COURT FILE NUMBER	25-095558 25-095559	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	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.	
APPLICANTS	**ATTABOTICS INC. and ATTABOTICS (US), CORP.**	
DOCUMENT	**AFFIDAVIT OF EDNA CONWAY**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**OSLER, HOSKIN & HARCOURT LLP** Suite 2700, Brookfield Place 255 – 6th Avenue SW Calgary, AB T2P 1N2 Solicitors: Marc Wasserman / Emily Paplawski Phone: 416.862.4908 / 403.260.7071 Email: mwasserman@osler.com / epaplawski@osler.com Matter: 1269907	

AFFIDAVIT OF EDNA CONWAY
SWORN ON JULY 3, 2025

I, Edna Conway, of the Town of Merrimack, in the County of Hillsborough, in the State of New Hampshire, **MAKE OATH AND SAY:**

1. I am the Chair of the Board of Directors of ATTAbotics Inc. ("**ATTAbotics**") and ATTAbotics (US), Corp. ("**ATTAbotics US**" and together with ATTAbotics, the "**Applicants**"). I have been a member of the Board of Directors of the Applicants since February 2022. I am an attorney and business executive with more than 40 years of experience. I hold a bachelor of arts

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degree from Columbia University and a juris doctor degree from the University of Virgina School of Law.

2. As such, I have personal knowledge of the matters to which I swear in this Affidavit, except where stated to be based on information and belief, in which case I believe such information to be true. In preparing this Affidavit, I have consulted with the Applicants' management team, Board of Directors and advisors and reviewed relevant documents and information concerning the Applicants' operations, business and financial affairs. I am authorized by the Applicants to swear this Affidavit.

3. I swear this Affidavit in support of an application by the Applicants for an Order:

(a) granting an administration charge to Richter Inc. ("**Richter**"), in its capacity as Trustee under the Notices of Intention to Make a Proposal filed by the Applicants (the "**Proposal Trustee**"), counsel to the Proposal Trustee and Applicants' counsel, as security for their professional fees and disbursements up to the maximum amount of $300,000 (the "**Administration Charge**");

(b) granting a charge to the Applicants' directors and officers as security for any obligations and liabilities they may incur as directors and officers of the Applicants after July 2, 2025, up to the maximum amount of $200,000 (the "**D&O Charge**");

(c) authorizing and empowering the Applicants to obtain and borrow under a credit facility (the "**Interim Facility**") from Export Development Canada ("**EDC**") on the terms and conditions specified in the term sheet between the Applicants and EDC dated July 3, 2025 (the "**Interim Financing Term Sheet**") up to the

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maximum amount of $1.5 million, and granting a charge to EDC as security for all obligations of the Applicants under the Interim Financing Term Sheet (the "**Interim Lender's Charge**");

(d) approving the key employee retention plan (the "**KERP**") described below and granting a charge to the KERP recipients as security for payments under the KERP, up to the maximum amount of $90,000 (the "**KERP Charge**");

(e) declaring that the Administration Charge, the D&O Charge, the Interim Lender's Charge and the KERP Charge (together, the "**Charges**") are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property (as defined in the proposed Order), including liens and trusts created by federal and provincial legislation, and that the Charges rank, as between themselves, in the following order of priority:

(i) first, the Administration Charge;

(ii) second, the D&O Charge;

(iii) third, the Interim Lender's Charge; and

(iv) fourth, the KERP Charge;

(f) directing that the proposal proceedings and estates of the Applicants shall be procedurally consolidated and shall continue under a single estate (each individual estate being an "**Estate**", and the consolidated estate being the "**Consolidated Estate**"), authorizing and directing the Proposal Trustee to administer the Estates making up the Consolidated Estate on a consolidated basis, and granting ancillary relief arising from the procedural consolidation of the Estates; and

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(g) such further and other relief as counsel may request and this Honourable Court may grant.

4. All references to monetary amounts in this Affidavit are in Canadian dollars unless otherwise noted.

A. Notice of Intention to Make a Proposal

5. For the reasons described below, on July 2, 2025, the Applicants filed Notices of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") in Estate nos. 25-095558 and 25-095559 (the "**NOIs**"). Richter was appointed Proposal Trustee in the proceedings. Attached as **Exhibit "A"** is a copy of the NOIs.

B. The Applicants' Business

6. ATTAbotics is a private corporation incorporated under the laws of Canada, with a registered office in Calgary, Alberta. Attached as **Exhibit "B"** is a federal corporate search for ATTAbotics.

7. ATTAbotics US is a wholly-owned subsidiary of ATTAbotics and is formed under the laws of the State of Delaware. Attached as **Exhibit "C"** is a Delaware status search for ATTAbotics US.

8. ATTAbotics has developed and commercialized the world's first 3D robotics supply chain management system. The ATTAbotics system replaces the rows and aisles of traditional fulfillment centers with a patented storage structure and robotic shuttles that utilize both horizontal

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and vertical spaces, thereby reducing a company's warehouse needs. The system is generally comprised of the following four components:

(a) *the Gallery* – the gallery is the cube storage facility which is designed to fit in each customer's warehouse space, regardless of its dimensions. The gallery uses both horizontal and vertical space, can be stacked up to 9 meters, and has three-dimensional shuttle access throughout the facility, thereby reducing required warehousing space;

(b) *the Attabot™ Blade* – the Attabot™ Blade is an intelligent robot which is designed to move freely throughout the gallery and has direct access to every storage location within the gallery, thereby allowing order fulfillment to be achieved in minutes;

(c) *the Nodes* – the nodes are workstations where orders are received, packed and shipped in one integrated process flow, thereby increasing productivity and reducing dependence on physical human labour;

(d) *the Weave Software* – the Weave software is the order management and control solution developed by the Applicants to efficiently manage the movement of robots, the fulfillment of orders and inventory management.

9. ATTAbotics was founded in 2016 as a start-up technology company to develop, prototype, pilot and commercialize the foregoing system. The first prototype was developed in 2017, with the system being piloted by a customer in 2018. Since this time, ATTAbotics has partnered with companies like Microsoft and its system has been deployed by major department stores and retailers across apparel, food and beverage, and home goods in Canada and the United States.

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ATTAbotics was selected by the United States Department of Defense (DoD), to install its state-of-the-art system at the Marine Corps Logistics Command in Albany, Georgia.

10. As a technology company, ATTAbotics owns a significant and highly valuable suite of intellectual property, including: (a) registered and pending trademarks in Canada, the United States, the European Union, and elsewhere; and (b) approximately 150 granted and pending patent applications in Canada, the United States, Japan, China, Singapore, Brazil, Mexico, Australia, India and elsewhere relating to the design, interface, functionality, and development of various components of the system.

11. In addition to its intellectual property, in 2020, ATTAbotics constructed a $20 million manufacturing facility in its Calgary premises (located in the YYC Global Logistics Park at Calgary International Airport) to showcase the system to customers and to provide a model for further product testing and development. Such manufacturing facility remained operational until June 30, 2025 (as discussed further below) and has developed significantly as ATTAbotics has developed, tested and employed new and emerging technologies, including artificial intelligence. In 2022, ATTAbotics partnered with the Alberta Machine Intelligence Institute, a world leader in artificial intelligence research and commercial adoption, to leverage machine learning to help improve both speed and efficiency of the system without sacrificing safety or reliability.

12. ATTAbotics generally sells its products and services to customers pursuant to fixed price contracts. Pursuant to such contracts, ATTAbotics sells the structure, robots, and software to the customer, together with installation services and longer-term maintenance and troubleshooting services. Historically, ATTAbotic's revenues have been largely concentrated in the sale of structures, robots, and software to customers, however as more supply chain management systems

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are purchased and remain in use by customers, ATTAbotic's service revenues have sharply increased. For example, in 2022, only $64,000 of ATTAbotic's $11.4 million of revenues was generated from the provision of services, while in 2024 service-generated revenues increased to $574,000 of ATTAbotic's $3 million of revenues.

13. All of the Applicants' corporate functions, including finance, human resources, product research and development, are administered from ATTAbotic's head office in Calgary. Similarly, almost all of the Applicants' assets (including all intellectual property, equipment and inventory) are owned by ATTAbotics and ATTAbotics employs all Canadian-based employees. ATTAbotics US is the employer of all U.S. based employees, most of whom are generally focused on business development and sales within the United States, including the Applicants' Chief Operating Officer. ATTAbotics US has a U.S. dollar trust account in Canada with Applicants' counsel.

14. Notwithstanding its current cash flow issues (discussed further below), ATTAbotics is a true Alberta and, in particular, Calgary, success story. Over the past nine years, ATTAbotics has grown from an idea by ATTAbotic's founder to a Calgary-based company which:

(a) prior to June 30, 2025, employed more than 200 people throughout Canada and the United States (through ATTAbotics US), approximately 180 of which were based in Alberta, with the vast majority working from ATTAbotic's head office in Calgary;

(b) successfully raised approximately $220 million in equity financing led by, among others, EDC and Ontario Teachers' Pension Plan Board ("**Teachers**");

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(c) won numerous innovation and technology awards, including the *Start-up Canada Ernest C. Manning* innovation award in 2019, the *Tech Deal of the Year* award at the Start Alberta Tech Awards in 2019, the *Significant Achievement in Innovation: Growth Stage Company* from ASTech in 2022, and the *Big Innovation Award* by the Business Intelligence Group in 2022;

(d) received a special mention in Time Magazine's "Best Inventions" list, was named to CNBC's "Disruptor 50" list and was ranked no. 1 on Fast Company's list of the Most Innovative Logistics Companies of 2020; and

(e) received grant funding from the Opportunity Calgary Investment Fund, a fund established by City Council to benefit companies and non-profits proposing projects that create jobs, spur diversification and expand the property tax assessment base.

C. Financial Position of the Applicant

15. The Applicants' financial reporting is completed on a consolidated basis and reported through ATTAbotics. Attached as **Exhibit "D"** is a copy of ATTAbotic's audited consolidated financial statements for the year ended December 31, 2024. Attached as **Exhibit "E"** is a copy of ATTAbotic's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025. These financial statements are ATTAbotic's most recent annual and quarterly financial statements.

16. Attached as **Exhibit "F"** are Alberta Personal Property Security Registry searches for ATTAbotics and ATTAbotics US. Attached as **Exhibit "G"** is a Uniform Commercial Code

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(“**UCC**”) search for ATTAbotics US. The UCC search for ATTAbotics US lists one registration by 2762294 Ontario Limited, an entity which, to the best of my knowledge, is an investment vehicle owned by Teachers. Teachers historically held certain convertible debentures in ATTAbotics, but such debt was converted to equity in or about November 2022. Accordingly, to the best of my knowledge, such registration is no longer valid or applicable. It appears from a review of the UCC search that the registration expires on July 14, 2025.

