, and their total additional compensation contemplated under the Proposed Second KERP (the "**Confidential KERP Exhibit**"). As the Confidential KERP Exhibit contains commercially sensitive and personal information related to the Participating Employees, including their names and salaries, the Company is requesting a provision sealing the Confidential KERP Exhibit such that it will not form part of the public court record pending further order of the Court.
43. The Proposal Trustee believes the proposed sealing of the Confidential KERP Exhibit is appropriate as the information must necessarily be disclosed to the Court, for purposes of obtaining approval of the Second KERP, which is vital to the efforts to maximize value for all stakeholders. The Confidential KERP Exhibit contains personal and commercially sensitive information, for which disclosure to the public at large would serve no significant public interest.

#### **X. CONCLUSION AND RECOMMENDATION**

44. Based on all of the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court grant the relief requested by the Company as set out in paragraph 4 of this Second Report.

All of which is respectfully submitted this 28<sup>th</sup> day of July 2025.

**Richter Inc.**  
**in its capacity as Trustee in the Proposal of**  
**ATTAbotics Inc. and ATTAbotics (US) Corp.**  
**And not in its personal capacity**

Per:

A handwritten signature in black ink, appearing to be 'K. Kimel', written over a horizontal line.

**Karen Kimel, MAcc, CPA, CA, CIRP, LIT**



# APPENDIX “A”

**Weekly Cash Flow - CAD**

July 3, 2025: 17:34 ET								NOI/PROPOSAL TOTAL
Week Ending Date	1 6/20/2025	2 6/27/2025	3 7/4/2025	4 7/11/2025	5 7/18/2025	6 7/25/2025	7 8/1/2025	
RECEIPTS								
Gordon Foods Service - YYC	-	-	-	-	-	-	-	-
Info Marines - US Marines Corp - ABY	-	-	-	25,024	27,200	-	-	52,224
Pan Pacific Pet - YYC	-	-	-	27,090	-	-	-	27,090
Modern Beauty - YYC	-	-	-	-	10,000	-	-	10,000
Installed Systems - Service and maintenance receipts	-	-	-	52,114	37,200	-	-	89,314
Alberta Health Services (LIDD) - YEG	-	-	-	-	-	-	-	-
CJ Olive Networks - PNUH - PUS	-	-	-	-	-	-	-	-
Tesco/Transcend - LHR	-	-	-	-	-	-	-	-
Pan Pacific Pet (Mission) - YVR	-	-	-	-	-	-	-	-
The RealReal (Vargo) - EWR	-	-	-	-	-	-	-	-
Modern Beauty (MB) Expansion: Phase 1	-	-	-	-	-	-	-	-
Modern Beauty (MB) Expansion: Phase 2	-	-	-	-	-	-	-	-
Pan Pacific Pet: Balzac Upgrade	-	-	-	-	-	-	-	-
Info Marines - US Marines Corp Upgrade	-	-	-	-	-	-	-	-
Contracted Systems	-	-	-	-	-	-	-	-
Gordon Foods Service - Delta	-	-	-	-	-	-	-	-
Prospects	-	-	-	-	-	-	-	-
Alberta Tax Refund	-	-	-	-	-	-	-	-
ERC Grant	-	-	-	-	-	-	-	-
SIF & AB Innovates Inflow	-	-	-	-	-	-	-	-
DIP Loan Advances				700,000	200,000	400,000	200,000	1,500,000
Total Receipts	-	-	-	752,114	237,200	400,000	200,000	1,589,314
DISBURSEMENTS								
Employee Related								
Payroll - Net Pay		693,081		85,472		85,472		864,025
Payroll - Source Deductions and Taxes		354,067		43,569		43,569		441,206
Payroll - Aetna Health Insurance			39,662					39,662
Payroll - Benefits		-		7,371		7,371		14,742
Contractors		1,000		7,000		7,000		15,000
PTO - Accrued Vacation				121,588	121,588	121,588	121,588	486,352
Expense Reports				-	-	-	-	-
Operations								
Business Insurance			44,820					44,820
Legal (IP) - Patent Fees				-				-
Rent - Dream Summit Industrial			42,195					42,195
Rent - Mancal Property Investments				80,390				80,390
Tier 1 Vendors								-
Taxes Payable								-
GST/HST Payments								-
Cleaning - 2403086 Alberta LTD.				3,000			3,000	6,000
Utilities - Direct Energy				4,700			4,700	9,400
Utilities - Enmax Energy				5,000			5,000	10,000
Miscellaneous - ADT Security Services Canada Inc				1,300			1,300	2,600
Software Subscription - CDW				67,039				67,039
Software Subscription - Other				42,845				42,845
Software Subscription - UKG				12,390				12,390
Software Subscription - Miscellaneous				3,000				3,000
BDC Loan Payment			-					-
Fees Banking	2,300	2,300	2,300	2,300	2,300	2,300	2,300	16,100
Restructuring Costs								
Restructuring Professional Fees	43,250	54,550	63,250	155,850	79,550	79,550	79,550	555,550
Insurance (D&O)			88,860					88,860
KERPs	-	-	-	-	-	-	90,000	90,000
DIP Fees								-
DIP Interest								-
Miscellaneous	-	-	-	-	-	-	-	-
Total Disbursements	45,550	1,104,998	281,087	642,816	203,438	346,850	307,438	2,932,177
Net Cash Flow Before Transfer	(45,550)	(1,104,998)	(281,087)	109,298	33,762	53,150	(107,438)	(1,342,863)
Beginning Cash Balance	\$ 1,522,499	\$ 1,476,949	\$ 371,951	\$ 90,864	\$ 200,162	\$ 233,924	\$ 287,074	\$ 1,522,499
Ending Cash Balance	\$ 1,476,949	\$ 371,951	\$ 90,864	\$ 200,162	\$ 233,924	\$ 287,074	\$ 179,636	\$ 179,636
Funds Held	524,630	524,630	524,630	524,630	524,630	524,630	524,630	524,630
Credit Cards	-	-	-	-	-	-	-	-
Net Available	524,630	524,630	524,630	524,630	524,630	524,630	524,630	524,630
Total Cash Including Cash Collateral	\$ 2,001,579	\$ 896,581	\$ 615,494	\$ 724,792	\$ 758,554	\$ 811,704	\$ 704,266	\$ 704,266