(a) Assets

17. As of March 31, 2025, ATTAbotics had total assets having a book value of approximately $31.6 million CAD, broken down as follows:

Current Assets: $25.4 million	
Cash and Cash Equivalents	$6.3 million
Short-Term Investments	$387,000
Accounts Receivables	$3.7 million
Inventories	$12.5 million
Prepaid Expenses	$2.4 million
Deposits	$99,000
Non-Current Assets: $6.2 million	
Property, Plant & Equipment	$2.9 million
Right of Use Assets	$3.3 million

(b) Liabilities

18. As of March 31, 2025, ATTAbotics had total liabilities of approximately $73.8 million CAD, broken down as follows:

Current Liabilities: $69.2 million	
Accounts Payable and Accrued Liabilities	$5.2 million
Deferred Revenue	$11.2 million
Current Portion of Long-Term Debt	$4.8 million
Current Portion of Lease Obligation	$411,000
Convertible Debentures	$47.5 million
Non-Current Liabilities: $4.6 million	
Long Term Debt	$1.1 million
Lease Liabilities	$3.5 million

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(c) Share Capital

19. As of March 31, 2025, ATTAbotics had the following issued and outstanding share capital:

(a) 13,025,983 common shares;

(b) 1,148,721 Series A non-redeemable, preferred shares;

(c) 1,294,164 Series B non-redeemable, preferred shares; and

(d) 3,144,880 Series C, non-redeemable, preferred shares.

20. As of March 31, 2025, ATTAbotic's shareholder deficit was approximately $42.1 million on a balance sheet basis.

(d) Secured Debt

i. Business Development Bank of Canada

21. ATTAbotics (as borrower), ATTAbotics US (as guarantor) and Business Development Bank of Canada ("**BDC**") are party to a Letter of Offer re: Loan No. 155123-01 dated January 17, 2019 (as amended, revised or restated, the "**BDC Loan Agreement**") pursuant to which BDC provided a credit facility for ATTAbotics to purchase equipment and related soft costs up to the maximum amount of $10,697,690 (the "**BDC Credit Facility**"). Borrowings under the BDC Credit Facility bear interest at BDC's Floating Base Rate (as defined in the BDC Loan Agreement). The BDC Credit Facility called for "interest only" payments until November 30, 2020, and thereafter was repayable in monthly installments over a six-year period. The maturity date of the BDC Credit Facility is October 31, 2026.

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22. The BDC Credit Facility is secured by a general security agreement creating a first priority security interest on specific equipment financed under the BDC Loan Agreement and a security interest in all present and after acquired personal property of ATTAbotics and ATTAbotics US, except consumer goods.

23. As of March 31, 2025, approximately $2.8 million was outstanding under the BDC Credit Facility.

ii. EDC

24. ATTAbotics (as borrower), ATTAbotics US (as guarantor) and EDC are party to a Secured Note Purchase Agreement dated February 1, 2024 (as amended, revised or restated, the "**Note Purchase Agreement**"). Pursuant to the Note Purchase Agreement, ATTAbotics and EDC entered into three separate secured convertible promissory notes, the first dated as of February 1, 2024 in the amount of US$7.5 million, the second dated as of April 4, 2024 in the amount of US$12.5 million, and the third dated as of November 6, 2024 in the amount of US$10 million, for a total secured obligation of US$30 million (collectively, the "**Notes**").

25. The Note Purchase Agreement provides both automatic conversion triggers and certain discretionary conversion rights whereby, if triggered or elected in accordance with the Note Purchase Agreement, any balance outstanding under the Notes automatically converts to shares of ATTAbotics. Unless converted in accordance with the Note Purchase Agreement, all amounts outstanding under the Notes, including accrued but unpaid interest, mature on July 31, 2025.

26. The Notes are secured by a general security agreement creating a security interest in all present and after acquired personal property of ATTAbotics and ATTAbotics US.

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iii. Intercreditor Agreement

27. BDC, EDC and the Applicants are party to an Intercreditor Agreement dated as of January 31, 2024 pursuant to which the parties agreed that:

(a) BDC had a first priority security interest over all equipment financed with the BDC Credit Facility to secure all obligations due and owing to it under the BDC Loan Agreement; and

(b) EDC had a first priority security interest over all other collateral to secure all obligations due and owing to it under the Notes.

iv. Royal Bank of Canada and Bank of Montreal

28. Royal Bank of Canada ("**RBC**") and Bank of Montreal/BMO Harris Bank (together, "**BMO**") each provided credit card facilities to the Applicants in Canada and the United States. In order to secure the Applicants' obligations under the credit card facilities, each of RBC and BMO hold a security interest in certain investments and proceeds held by the Applicants with each bank (the "**Credit Card Collateral**").

29. Each of RBC and BMO are in the process of releasing the Credit Card Collateral to the Applicants because no amounts are owing under the credit cards and the accounts are in the process of being closed. It is expected that the entirety of the Credit Card Collateral currently being held by RBC and BMO will be released to the Applicants on or before August 1, 2025. The Interim Financing Term Sheet requires that any Credit Card Collateral released to the Applicants will be applied solely to prepay the Interim Facility.

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(e) Unsecured Debt

30. As of June 28, 2025, ATTAbotics has the following liabilities due and owing to unsecured creditors:

(a) approximately $2.5 million due and owing to Her Majesty the Queen in Right of Canada as represented by the Minister responsible for Western Economic Diversification Canada (the "**Minister**") pursuant to the terms of an Agreement dated July 24, 2019 which funds were advanced under the Business Scale-Up and Productivity program stream;

(b) approximately $191,000 due and owing to the Minister pursuant to the terms of an agreement dated June 26, 2020 which funds were advanced under the Western Innovation Initiative; and

(c) approximately $3.2 million due and owing to unsecured trade creditors.

31. As of June 28, 2025, ATTAbotics US has unsecured trade debt of approximately US$227,203.

D. Events Leading to the Applicants' Insolvency

32. As an early-stage technology company, ATTAbotics requires significant capital to undertake research and development activities to advance and commercialize the technology, software and robotics employed in its supply chain management system. Since it was founded in 2016, ATTAbotics has advanced its system from an initial prototype in 2017, to an early stage pilot in 2018, through a complete multi-year development and redesign of the Attabot™ Blade in 2022 (a process which took thousands of prototypes and million of test cycles to get to the final

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product), to the introduction of artificial intelligence into the system in 2022 and, finally, the commercialization and scaling of the system in the market.

33. Such rapid development of ATTAbotics' 3D robotics supply chain management system has necessitated the investment of significant amounts of capital into research and development since the company's inception. For example, in 2022, ATTAbotics incurred research and development expenses of almost $30 million. In 2023, ATTAbotics incurred research and development expenses of approximately $26 million, and in 2024, ATTAbotics incurred research and development expenses of approximately $20 million. All of these costs are in addition to the Applicants' normal course corporate and administrative expenses and sales and marketing costs required to simply run the business. Because of the nature and stage of ATTAbotic's business, it is highly capital intensive.

34. Since inception, ATTAbotics has largely funded its business through capital raises led by, among others, EDC. Between 2019 and 2022, ATTAbotics raised total funding of approximately $220 million (US$165.1 million). While a significant portion of this capital was invested in product research and development, commencing in late 2022 with the unveiling of the redesigned Attabot™ Blade, ATTAbotics shifted its focus to accelerating the commercialization of its robotics warehousing solution to new industries, customers and markets. Among other things, ATTAbotics expanded into both the European Union and the Asian markets.

35. At the time of ATTABotics' shifted focus to commercialization and expansion in 2022, traditional supply chains had been upended as a result of the COVID-19 pandemic and demand for eCommerce and, in turn, warehouse solutions, was surging. In 2020, total online spending grew by more than 30% year-over-year from 2019 levels. In 2021, total online spending grew by more

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than 14.2% year-over-year from 2020 levels. This rapid increase in consumer spending accelerated the shift towards digitization and automation in warehouse spaces around the world.

36. While the Applicants enjoyed a surge in revenues in 2022 to $11.4 million which continued into 2023 at $8 million, by 2024, revenues began to sharply decline in response to increasing interest rates, constrained consumer spending, lower demands for eCommerce, global uncertainty, supply chain disruptions and other factors. A number of customers delayed planned projects with ATTAbotics and various opportunities that were in advanced stages of discussion between potential customers and ATTAbotics with planned rolls outs in 2024 were shelved. In 2024, the Applicants realized revenues of only $3 million.

37. In addition to a sharp decrease in demand for new supply chain management systems, ATTAbotics also experienced a tightening of its gross margin on customer deals and services which further constrained its liquidity. While ATTAbotics, as an early-stage technology company, has never achieved profitable operations, its annual losses escalated in 2024 to $49.5 million from $43 million in 2023 and $35 million in 2022. The Applicants' 2024 consolidated financial statements accordingly included the following notation:

> As at December 31, 2024, the Corporation's cash and cash equivalents were $10,689 and the Corporation had a negative net working capital position of $30,805. The Corporation had a net loss for the year ended December 31, 2024 of $49,280, a deficit of $294,395 as at December 31, 2024, and a deficit from cash flows from operations of $35,243 as at December 31, 2024. As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.
>
> Until the Corporation can demonstrate the ability to generate significant sales volumes with positive margins, the Corporation's liquidity requirements will be dependent on its ability to continue to obtain additional debt or equity funding as required. The Corporation has secured a Master Services Agreement and initial Purchase Order with a global grocer. This could add the ability to generate revenues and positive cash flows from potential sales contracts and Purchase Orders. If the

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> Corporation is unable to secure adequate financing, or significantly reduce planned expenditures, there could be material adverse effects on the Company's ability to operate as a going concern.

38. After significant upheaval in 2024, ATTAbotics' commercialization of the technology began to stabilize in late 2024 and early 2025 and demand from existing customers and new industry sectors increased, resulting in approximately $30 million of new business to be delivered over the 2025 and 2026 fiscal years.

39. In accordance with the foregoing, ATTAbotics undertook preparations for a Class D preferred share financing in late 2024. Numerous discussions with a variety of investors occurred, including existing investors. Those discussions included full financial disclosure together with contracted and committed business and opportunities currently under advanced negotiation.

40. Efforts to advance the financing stalled when certain investors expressed concern with the Applicants' cash flow challenges and elected not to participate in further financings. Such concerns had a ripple effect across the investor community. The Class D preferred share financing was shelved and ATTAbotics was not able to access planned capital. As a result, secured and anticipated new business was not able to proceed on the planned schedule discussed above.

41. On June 18, 2025, EDC served the Applicants with a Notice of Intention to Enforce Security advising that: (a) as at June 18, 2025, the Applicants were indebted to EDC in the amount of US$33,782,341 plus additional interest, costs, fees and expenses; and (b) EDC had the right to enforce its security upon expiry of the 10-day period after provision of the notice. Attached as **Exhibit "H"** is a copy of EDC's Notice of Intention to Enforce Security.

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42. Both prior to, and following, receipt of the Notice of Intention to Enforce Security, ATTAbotics has been in discussions with various parties regarding a potential transaction for the sale of its assets or business or a refinancing of the Applicants. As noted in the Interim Financing Term Sheet, the intention of these NOI proceedings is to provide the Applicants with the breathing space and working capital necessary to "solicit options to sell its assets and business or obtain an investment in its assets and business during the 30 day initial period of the Proposal Proceedings, and to develop a Strategic Plan[1]".

43. Critical to the Applicants' ability to undertake these NOI proceedings to attempt a going concern outcome is their access to the $1.5 million Interim Facility to be advanced by EDC under the Interim Financing Term Sheet. Without the Interim Facility, the Applicants do not have sufficient capital to meet payroll obligations and statutory requirements, much less fund any normal course expenses of the business or any marketing/sales process/refinancing initiatives.

44. The Interim Facility is only sufficient to fund the Applicants' business for a period of 30 days on a massively scaled down basis. Accordingly, in order to facilitate these NOI proceedings, the Applicants: (a) terminated the employment of 192 employees on June 30, 2025, leaving only a skeleton crew of 11 employees (i.e. 5% of the prior workforce) to assist the Applicants to navigate these NOI proceedings and develop and implement the Strategic Process; and (b) suspended the vast majority of corporate operations (including sales, marketing, and service and warranty work), other than as necessary to maintain basic corporate functions and to assist in developing and implementing the Strategic Plan.

[1] Defined in the Interim Financing Term Sheet as a plan regarding one or more sale and investment solicitation processes in respect of the business or assets of the Loan Parties ("**Strategic Plan**").

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45. It is accordingly imperative that the relief sought by the Applicants be granted in order to provide them with the stability, breathing room, necessary cash flow, and employee support to attempt a going concern outcome or asset sale in an abridged time frame within these NOI proceedings.

E. Requirement for Administration Charge

46. The Applicants seek approval of a first ranking administration charge against their Property as security for professional fees and disbursements incurred by Applicants' counsel, the Proposal Trustee and the Proposal Trustee's counsel both prior to and after the filing of the NOIs in an amount not to exceed $300,000. The Applicants require the services of their counsel, the Proposal Trustee and the Proposal Trustee's counsel to develop a Strategic Plan and solicit proposals for the sale of the Applicants' assets or business or a refinancing of the Applicants. The Applicants believe that the Administration Charge is reasonable and appropriate in the circumstances and critical to the success of the Applicants' proposal proceedings.

F. Requirement for a D&O Charge

47. The Applicants also seek approval of a second ranking D&O Charge as security for any obligations and liabilities the Applicants' directors and officers may incur in their roles as directors and officers after July 2, 2025, up to the maximum amount of $200,000. The quantum of the D&O Charge was developed in consultation with, and with the assistance of, the Proposal Trustee and is supported by the Interim Lender.

48. I believe that the D&O Charge is fair and reasonable in the circumstances. In light of: (a) the significant reduction in the Applicants' workforce (from over 200 people to 11 people), (b) the

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fact that at the time of the filing of the NOI proceedings, only two executives remained employed by the company (the Chief Executive Officer who is on medical leave and the Chief Operating Officer); (c) the fact that little institutional knowledge of the Applicants and their business remains other than by the directors; and (d) the current directors' decision to waive their contractual compensation in order to support the Applicants' ongoing efforts, it is critical that the Applicants' directors continue in such capacities during these NOI proceedings. The Applicants require the continued services of their directors to maximize the chances of identifying and concluding a going concern outcome.

49. It is my understanding that the Applicants' directors and officers are among the potential beneficiaries under an insurance policy that provides an aggregate limit of liability of $5 million (the "**D&O Insurance**"). However, I understand that the D&O Insurance has various exceptions, exclusions, and carve-outs where coverage may not be available. The directors have accordingly expressed their desire for certainty with respect to potential liability if they continue in their current capacities within these NOI proceedings.

G. Requirement for Interim Financing and the Interim Lender's Charge

50. As a result of their current liquidity challenges, as demonstrated in the cash flow forecast, the Applicants require interim financing to provide stability, to continue going concern operations (on a significantly scaled backed basis), to develop and implement a Strategic Plan, and to satisfy obligations to preserve secure access to the physical assets of ATTAbotics. EDC has agreed to provide the Interim Facility on the basis and terms specified in the Interim Financing Term Sheet, a copy of which is attached hereto as **Exhibit "I"**. A copy of the Cash Flow Projections referenced in the Interim Financing Term Sheet is attached hereto as **Exhibit "J"**.

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51. The Interim Facility Term Sheet includes the following key terms:

(a) ***Interim Facility***: A non-revolving credit facility to be available in multiple advances up to the maximum aggregate principal amount $1.5 million;

(b) ***Term***: 30 days from the date of the NOI filings (i.e. August 1, 2025); and

(c) ***Interest***: Royal Bank of Canada prime rate from time to time plus 10% per annum;

(d) ***Fees***: 3% of $1.5 million (i.e. $45,000).

52. The Interim Facility is proposed to be secured by the Interim Lender's Charge on all of the Applicants' Property. The Interim Lender's Charge will not secure any obligations that existed before the NOI proceedings (i.e. before July 2, 2025). The Interim Lender's Charge is proposed to have priority over all other security interests, charges and liens, except the Administration Charge and the D&O Charge.

H. Requirement for a KERP and KERP Charge

53. The Applicants are seeking approval of a KERP and the granting of a Court-ordered KERP Charge as security for payments under the KERP.

54. The Applicants are seeking a KERP to facilitate and encourage the continued employment of the nine (9) non-executive individuals who remain employed with the Applicants. As discussed above, on June 30, 2025, the Applicants terminated 192 of their 203 employees in order to minimize cash outflow and in response to the Applicants' reduced labour needs following the significant scale down of business operations leading up to the NOI filings. The Applicants intend during these NOI proceedings to maintain only minimal corporate functions and otherwise dedicate all corporate resources to identifying and advancing a going concern solution.

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55. Accordingly, the 11 individuals who remain employed with the Applicants have all been identified as business critical and necessary to the Applicants' restructuring efforts. The Applicants are concerned that if the KERP and the KERP Charge are not approved by this Court, the remaining employees may depart and seek employment elsewhere. The resignation of any of these employees could (depending on the individual) significantly hamper the efforts of the Applicants in these NOI proceedings. The Applicants expect that it will be difficult, if not impossible, to replace certain individuals should they resign in light of the expected short duration of these NOI proceedings and the Applicants' current financial circumstances. In addition, it is expected that the remaining employees will face increased workloads as they will be required to maintain the Applicants' business operations, while also meeting the demands of the Strategic Process and these NOI proceedings.

56. The Applicants accordingly seek approval of a KERP on the following basis:

(a) each of the 9 non-executive employees remaining in the employment of the Applicants post- June 30th will be offered a one-time lump sum incentive bonus of $10,000 (the "**KERP Payment**") to incentivize them to continue their employment with the Applicants during these NOI proceedings;

(b) the KERP Payment will be paid to each of the 9 non-executive employees on August 1, 2025; and

(c) payments to the employees under the KERP will only be made if, as at August 1, 2025, the employee has fulfilled his or her employment obligations and has not voluntarily resigned or been terminated for cause.

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57. The KERP was developed in consultation with both EDC and the Proposal Trustee. The Applicants believe that the amounts payable to the employees under the KERP are reasonable and appropriate in the circumstances.

58. The Applicants propose a KERP Charge to secure their obligations under the KERP in an amount not to exceed $90,000. The proposed KERP Charge would rank subordinate to all other Charges.

59. The deponent was not physically present before the commissioner but was linked with the commissioner using video technology, and the process described in Notice to the Profession and Public #2020-02 was followed.

SWORN BEFORE ME at Calgary, Alberta, by two-way videoconferencing with the deponent this 3rd day of July, 2025. I certify that Edna Conway satisfied me that she was a person entitled to swear.	
Commissioner for Taking Affidavits in and for the Province of Alberta	Edna Conway

* Luke Bronson Wurmlinger *
Student-at-Law

Luke Bronson Wurmlinger
Student-at-Law

LW

This is Exhibit A to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | **Bureau du surintendant des faillites Canada**

District of ALBERTA
Division No. 02 - Calgary
Court No. 25-095559
Estate No. 25-095559

In the Matter of the Notice of Intention
to make a proposal of:

ATTABOTICS INC.
Insolvent Person

RICHTER INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: July 2, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4(1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

STEPHANIE LEE — Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, ALBERTA, T2G 4X3, 877/376-9902

Canada

LW

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | **Bureau du surintendant des faillites Canada**

District of ALBERTA
Division No. 02 - Calgary
Court No. 25-095558
Estate No. 25-095558

In the Matter of the Notice of Intention
to make a proposal of:

ATTABOTICS (US) CORP.
Insolvent Person

RICHTER INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: July 2, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4(1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

STEPHANIE LEE Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, ALBERTA, T2G 4X3, 877/376-9902

Canada

LW

This is Exhibit B to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

⚠ Beware of scams and other suspicious activities. See Corporations Canada's alerts.

This information is available to the public in accordance with legislation (see Public disclosure of corporate information).

Return to search results   Start a new search

Overview

Corporate name:
ATTABOTICS INC.

Status:
Active

Corporation number:
1151372-9

Business number (BN):
812899987RC0002

Governing legislation:
Canada Business Corporations Act - 2019-07-12

Find existing extra-provincial registrations of this corporation on Canada's Business registries

▶ **Order copies of corporate documents and certificates**

Registered office address

300, 14505 Bannister Road SE
Calgary AB T2X 3J3

LW

Canada

Update registered office address

Directors

Minimum: 1
Maximum: 10

Update directors

Ray DePaul
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Gary Moss
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Edna Conway
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Matt Hyland
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Scott Gravelle
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Bradley Leufkens
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Individuals with significant control

Last updated(YYYY-MM-DD): 2024-10-11

There are no individuals with significant control over the corporation.

Update Individuals with significant control

Annual filings

Anniversary date (MM-DD):
07-12

Date of last annual meeting:
2023-07-31

LW

Annual filing period (MM-DD):
07-12 to 09-10

Type of corporation:
Non-distributing corporation with more than 50 shareholders

Status of annual filings:

File an annual return

- 2025 - **Not due**
- 2024 - **Filed**
- 2023 - **Filed**

Corporate history

Corporate name history

ATTABOTICS INC.	2019-07-12 to Present	

Certificates and filings

Certificate of Amalgamation	2019-07-12	Corporations amalgamated: • 11200275 11200275 Canada Inc. • 9729160 ATTABOTICS INC.
Certificate of Amendment	2020-07-13	Amendment details: Other
Certificate of Amendment	2022-11-03	Amendment details: Other

Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, contact Corporations Canada.