**Notes:**

- Expense Reports amount to approximately \$410,000 CAD but have been excluded from the cash flow calculations.
- KERP payments will be made in accordance with applicable priorities between the various Charges in the NOI proceedings in the event of a liquidation.

# APPENDIX “B”

## Weekly Cash Flow - CAD

	1	2	3	4	5	6	7	8	9	10	11	12	Jul 12, 2025 to
	2025-07-18	2025-07-25	2025-08-01	2025-08-08	2025-08-15	2025-08-22	2025-08-29	2025-09-05	2025-09-12	2025-09-19	2025-09-26	2025-10-03	Oct 3, 2025
<b>RECEIPTS</b>													
Installed Systems - Service and maintenance receipts	37,200	-	-	-	-	-	-	-	-	-	-	-	37,200
DIP Loan Advances	200,000	400,000	200,000	-	-	200,000	400,000	200,000	300,000	200,000	300,000	400,000	2,800,000
<b>Total Receipts</b>	<b>237,200</b>	<b>400,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>400,000</b>	<b>200,000</b>	<b>300,000</b>	<b>200,000</b>	<b>300,000</b>	<b>400,000</b>	<b>2,837,200</b>
<b>DISBURSEMENTS</b>													
Payroll, Benefits and Payroll Related Disbursements	162,117	258,335	162,117	5,000	138,161	5,000	133,161	-	133,161	-	133,161	-	1,130,215
Business Insurance			45,268				45,147					45,147	135,561
Legal (IP) - Patent Fees			57,000										57,000
Legal - Litigation Purposes	500												500
Legal - General ongoing matters	2,000	13,800											15,800
Rent	122,586	-	122,586	-	-	-	122,586	-	-	-	-	122,586	490,342
Other Operating Costs	-	-	11,000	-	-	-	11,000	-	-	-	-	11,000	33,000
Software Subscriptions	125,275	-	-	-	125,275	-	-	-	125,275	-	-	-	375,825
Fees Banking	2,300	2,300		3,000				3,000				3,000	13,600
Restructuring Professional Fees	125,000	125,000	125,000	140,556	140,556	140,556	140,556	140,556	140,556	140,556	140,556	140,556	1,640,000
KERPs	-	-	80,000	-	-	-	55,730	-	-	-	-	167,191	302,921
<b>Total Disbursements</b>	<b>539,778</b>	<b>399,435</b>	<b>602,971</b>	<b>148,556</b>	<b>403,992</b>	<b>145,556</b>	<b>508,179</b>	<b>143,556</b>	<b>398,992</b>	<b>140,556</b>	<b>273,717</b>	<b>489,479</b>	<b>4,194,764</b>
<b>Net Cash Flow Before Transfer</b>	<b>(302,578)</b>	<b>565</b>	<b>(402,971)</b>	<b>(148,556)</b>	<b>(403,992)</b>	<b>54,444</b>	<b>(108,179)</b>	<b>56,444</b>	<b>(98,992)</b>	<b>59,444</b>	<b>26,283</b>	<b>(89,479)</b>	<b>(1,357,564)</b>
Transfer From / (To) Cash Collateral			383,435								-		383,435
<b>Net Cash Flow After Transfer</b>	<b>(302,578)</b>	<b>565</b>	<b>(19,536)</b>	<b>(148,556)</b>	<b>(403,992)</b>	<b>54,444</b>	<b>(108,179)</b>	<b>56,444</b>	<b>(98,992)</b>	<b>59,444</b>	<b>26,283</b>	<b>(89,479)</b>	<b>(974,129)</b>
<b>Beginning Cash Balance</b>	<b>981,000</b>	<b>678,422</b>	<b>678,987</b>	<b>659,452</b>	<b>510,896</b>	<b>106,904</b>	<b>161,349</b>	<b>53,169</b>	<b>109,614</b>	<b>10,622</b>	<b>70,067</b>	<b>96,350</b>	<b>981,000</b>
<b>Ending Cash Balance</b>	<b>678,422</b>	<b>678,987</b>	<b>659,452</b>	<b>510,896</b>	<b>106,904</b>	<b>161,349</b>	<b>53,169</b>	<b>109,614</b>	<b>10,622</b>	<b>70,067</b>	<b>96,350</b>	<b>6,871</b>	<b>6,871</b>
<b>Funds Held as Cash Collateral for Credit Cards</b>	<b>383,435</b>	<b>383,435</b>	<b>383,435</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>383,435</b>
Transfer From / (To) Operating Cash			(383,435)										(383,435)
<b>Funds Held as Cash Collateral for Credit Cards</b>	<b>383,435</b>	<b>383,435</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<b>Total Cash Including Cash Collateral</b>	<b>1,061,857</b>	<b>1,062,422</b>	<b>659,451</b>	<b>510,896</b>	<b>106,904</b>	<b>161,348</b>	<b>53,169</b>	<b>109,613</b>	<b>10,622</b>	<b>70,066</b>	<b>96,349</b>	<b>6,871</b>	<b>6,871</b>