Date Modified:

LW

This is Exhibit C to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

2025-06-24

LW

CSC
251 Little Falls Drive
Wilmington, DE 19808-1674
800.927.9800
302.636.5454 fax

CSC **ATTABOTICS (US), CORP.**

Matter Number **1269907/E.Pratt**

DELAWARE STATUS SEARCH

www.cscglobal.com

Entity Information

	Search Results Date/Time	06-27-2025 16:38		
Entity Name	ATTABOTICS (US), CORP.			
File Number	6821784	**Status**	Good Standing since 20180329	

Entity Type	Corporation	**Corp Type**	General
Tax Type	A/R Filing Required	**Stock Corporation**	Yes
Residency	Domestic	**State**	DE
Incorporation Date	20180329		
Renew Date		**Expire Date**	
Bankruptcy		**Bankrupt Date**	
Case No			
Orig Incorp Country		**Orig Date**	
Merged To Number			
Qtrly Filings	False	**Last Ann Rpt**	2024
Foreign incorporation date			
Original foreign name			
Original foreign kind	Unknown		

Registered Agent

Agent Name	THE CORPORATION TRUST COMPANY			**Agent ID**	9000010
Address	CORPORATION TRUST CENTER				
	1209 ORANGE ST				
	WILMINGTON,New Castle				
State	DE	**Country**	US	**Zip**	19801

LW

CSC
251 Little Falls Drive
Wilmington, DE 19808-1674
800.927.9800
302.636.5454 fax

CSC **ATTABOTICS (US), CORP.**

Matter Number **1269907/E.Pratt**

DELAWARE STATUS SEARCH **www.cscglobal.com**

Stock Information

Amendment Number	0	Effective Date	20180329	End Date	

Description	Class	Series	Authorized	Par Value	Designated shares
COMMON			1,000	0.000010	0
Total Shares Authorized					1,000
No Par Shares					0

Filing History (last 5 filings)

Filing Year	Document Code	Pages	Filing Date/Time	Efective Date	Filing Status	Merger Type
2018	Stock Corporation	2	20180329T16:38:00:0000	20180329	Archived	

Taxes Due

Tax Year	Filing Fee	Total Tax	Penalty	Interest	Other	Paid	Balance
2025	50.00	175.00	0.00	0.00	0.00	0.00	225.00
2024	50.00	175.00	0.00	0.00	0.00	225.00	0.00
2023	50.00	175.00	0.00	0.00	0.00	225.00	0.00
						Tax Balance	225.00

LW

This is Exhibit D to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

ATTABOTICS

2024

Consolidated Financial Statements

Attabotics Inc.

December 31, 2024

LW

Deloitte.

Deloitte LLP
122 1st Avenue S.
Suite 400
Saskatoon SK S7K 7E5
Canada

Tel: 306-343-4400
Fax: 306-343-4480
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
Attabotics Inc.

Opinion

We have audited the consolidated financial statements of Attabotics Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Company incurred a net loss of $49,280,000 during the year ended December 31, 2024, and a deficit from cash flows from operations of $35,243,000 during the year ended December 31, 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and International Financial Reporting Standards ("IFRS"). Our opinion is not modified in respect of this matter.

LW

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 2 of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

LW

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Saskatoon, Saskatchewan
March 20, 2025

LW

ATTABOTICS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at ($ Cdn thousands)	Note	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	5	**10,689**	11,118
Short-term investments	6	**387**	366
Accounts receivable and other receivables	7	**8,669**	5,146
Inventory	8	**11,787**	10,326
Prepaid expenses		**1,906**	2,037
Deposits		**99**	213
		33,537	29,206
Property, plant and equipment	9	**3,067**	5,279
Rights of use assets	13	**3,463**	1,610
		40,067	36,095
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**4,757**	3,797
Deferred revenue	16	**8,102**	1,678
Warranty provision	10	**195**	-
Current portion of long-term debt	11	**4,400**	6,201
Current portion of lease liabilities	13	**654**	1,109
Convertible debentures	12	**46,234**	-
		64,342	12,785
Long-term debt	11	**2,193**	3,320
Lease liabilities	13	**3,410**	1,514
		69,945	17,619
Shareholders' Deficit			
Common shares	15	**3,020**	2,771
Preferred shares	15	**243,479**	243,479
Warrants and pro-rata rights	15	**11,098**	11,098
Contributed surplus	15	**7,115**	6,227
Accumulated other comprehensive (loss) income		**(195)**	16
Deficit		**(294,395)**	(245,115)
		(29,878)	18,476
		40,067	36,095

Basis of presentation and going concern	2
Commitments and contingencies	20
Subsequent events and other matters	24

(See Notes to the Consolidated Financial Statements)

LW

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the year ended December 31,

($ Cdn thousands)	Note	2024	2023
Revenue	16	**3,013**	8,031
Cost of sales	17	**3,811**	15,665
		(798)	(7,634)
Expenses			
General and administrative	17	**14,821**	11,769
Research and development	17	**19,188**	25,709
Sales and marketing	17	**4,606**	2,797
Share based compensation	15	**1,085**	1,276
Depreciation and amortization		**3,892**	4,919
Recognition (derecognition) of warranty provision	10	**846**	(1,334)
Total operating expenses		**44,438**	45,136
Operating loss		**(45,236)**	(52,772)
Government subsidies	7	**(1,889)**	(4,705)
Foreign exchange loss (gain)		**1,676**	(83)
(Gain) loss on sale of assets		**(12)**	697
Other expense (income)	18	**442**	(6,390)
Finance costs	19	**3,823**	974
Income tax	14	**4**	2
Net loss		**(49,280)**	(43,265)
Other comprehensive loss (income)		**211**	(68)
Total comprehensive loss		**(49,491)**	(43,197)

LW

ATTABOTICS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2024 and 2023
($ Cdn thousands)

	Note	Common Shares	Preferred Shares	Warrants and pro-rata rights	Contributed surplus	Accumulated other comprehensive (loss) income	Deficit	Total equity
Balance as at December 31, 2022		2,501	243,479	11,098	4,951	(52)	(201,850)	60,127
Net loss		-	-	-	-	-	(43,265)	(43,265)
Other comprehensive income		-	-	-	-	68	-	68
Shares issued on exercise of stock options	15	270	-	-	-	-	-	270
Share-based payments	15	-	-	-	1,276	-	-	1,276
Balance as at December 31, 2023		2,771	243,479	11,098	6,227	16	(245,115)	18,476
Balance as at December 31, 2023		**2,771**	**243,479**	**11,098**	**6,227**	**16**	**(245,115)**	**18,476**
Net loss		-	-	-	-	-	**(49,280)**	**(49,280)**
Other comprehensive loss		-	-	-	-	**(211)**	-	**(211)**
Shares issued on exercise of stock options	15	**249**	-	-	**(197)**	-	-	**52**
Share-based payments	15	-	-	-	**1,085**	-	-	**1,085**
Balance as at December 31, 2024		**3,020**	**243,479**	**11,098**	**7,115**	**(195)**	**(294,395)**	**(29,878)**

(See Notes to the Consolidated Financial Statements)

LW

ATTABOTICS

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended December 31,

($ Cdn thousands)	Note	2024	2023
Cash flows provided by (used in)			
Operating activities			
Net loss		**(49,280)**	(43,265)
Adjustments for:			
Foreign exchange loss (gain)		**1,676**	(83)
Depreciation and amortization		**3,892**	4,919
(Gain) loss on sale of asset		**(12)**	697
Finance costs	19	**3,823**	974
Income taxes	14	**4**	2
Other		**733**	(657)
Share based compensation		**1,085**	1,276
Warranty expense		**195**	-
Derecognition of lapsed warranty provision		**-**	(1,511)
Cash used in operations before changes in non-cash working capital		**(37,884)**	(37,648)
Change in non-cash working capital	23	**2,641**	(10,873)
		(35,243)	(48,521)
Investing activities			
Purchase of property, plant, and equipment		**(1,096)**	(2,155)
Proceed from sale of property, plant and equipment		**14**	44
Interest (received) paid		**(733)**	1,841
		(1,815)	(270)
Financing activities			
Purchase of short-term investments		**(21)**	(266)
Repayment of long-term debt		**(2,857)**	(2,735)
Proceeds from convertible debentures		**40,748**	-
Payment of lease liabilities		**(1,158)**	(1,112)
Proceeds from stock options exercised		**52**	270
Interest paid		**(684)**	(933)
		36,080	(4,776)
Effect of translation of foreign currency cash		**549**	(166)
Net decrease in cash		**(429)**	(53,733)
Cash and cash equivalents, beginning of year		**11,118**	64,851
Cash and cash equivalents, end of year		**10,689**	11,118

LW

1. STRUCTURE OF CORPORATION

Organization

Attabotics Inc. (the "Corporation") is privately held and incorporated in Canada. The Corporation provides robotic warehousing and fulfillment systems. In March 2018, the Corporation incorporated a subsidiary in Delaware USA named Attabotics (US) Corp. (the "Subsidiary").

The Corporation's head office is located at 7944 10th Street NE, Calgary, Alberta, Canada T2E 8W1.

Operations

The Corporation operates as a 3D robotics supply chain company. The Corporation has developed and is selling a robotic automated storage and retrieval system. The technology is used to support an automated fulfillment process in supply chain operations. The Corporation currently serves customers in both Canada and the United States and is preparing to enter additional international markets in the future. The Corporation is vertically integrated, performing the corporate R&D, design, software development, manufacturing, assembly, installation and aftermarket service functions from their Headquarters in Calgary.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

The consolidated financial statements have been prepared in accordance with the financial reporting provisions of the lending agreements and annual signed waivers between the Corporation and:

- Business Development Bank of Canada dated January 17, 2019 and the amendments dated October 3, 2020 and April 10, 2023; and
- 2762294 Ontario Limited and Export Development Canada dated November 8, 2022 and the amendments dated March 2, 2023 and March 6, 2023;
- Export Development Canada dated November 30, 2023;

collectively referred to as ("the Agreements"). In accordance with the Agreements, the consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS®") as issued by the International Accounting Standards Board ("IASB"), with the exception of the accounting for convertible debentures, warrants and Series C preferred shares of the Corporation (referred to as the "disclosed basis of accounting"). Details of the Corporations' accounting policies, including changes during the year are discussed in Note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on March 20, 2025.

Disclosed basis of accounting

The Corporation has accounted for the convertible debenture and Series C preferred shares on a disclosed basis of accounting. This includes the accounting for the related share purchase warrants and incremental pro-rata offerings and on a disclosed basis of accounting.

LW

The Corporation accounted for the convertible debenture at amortized cost and on initial recognition recorded the fair value of the convertible debentures at the face value less any issuance costs. The Corporation will record interest based on the terms of the agreement and the amount the Corporation expects to repay at maturity using the effective interest rate method. This is not in compliance with IFRS®. Under IFRS®, the Corporation would be required to recognize the convertible debenture by separating the compound financial instrument into its component parts, the debt component as a liability and an equity component for the conversion feature. Given the conversion feature does not meet the "fixed for fixed" criteria under IFRS®, the equity component would be recorded as a derivative liability. Under IFRS®, the Corporation has the option to measure the entire hybrid contract at fair value with adjustments recorded to finance costs in the consolidated statements of operations and comprehensive loss.

The 2022 convertible debentures were issued with warrants. As the number of shares related to the warrants are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the warrants at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the warrants as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and recorded the warrants in warrants and pro-rata rights and as an expense as part of share-based payments. For the year ended December 31, 2021, the warrants were recorded at the initial amount of $96 with no adjustment to the amount and no additional expenses recorded for the years ended December 31, 2022, December 31, 2023, or December 31, 2024. Consistent with equity instruments under IFRS®, the Corporation did not revalue the warrants for the years ended December 31, 2023, or December 31, 2024. The warrants are recorded under warrants and pro-rata rights rather than a financial liability. This is not in compliance with IFRS®.

The Corporation closed a Series C preferred share issuance on November 8, 2022. Upon close, the convertible debentures were converted into preferred shares. Under IFRS®, the Corporation would be required to fair value the debt and equity components of the compound instrument prior to conversion. The Corporation did not recognize these fair value adjustments. This is not in compliance with IFRS®.

The Series C preferred shares were issued with an incremental pro-rata offering. The incremental pro-rata offering contains a down-round provision resulting in a variable quantity of shares. As the number of shares related to the incremental pro-rata offering are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the incremental pro-rata offering at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the incremental pro-rata offering as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and allocated the relative fair value of the preferred share issuance to the incremental pro-rata offering in warrants and pro-rata rights. This treatment is consistent with the convertible debenture warrants noted above. The Series C preferred shares were valued using the residual method. For the years ended December 31, 2023 and December 31, 2024, the Corporation recorded $11,002 to warrants and pro-rata rights related to the incremental pro-rata offering.

Instead, the Corporation has not recognized these fair value adjustments. This is not in compliance with IFRS®.

LW

Going concern

These consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to raise the necessary capital on terms acceptable to the Corporation and be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

As at December 31, 2024, the Corporation's cash and cash equivalents were $10,689 and the Corporation had a negative net working capital position of $30,805. The Corporation had a net loss for the year ended December 31, 2024 of $49,280, a deficit of $294,395 as at December 31, 2024, and a deficit from cash flows from operations of $35,243 as at December 31, 2024. As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Until the Corporation can demonstrate the ability to generate significant sales volumes with positive margins, the Corporation's liquidity requirements will be dependent on its ability to continue to obtain additional debt or equity funding as required. The Corporation has secured a Master Services Agreement and initial Purchase Order with a global grocer. This could add the ability to generate revenues and positive cash flows from potential sales contracts and Purchase Orders. If the Corporation is unable to secure adequate financing, or significantly reduce planned expenditures, there could be a material adverse effect on the Company's ability to operate as a going concern.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the classifications used in the consolidated statements of financial position, which could be material. The consolidated financial statements do not include adjustments that would be necessary if the going concern assumption was not appropriate.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

Basis of consolidation

The Subsidiary is controlled by the Corporation. Control is achieved where the entity has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of the subsidiary are included in the consolidated statements of operations and comprehensive loss from the effective date of incorporation. Where necessary, adjustments are made to the financial statements of the Subsidiary to bring its accounting policies into line with those used by the Corporation.

Intercompany balances and transactions, and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

LW

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Corporation's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Canadian dollars, which is also the Corporation's functional and presentation currency. The functional currency of the Subsidiary entity is US dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of operations and comprehensive loss.

Cash and cash equivalents

Cash includes cash on hand, demand deposits and investments in highly liquid money market instruments which are readily convertible at the time of purchase to known amounts of cash in less than three months.

Short-term investments

Short-term investments consist of short-term interest-bearing securities which mature more than three months but less than twelve months from the date of purchase. Short-term investments are held with highly rated financial institutions.

Accounts receivable and other receivables

Accounts receivable includes amounts due from customers in the ordinary course of business and other receivables. Accounts due from customers may arise from contractual rights to collect in the absence of work being performed. Other receivables generally arise from transactions outside the usual operating activities of the Corporation. If collection of the amounts is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Due to the short-term nature of the current receivables, their carrying amount is considered to approximate their fair value. Accounts receivable and other receivables are recognized initially at their carrying value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment through an expected credit loss assessment.

The Corporation maintains reserves for potential uncollectible accounts receivable. Accounts receivable are reported net of uncollectible accounts receivable on the consolidated statements of financial position. Allowances for doubtful accounts are based on management's assessment of the collectability of client accounts. The adequacy of these allowances is regularly reviewed by considering internal factors such as historical experience, credit quality and age of the client receivable balances as well as external factors such as economic conditions that may affect a client's ability to pay and review of major third-party credit-rating agencies, as needed.

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Inventories

Raw materials, work-in-progress, and finished goods are stated at the lower of cost and net realizable value. Cost is determined using the standard costing method which is updated semi-annually to reflect current conditions and approximate cost.

The cost of work-in-progress and finished goods inventory comprises raw materials, direct labour, other direct costs and related production overhead expenditures, the latter being allocated based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling costs. Inventories are written down to net realizable value when the cost of inventories is determined not to be recoverable. When the circumstances that previously caused the inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down.

Property, plant, and equipment

Property, plant, and equipment are recorded at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant, and equipment are recorded at cost and amortized over their estimated useful life.

Depreciation is calculated on a straight-line basis to recognize the cost less estimated residual value over the estimated useful life of the assets as follows:

Furniture and equipment	straight-line over five years
Machinery and vehicles	straight-line over five years
Computer hardware	straight-line over three years
Support hardware	straight-line over two years
Tooling	straight-line over one year
Leasehold improvements	straight-line over length of lease

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment of property, plant, and equipment

Property, plant, and equipment subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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Leases

Leases are typically entered into for equipment, office and factory space. At inception of a contract, the Corporation assesses whether the contract contains a lease. A lease contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- the contract involves the use of an identified asset;
- the Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Corporation has the right to direct the use of the identified asset.

Lease liabilities are initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if not readily determinable, the Corporation's incremental borrowing rate. A single incremental borrowing rate is applied to a portfolio of leases with similar characteristics. Lease payments included in the measurement of the lease liability consist of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under a residual value guarantee; and
- payments relating to purchase options and renewal option periods that are reasonably certain to be exercised, or periods subject to termination options that are not reasonably certain to be exercised.

The initial lease term included in the measurement of the lease liability consists of:

- the non-cancellable period of the lease;
- periods covered by options to extend the lease, where the Corporation is reasonably certain to exercise the option; and
- periods covered by options to terminate the lease, where the Corporation is reasonably certain not to exercise the option.

Lease liabilities are subsequently measured at amortized cost. Lease liabilities are remeasured when there is a lease modification, and a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest expense for lease liabilities is recorded in finance costs in the consolidated statements of operations and comprehensive loss.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities and right-of-use assets. The related payments are expensed in operating expenses, and administrative expenses in the period in which the event or condition that triggers those payments occurs.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, plus an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Corporation presents right-of-use assets separately from property, plant and equipment in the consolidated statements of financial position.

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If the Corporation obtains ownership of the leased asset by the end of the lease term or the costs of the right-of-use assets reflects the exercise of a purchase option, we depreciate the right-of-use assets from the lease commencement date to the end of the useful life of the underlying asset. Otherwise, right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life or the end of the lease term. Right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements on the related lease liability. The depreciation charge for right-of-use assets is recorded in depreciation and amortization in the consolidated statements of operations and comprehensive loss.

Provisions and contingent liabilities

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing or amount of the outflow may still be uncertain. Provisions are measured using the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, considering risks and uncertainties associated with the obligation. Provisions are discounted where the time value of money is considered significant.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statements of operations and comprehensive loss except to the extent it relates to items recognized directly in equity.

Current tax

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates which are enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences, except for temporary differences that arise from goodwill, which is not deductible for tax purposes. Deferred tax liabilities are also recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible balances can be utilized. All deferred tax assets are analyzed at each reporting period and reduced to the extent that it is no longer probable that the asset will be recovered. Deferred tax assets and liabilities are not

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recognized with respect to temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Revenue recognition

Revenue is earned from contracts with customers. A contract with a customer contains multiple deliverables, such as sales of products which include: structure, workstations, robots, and the provision of services (installation and permitting). As such, the Corporation has identified the following performance obligations that are distinct from one another and allocates amounts received from the customer to each of these performance obligations based on relative stand-alone selling prices of each performance obligation. The stand-alone selling price of each performance obligation is determined based on the current market price of each of the performance obligations when sold separately. If performance obligations are not sold separately resulting in the inability to determine the stand-alone selling price, the Corporation uses the residual method to determine a value that most reasonably reflects the selling price that might be achieved in a stand-alone transaction. Any variable consideration such as discounts, price concessions etc. identified as part of a contract containing multiple deliverables are allocated to all separate performance obligations based on relative selling price. Variable consideration is measured using the expected value method or the most likely amount based on which method will best predict the amount of consideration based on the contract.

As the Corporation's sales contracts are less than one year in duration, the Corporation has elected to apply the practical expedients to expense related costs to obtain contracts and not disclose unfulfilled performance obligations. In addition, as the timing of payments and satisfying performance obligations is generally less than one year in duration, the Corporation has applied the practical expedient to disregard the effects of a financing component.

Structure and robots

The Corporation derives revenue from design, engineering, commissioning, and manufacturing of customized structure systems to its customers. Included in the sale of a structure is the number of robots required to operate the customer's warehousing and fulfillment system. The customer considers its performance obligation related to the sale of a structure and robots to be satisfied and control to be transferred typically over time as the structures and robots are together customized to each customer's specific needs and specifications and therefore does not create an asset with an alternative use to the Corporation, and the Corporation has an enforceable right to payment for the performance completed to date. The Corporation uses an input method that recognizes revenue based on the cost incurred that appropriately depicts the actual progress towards complete satisfaction of the performance obligation. When a contract with multiple deliverables includes the sale of a structure, the Corporation uses the residual method to determine the standalone selling price of the structure.

Installation

The Corporation provides installation services for customers as required in certain contractual situations through third party contractors. Revenue from installation services is recognized over time using the input method.

Permitting

The Corporation applies for permits that are required to install or operate the systems through third party service providers. Revenue is typically recognized at a point in time once permits are obtained, which is where title and risk associated with the benefit derived from possessing permits is typically transferred to the customer.

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Services

The Corporation provides supporting services for its products. Revenues for supporting services are recognized over the term of the contracted service period with amounts prepaid by customers accounted for as deferred revenue.

Warranty

The Corporation's standard warranty period is not considered to be a distinct performance obligation. Warranties are accounted for as warranty obligations and the estimated cost of satisfying them is recognized at the time the necessity of such provision is evident.

Research and development costs

Research costs are charged to operations in the period incurred. Development costs are charged to operations when incurred unless they meet the specific criteria for capitalization of intangible assets, identifiability, control and the existence of future economic benefits, in which case they are capitalized and amortized on a straight-line basis over the estimated economic life of the related product or service. The value of capitalized development costs is reviewed when events or changes in circumstances indicate the carrying value may be impaired. When there is an impairment in the estimated net recoverable amount of these costs, based on future expected cash flows, the costs are written down to their estimated recoverable value. As at December 31, 2024, the Corporation has not capitalized any of its development costs.

Share-based payments

The Corporation operates an equity-settled, stock-based compensation plan, under which the Corporation grants stock options as consideration for services provided by employees of the Corporation.

Under the Corporation's stock option plan, options can be granted to directors, officers and employees. The exercise price of options is determined by the Board of Directors. Vesting is provided for at the discretion of the Board of Directors and the expiration of options is to be no greater than 10 years from the date of grant.

The Corporation recognizes the value of stock options awarded in the consolidated financial statements based on the estimated fair value at the date of grant. The Corporation calculates the value of stock options issued using the Black-Scholes option pricing model with consideration of factors specific to the Corporation. Each tranche in an award is considered a separate award with its own vesting year and grant date fair value. Share-based payment expense is recognized over the tranche's vesting period, with a corresponding increase to contributed surplus based on the number of awards expected to vest.

When stock options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. The number of awards expected to vest is reviewed at least quarterly, with any impact being recognized immediately.

Share capital, warrants and pro-rata rights

Common shares and preferred shares are classified as equity. Transaction costs directly attributable to the issue of common shares and preferred shares are recognized as a deduction from equity.

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Warrants and pro-rata rights issued in conjunction with the preferred shares are financial instruments classified as equity (refer to the disclosed basis of accounting in Note 2) and were measured at fair value upon issuance. Transaction costs directly attributable to the issue of warrants and pro-rata rights are recognized as a deduction from equity. On exercise, the cash consideration received by the Corporation and the associated carrying value of the warrants and pro-rata rights are recorded as share capital.

Government grants, loans, and investment tax credits ("ITC")

The Corporation may receive government assistance in connection with product development expenditures that qualify for the Scientific Research and Experimental Development program ("SR&ED"). Federal and provincial investment tax credits are accounted for as a other income. The tax credit amounts received can be subject to a detailed technical and financial review which could result in the repayment of the amounts received.

Assistance from governmental funding agencies related to supporting product development is recorded in the period that the assistance is received. The way the assistance is recorded is dependent on the terms of the agreement between the Corporation and the relevant governmental agency.

The Corporation's repayable funding has been recorded at its carrying value. The fair value of the repayable funding equals its carrying value, as the impact of discounting is not deemed to be significant.

The classification of that debt as short or long-term is dependent on the period in which the repayments are estimated to become due under the terms of the agreement with the relevant governmental agency.

Financial instruments and risk management

Financial assets

i) *Classification*

The Corporation classifies its financial assets in the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI"), or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

The Corporation holds the following financial assets at the end of the reporting period:

Loans and receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The Corporation's accounts receivable is generally due for settlement within 30 days and therefore are all classified as current with accounts receivable with settlement terms longer than one year being classified as long-term receivables within non-current assets.

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ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized on the trade-date, this being the date on which the Corporation commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Corporation has transferred substantially all the risks and rewards of ownership.

iii) *Measurement*

At initial recognition, the Corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortized cost using the effective interest method should the fair values be deemed to be significantly different to their carrying amounts.

iv) *Impairment*

The Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The Corporation measures impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

Financial liabilities

i) *Classification*

The Corporation classifies its financial liabilities in the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and other financial liabilities. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition. The Corporation does not hold any financial liabilities classified at FVTPL and FVOCI.

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The Corporation holds the following financial liabilities at the end of the reporting period:

Other financial liabilities

Other financial liabilities are financial liabilities which are not classified at FVTPL and FVOCI are measured at amortized cost. If payment of the amounts is expected in one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities. The fair value equivalent to the financial liabilities measured at amortized cost is immaterially different.

The Corporation's accounts payable and accrued liabilities are generally due for settlement within 30 days and therefore are all classified as current. Long term debt and convertible debentures are repayable in accordance with the terms of the agreements with the estimated repayable amount due within one year classified as current with the remainder classified as a non-current liability.

ii) *Measurement*

At initial recognition, the Corporation measures a financial liability at its fair value less transaction costs.

Other financial liabilities are subsequently carried at amortized cost using the effective interest method should the fair values be deemed to be significantly different to their carrying amounts.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS® requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The key judgements identified in applying accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements include the following:

- The determination of whether it is probable that sufficient taxable earnings will be generated in future periods to utilize tax losses and tax credits for the purpose of recognizing related tax assets. If sufficient taxable earnings are not generated, or estimates change, the Corporation would be required to reverse the related tax assets, or a portion thereof, which would impact income tax expense and possibly earnings before income tax if tax credits were reversed.
- The determination and estimate of warranty provision.
- The determination of the fair value of stock options requires the use of a pricing model which requires the estimation of stock price volatility, the expected term of the underlying instruments, the estimation of the risk-free interest rate, and if applicable the resulting number of options that will ultimately vest.
- The measurement of property and equipment involves the use of estimates in determining the expected useful lives of those assets and the depreciation and amortization methods used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

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- ***Revenue recognition using input method to account for implementation of contracts and variable consideration.*** The Corporation uses the input method to account for the structure, robots, and installation performance obligation of contracts. The transaction price is recognized into revenue as the performance obligations are satisfied. Total actual costs are compared to total expected costs to measure the progress of the performance obligations satisfied over time for the relevant project. This method of accounting for contracts requires the Corporation to make estimates regarding the total costs of the project, progress against the project schedule and the estimated completion date, all of which impact the amount of revenue and gross margin recognized in each reporting period. The transaction price also includes estimates of variable consideration it expects to receive. The amount of variable consideration is adjusted at least annually based on the best available information available to the Corporation.
- ***Measuring deferred income taxes.*** Key estimates and assumptions include the availability of future taxable earnings as explained above, timing of reversals for temporary differences, and future enacted tax rates.
- ***Provisions, including warranty provisions.*** Key estimates include future cash flows and discount rates.
- ***Right of use assets and lease liabilities.*** Key estimates include incremental borrowing rate, and the inclusion of lease extensions. The incremental borrowing rates are based on assumptions including economic environment, term, currency, and the underlying risk inherent to the asset. The Corporation has included extension options in the calculation of lease liabilities, where the Corporation has the right to extend a lease term at its discretion and is more than likely to exercise the extension option. The Corporation does not have any significant termination options and the residual amounts are not material.

Measurement of fair values

A number of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to that asset or liability.

(i) Accounts receivable and other receivables

The fair value of accounts receivable and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Revenue recognition - multi-element arrangements

Determining the amount of revenue to allocate to individual elements in a multi-element arrangement and whether a deliverable constitutes a separate unit of accounting.

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5. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash at bank	**10,689**	10,888
Notice term deposits	**-**	230
	10,689	11,118

6. SHORT TERM INVESTMENTS

	December 31, 2024	December 31, 2023
Guaranteed investment certificate with fixed interest of 2.25% and maturity date of November 24, 2025	**100**	100
Guaranteed investment certificate with fixed interest of 3.50% and maturity date of August 11, 2025	**211**	200
Guaranteed investment certificate with fixed interest of 3.15% and maturity date of August 21, 2025	**76**	66
	387	366

Short term investments include $387 (2023: $366) that is subject to restrictions and therefore not available for general use.

7. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	Notes	**December 31, 2024**	December 31, 2023
Trade receivables		**1,240**	4,389
Advanced billings	16	**6,589**	-
Less: Allowance for doubtful accounts		**(171)**	(431)
Net trade receivables		**7,658**	3,958
Other receivables:			
Government receivable		**1,007**	50
Insurance proceeds receivable		**-**	1,000
Lease receivable		**4**	138
Accounts receivable and other receivables		**8,669**	5,146

Of the $1,889 (2023: $4,705) recorded as Government subsidies, $1,007 (2023: $50) is receivable. This is entirely attributable to the SR&ED tax incentive program.

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The aging of trade receivables is as follows:

	Notes	**December 31, 2024**	December 31, 2023
Current		**3,681**	17
Past due 0-30 days		**3,023**	-
Past due 31-60 days		**-**	1,992
Past due > 60 days		**1,125**	2,380
	24	**7,829**	4,389

Trade receivables are impaired when their estimated future cash flows are less than their contractual cash flows. The amount of impairment considers the financial condition of the customers and delinquencies in payments.

8. INVENTORY

Inventories comprised the following:

	December 31, 2024	December 31, 2023
Raw materials	**11,634**	9,675
Work in progress	**153**	430
Finished goods	**-**	221
	11,787	10,326

Other income (expense) for the year ended December 31, 2024 includes write-down of the value of specific inventory items of $632 (2023: $3,034) related to parts and manufactured goods from previous generation robots, workstations and structures.

The amount of inventory used during the year was $2,918 (2023: $9,010). The amount was recognized as cost of sales in the consolidated statements of operations and comprehensive loss during the year.

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9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at and for the years ended December 31, 2023 and December 31, 2024 were as follows:

	Furniture and equipment	Hardware	Leasehold improvements	Tooling	Machinery	Vehicles	Total
Cost:							
Balance at December 31, 2022	3,906	1,330	5,032	652	13,196	58	24,174
Additions	1,803	64	-	288	-	-	2,155
Disposal	(1,125)	(917)	(2,583)	(646)	(2,368)	(41)	(7,680)
Balance at December 31, 2023	**4,584**	**477**	**2,449**	**294**	**10,828**	**17**	**18,649**
Additions	813	29	2	252	-	-	1,096
Disposal	(78)	(40)	-	-	-	-	(118)
Balance at December 31, 2024	**5,319**	**466**	**2,451**	**546**	**10,828**	**17**	**19,627**
Accumulated depreciation:							
Balance at December 31, 2022	1,669	1,000	3,810	604	9,443	15	16,541
Amortization	967	152	175	258	2,417	14	3,983
Disposal	(626)	(917)	(2,583)	(646)	(2,368)	(14)	(7,154)
Balance at December 31, 2023	**2,010**	**235**	**1,402**	**216**	**9,492**	**15**	**13,370**
Amortization	1,549	158	175	141	1,254	2	3,279
Disposal	(59)	(30)	-	-	-	-	(89)
Balance at December 31, 2024	**3,500**	**363**	**1,577**	**357**	**10,746**	**17**	**16,560**
Carrying amount:							
At December 31, 2023	2,574	242	1,047	78	1,336	2	5,279
At December 31, 2024	**1,819**	**103**	**874**	**189**	**82**	**-**	**3,067**

As at December 31, 2024, the carrying amount of $83 (2023: $1,472) of property, plant and equipment of the Corporation represented collateral associated with long-term debt.

10. WARRANTY PROVISION

	December 31, 2024	December 31, 2023
Balance - beginning of year	**-**	1,511
Provision recognized	**846**	-
Provision used during the year	**(651)**	(177)
Derecognition of lapsed warranty provision	**-**	(1,334)
	195	-

The Corporation set up a warranty provision related to systems delivered to its customers under existing contracts. The warranty provision represents the estimated costs the Corporation would incur to maintain and service systems

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deployed at customer sites over a one-year period after the initial delivery and installation, representing the warranty period. The provision costs are derecognized if not fully consumed once the one-year provision has lapsed.

The net obligation of the provision is based on management's best estimate. The provision is reviewed and reassessed on a periodic basis by management.

11. LONG-TERM DEBT

	Note	December 31, 2024	December 31, 2023
Equipment loans, Prime Rate plus 1.7% to 2% interest per annum	a	-	71
Non-interest bearing facility	b	**314**	552
Equipment loan, variable base rate plus 0% interest per annum	c	**3,269**	5,051
Non-interest bearing facility	d	**3,010**	3,847
Total debt		**6,593**	9,521
Less current portion		**4,400**	6,201
Long term debt		**2,193**	3,320

Significant details of the facilities are summarized below.

The Corporation has obtained financing and received loans from four credit facilities. The subsidiary provides corporate guarantee against the equipment loan, variable base rate plus 0% per annum.

(a) Equipment loans, Prime Rate plus 1.7% to 2% interest per annum

The Corporation had credit facilities with a commercial lender for equipment financing up to $1.8 million or 60% of purchase price of eligible equipment, whichever is less. The facilities matured on July 1, 2024 and balances were paid off.

(b) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 30, 2018 to provide funding to the Corporation for a project to scale-up and commercialize a large robotic warehousing system. This is a non-interest bearing loan. Under the term of the agreement the governmental agency will advance up to $1.3 million over a period of two years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2021 and ending March 1, 2026.

As at December 31, 2024, the Corporation received funding of $1,300 (2023: $1,300). The loan was initially recorded at the fair value of $1,074. The $226 initial discounted portion was recorded as a reduction to research and development expenses in the fiscal year the amounts were received. The related accretion for the year ended December 31, 2024, has been included in finance costs in the consolidated statements of operations and comprehensive loss. During the year ended December 31, 2024, the Corporation made principal payments of $238 (2023: $225). No adjustment to the fair market value has been made in 2024. The fair market value of the facility as at December 31, 2024 is $314 (2023: $552).

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(c) Equipment loan, variable base rate plus 0% per annum

The Corporation entered into an agreement with a governmental agency on January 17, 2019 to provide equipment financing up to $10.7 million or 100% of purchase price of eligible equipment, whichever is less. As at December 31, 2024, a term loan of $3,269 (2023: $5,051) was drawn against the credit facility. The term loan is interest payable only until November 30, 2020 and repayable monthly over a six-year term and matures on October 31, 2026. The interest rate is equal to 8.88% as at December 31, 2024 (2023: 9.30%). The credit facility is secured by a general security agreement creating a first priority security interest on specific equipment financed under the loan and a security interest in all present and after acquired personal property of the Corporation, except consumer goods.

The Corporation shall perform and observe the financial covenants set out by lender, including for fiscal year end 2018: (i) Minimum Revenue of $25 million; (ii) Minimum EBITDA of $8.5 million; (iii) Minimum Tangible Equity of $14 million; (iv) Minimum Working Capital Ratio of 1:1:1; (v) Maximum Term Debt to Tangible Ratio of 1:1; and starting as of December 31, 2019, maintaining at all times a Fixed Charge Coverage Ratio equal to or greater than 1.1:1.

The Corporation was in violation of its financial covenants as at December 31, 2024 and 2023. The Corporation did not obtain a waiver from the lender prior to December 31, 2024, and the outstanding balance of $3,269 (2023: $5,051) is presented within the current portion of long-term debt. The enforcement of financial covenants will continue to be reassessed by the lender and the Corporation going forward.

(d) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 24, 2019 to provide funding to the Corporation for a project to scale-up manufacturing capacity. This is a non-interest bearing loan. Under the term of the agreement the governmental agency will advance up to $5 million over a period of three years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2023 and ending March 1, 2028.

As at December 31, 2024, the Corporation received funding of $5,000 (2024: $5,000). The loan was initially recorded at a fair value of $2,836. The $829 initial discounted portion was recorded as a reduction to research and development expenses in the fiscal year the amounts were received. The related accretion for the year ended December 31, 2024 has been included in finance costs in the consolidated statements of operations and comprehensive loss. The fair market value of the facility as at December 31, 2024 is $3,010 (2023: $3,847).

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12. CONVERTIBLE DEBENTURES

The Corporation closed an unsecured convertible debenture financing arrangement on February 1, 2024, for gross proceeds of US$30 million.

	December 31, 2024	December 31, 2023
Balance - beginning of year	-	-
Proceeds received from issuance	**40,748**	-
Less: Finance charges	**222**	-
Fair value of convertible debentures on issuance	**40,526**	-
Accrued interest	**3,094**	-
Amortization of finance charges	**195**	-
Exchange difference	**2,419**	-
Balance - end of year	**46,234**	-

The unsecured convertible debenture terms are as follows:

- 12.00% per annum interest accruing daily, compounding annually to be accrued on the outstanding principal and will not become due until the maturity date.
- The maturity date is March 30, 2025.
- The convertible debenture will have a 20% discount rate at the time of conversion, with a conversion rate of 1 minus the discount rate.
- At the closing of the next qualified financing, all principal and interest outstanding shall be automatically converted into the qualified financing security, or into a separate class or series of shares with equivalent terms reflecting the lower issue price, if the Corporation undergoes a qualified financing at a price per share equivalent to the Conversion Rate multiplied by the cash issue price.
- The holder may convert the debenture at any point in time.

The convertible debentures shall be due and payable on March 30, 2025, unless it is earlier converted.

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13. LEASES

The Corporation's portfolio of leases mainly consists of office, factory space, and equipment.

Right of use assets

	Office and factory space	Equipment	Total
Cost:			
Balance at December 31, 2022	6,355	74	6,429
Disposal	(1,718)	-	(1,718)
Exchange difference	(35)	-	(35)
Balance at December 31, 2023	**4,602**	**74**	**4,676**
Addition	**2,527**	-	2,527
Disposal	-	(74)	(74)
Balance at December 31, 2024	**7,129**	**-**	**7,129**
Accumulated depreciation:			
Balance at December 31, 2022	3,556	28	3,584
Amortization	1,193	37	1,230
Disposal	(1,718)	-	(1,718)
Exchange difference	(30)	-	(30)
Balance at December 31, 2023	**3,001**	**65**	**3,066**
Amortization	665	9	674
Disposal	-	(74)	(74)
Balance at December 31, 2024	**3,666**	**-**	**3,666**
Carrying amount:			
At December 31, 2023	1,601	9	1,610
At December 31, 2024	**3,463**	**-**	**3,463**

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Lease liabilities

	Office and factory space	Equipment	Total
Balance at December 31, 2022	3,746	48	3,794
Accretion expense	178	2	180
Repayment of lease liabilities	(1,281)	(39)	(1,320)
Exchange difference	(31)	-	(31)
Balance at December 31, 2023	**2,612**	**11**	**2,623**
Addition	2,527		2,527
Accretion expense	119	-	119
Repayment of lease liabilities	(1,147)	(11)	(1,158)
Exchange difference	(47)	-	(47)
Balance at December 31, 2024	**4,064**	-	**4,064**
Less: current lease liabilities	654	-	654
Long-term lease liabilities	**3,410**	-	**3,410**

Undiscounted cash outflows related to the lease liabilities are:

	December 31, 2024
Less than one year	898
One to three years	2,874
Four to five years	998
More than five years	58
Balance at December 31, 2024	**4,828**

As at December 31, 2024, the Corporation has renewed its head office lease with an expiry date of December 31, 2029. The lease does not contemplate any renewal options.

In addition to the head office lease, the Corporation has a lease for the factory space which expires on February 28, 2030.

14. INCOME TAXES

The major components of income tax expense for the years ended December 31 are as follows:

For the year ended	**December 31, 2024**	December 31, 2023
Current income tax expense	**4**	2
Deferred tax expense	**-**	-
Total income taxes	**4**	2

Income tax expense (recovery) for the years ended December 31, 2024 and 2023 differ from that calculated by applying statutory rates for the following reasons:

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For the year ended	December 31, 2024	December 31, 2023
Loss before income taxes	**(49,276)**	(43,195)
Statutory tax rate	**23%**	23%
Expected tax (recovery) expense	**(11,333)**	(9,935)
Non-deductible items	**980**	319
Tax adjustment to opening balances	**(3,684)**	2,399
Change in rates and other items	-	-
Benefit of tax assets not recognized	**14,250**	7,139
Other	**(209)**	80
	4	2

The statutory income tax rate for the Corporation remained consistent with 2024 at 23%.

The Corporation has not recognized the benefit of deferred tax assets of a net deferred tax asset of $57,770 (2023: $45,287). The Corporation has a non-operating loss carryforward of $206,866 (2023: $171,507). The balance expires in varying annual amounts from 2039 to 2043.

15. SHARE CAPITAL

(a) Common shares

Authorized:
13,025,983 (2023: 13,025,983) common shares are entitled to one vote per share and all shares rank equally regarding the Corporation's residual assets.

Issued:

	2024		2023	
	Number	$	Number	$
Balance - beginning of year	**4,884,736**	**2,771**	4,837,999	2,501
Shares issued on exercise of stock options	**11,766**	**249**	46,737	270
Balance - end of year	**4,896,502**	**3,020**	4,884,736	2,771

(b) Contributed surplus

The contributed surplus included in the Shareholders' Equity section of the consolidated statement of financial position comprises all share-based payment transactions that do not involve the issuance of shares and unexercised stock options.

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(c) Preferred shares

Series A preferred shares

Authorized:
1,148,721 (2023: 1,148,721) Series A preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**1,148,721**	**7,732**	1,148,721	7,732
Shares issued during the year	**-**	**-**	-	-
Share issuance costs	**-**	**(79)**	-	(79)
Balance - end of year	**1,148,721**	**7,653**	1,148,721	7,653

Series B preferred shares

Authorized:
1,294,164 (2023: 1,294,164) Series B preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**1,294,164**	**69,286**	1,294,164	69,286
Shares issued during the year	**-**	**-**	-	-
Share issuance costs	**-**	**(187)**	-	(187)
Balance - end of year	**1,294,164**	**69,099**	1,294,164	69,099

Series C preferred shares

Authorized:
4,136,449 (2023: 4,136,449) Series C preferred shares not redeemable and subject to an annual, accumulating and cumulative preferential dividend equal to 8% of the applicable Original Issue Price. The dividends are payable upon a liquidation event and are therefore not accrued in the consolidated statements of financial position. As at December 31, 2024, the accrued dividends were $12,170 (2023: $6,488).

2,100,374 of the Series C preferred shares issued were due to the conversion of the 2020 convertible debentures and 2022 convertible debentures.

The issuance contained an incremental pro-rata offering for gross proceeds of up to $25.0 million USD for a 30-month period subsequent to close. Upon issuance, the fair value of the incremental pro-rata offering was $11,002, classified as equity, and recorded under warrants and pro-rata rights (refer to Note 2 for a disclosed basis of accounting).

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Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**3,144,880**	**169,949**	3,144,880	169,949
Shares issued during the year	-	-	-	-
Share issuance costs	-	**(3,222)**	-	(3,222)
Balance - end of year	**3,144,880**	**166,727**	3,144,880	166,727

(d) Options

The Corporation has adopted a stock option plan whereby a maximum of 10% of the issued and outstanding Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the stock option plan, options may be granted only to: (i) employees, officers, directors, and consultants of the Corporation; and (ii) employees, officers, directors, and consultants of an affiliate of the Corporation. As at December 31, 2024, the total option pool is 1,263,499 (2023: 1,263,499) with 562,169 (2023: 328,507) available to be issued.

The following summarizes the changes in outstanding options:

	December 31, 2024		December 31, 2023	
	Number	**Weighted average exercise price ($ Cdn)**	Number	Weighted average exercise price ($ Cdn)
Outstanding - beginning of the year	**763,150**	**10.24**	900,051	9.90
Granted	**70,630**	**15.03**	70,790	14.83
Forfeited	**(120,684)**	**12.14**	(160,954)	11.65
Exercised	**(11,766)**	**4.67**	(46,737)	5.78
Outstanding - end of the year	**701,330**	**10.24**	763,150	10.24
Exercisable - end of the year	**511,158**	**9.53**	485,239	8.07

The range of exercise prices for the options outstanding and exercisable as at December 31, 2024 is as follows:

	Total options outstanding			**Exercisable options**	
	Number	Weighted average exercise price ($ Cdn)	Weighted average remaining life (years)	Number	Weighted average exercise price ($ Cdn)
2017	59,000	3.22	2.72	59,000	3.22
2018	134,300	3.64	3.46	134,300	3.64
2019	48,650	12.18	4.44	48,650	12.18
2020	16,000	13.17	5.79	16,000	13.17
2021	195,600	13.17	6.83	150,933	13.17
2022	141,310	13.29	7.52	85,523	13.27
2023	45,160	15.81	8.47	16,752	15.81
2024	61,310	15.81	9.45	-	-
	701,330	10.86	6.12	511,158	9.53

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The Corporation uses the Black-Scholes option-pricing model to determine the estimated fair value of the options granted. The weighted average fair value of options granted during the year ended December 31, 2024 and 2023 were $10.86 and $9.52 per share, respectively, using graded vesting.

The calculation was based on the following assumptions:

For options granted in the year ended December 31,	2024	2023
Share price (Cdn $)	**15.08**	14.88
Exercise price (Cdn $)	**15.08**	14.88
Volatility (%)	**64**	77
Expected life (years)	**10**	10
Dividend yield (%)	-	-
Forfeiture rate (%)	**16**	16
Risk free interest rate (%)	**3.41**	3.26

16. REVENUE

There are five major categories: structure, robots, installation, permitting and service. Structure, installation and robots are recognized on an input method basis over time. Service is recognized over the term of the contracted service period. Please refer to significant accounting policies (note 3) for Corporation's revenue recognition policy.

In the following table, revenue is disaggregated by major products and services lines based on contracts with customers performance obligation.

For the year ended	December 31, 2024	December 31, 2023
Structure, installation, and robots	**2,439**	7,885
Service	**574**	146
Total revenue	**3,013**	8,031

The Corporation sells its products and services pursuant to fixed-price contracts. The transaction price used in determining the amount of revenue to recognize is based upon agreed contractual terms with the customer and may be subject to variability based on the best available information available to the Corporation.

For the year ended	December 31, 2024	December 31, 2023
Deferred revenue	**8,102**	1,678
Contract liabilities	**8,102**	1,678

Contract liabilities of $6,589 (2023: $nil) relate to contractual agreements to provide goods and services to customers. These amounts are offset by the contractual rights to receive consideration and is recorded in Trade Receivables (see Note 7). The remaining balance of $1,513 (2023: $1,678) relates to upfront payment of progress billing received from customers. As the Corporation's contracts are less than one year in duration, the Corporation has elected to apply the practical expedients and not disclose unfulfilled performance obligations.

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Significant customers

For the year ended December 31, 2024, the Corporation had three significant customers that provide more than 10% of total revenue. The revenue from these customers was $1,328 (44%), $873 (29%), and $488 (16%) in 2024 (2023: $1,160 (14%), $5,358 (67%) and $1,373 (17%)).

17. EXPENSES BY NATURE

The Corporation presents certain expenses in the consolidated statements of operations and comprehensive loss by function. The following table presents those expenses by nature:

	December 31, 2024	December 31, 2023
Salaries, subcontractors, and benefits	**29,983**	34,308
Marketing and sales costs	**931**	1,175
Material and supplies	**2,596**	12,786
External services and facilities	**8,916**	7,397
Bad debt expenses	-	274
	42,426	55,940

18. OTHER INCOME AND EXPENSES

	December 31, 2024	December 31, 2023
Interest income	**(733)**	(1,840)
Other income	**(329)**	(52)
Insurance proceeds	-	(1,000)
Settlement of contingencies	-	(7,158)
Termination costs	**872**	356
Write down for inventory obsolescence	**632**	3,034
Contingent provisions	-	270
	442	(6,390)

Other income and expenses contain items that occur outside of the normal operating activities of the Corporation.

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19. FINANCE COSTS

	December 31, 2024	December 31, 2023
Interest on long-term debt	**3,509**	794
Finance costs on convertible debentures	**195**	-
Interest on lease liabilities	**119**	180
Total finance costs	**3,823**	974

As at December 31, 2024, $3,094 of the total interest on long-term debt was attributable to the convertible debenture outstanding (2023: $0).

20. COMMITMENTS AND CONTINGENCIES

Commitments

As at December 31, 2024, in the normal course of business, other than in relation to the office space leases and long-term debt, the Corporation has no material obligations to make future payments, representing contracts and other commitments that are known and committed.

Contingencies

As at December 31, 2024, a statement of claim has been filed in the Alberta Court of King's Bench by a previous employee of the Corporation. The claim alleges wrongful dismissal of an employee by the Corporation. The claimant seeks damages totaling more than $3.1 million. The Corporation believes that this claim is without merit and litigation counsel is instructed to vigorously defend against the claim and, accordingly, the Corporation has not accrued a provision related to the claim.

As at December 31, 2024, the Corporation is awaiting judgement from a trial that concluded in October, 2024. The case concerns an intermediary customer requesting that the Corporation defend and indemnify the intermediary customer from claims asserted by the end user. The outcome is currently undeterminable and the Corporation has not accrued a provision related to the claim.

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21. RELATED PARTY TRANSACTIONS

Related party balances

For the year ended December 31, 2024, there were no related party transactions.

Key management compensation

Key management personnel are people who have authority and responsibility for planning, directing, and controlling the activities of the Corporation. The Corporation has identified key management personnel as directors and executive officers.

The following discloses the amounts recognized as expense during the year related to directors and key management personnel compensation:

	December 31, 2024	December 31, 2023
Salaries and benefits	**2,047**	2,233
Share-based payments	**205**	435
Total key management compensation	**2,252**	2,668

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's financial instruments include cash and cash equivalents, short-term investments, accounts receivable and other receivables, accounts payable and accrued liabilities, convertible debentures, and long-term debt. For the aforementioned, the carrying value approximates fair value.

The Corporation has estimated the fair value amounts using appropriate valuation methodologies and information available to management as of the valuation dates. The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it was practicable to estimate that value:

- **Cash and cash equivalents, short-term investments, accounts receivable and other receivables, and accounts payable and accrued liabilities**. The carrying amounts approximate fair value because of the short maturity of these instruments.
- **Convertible debentures**. The carrying amounts approximate fair value because of the short maturity of the debentures.
- **Long-term debt**. The fair value of long-term debt consists of $6,593 (2023: $9,521).

Nature and Extent of Risks Arising from Financial Instruments

The Corporation is exposed to a number of market risks arising through the use of financial instruments in the ordinary course of business. Specifically, the Corporation is subject to credit risk, liquidity risk, currency risk, and interest rate risk.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk

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management framework. The Corporation's management identifies and analyzes the risks faced by the Corporation and manages/monitors these risks, including the impact of changes in market conditions and changes in the Corporation's activities.

As at December 31, 2024	Risk			
			Market risks	
	Credit	Liquidity	Currency	Interest rate
Measured at cost or amortized cost				
Cash and cash equivalents	X		X	X
Short-term investments	X			X
Accounts receivable and other receivables	X		X	
Accounts payable and accrued liabilities		X	X	
Long-term debt		X		X

The fair value equivalent to the amortized cost of the long-term debt instruments are immaterially different.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations.

The Corporation manages credit risk by holding its cash and cash equivalents and short-term deposits with major financial institutions. Cash and cash equivalents consist primarily of cash, demand deposits and investments with original maturities of less than 90 days. Short-term investments consist of cash and cash equivalents held for a period of 91 days to 365 days. As at December 31, 2024 and December 31, 2023, the Corporation held cash and cash equivalents of $10,689 and $11,118 and short-term investments of $387 and $366, respectively. Cash deposits and short-term investments are exposed to credit loss for amounts in excess of insured limits in the event of nonperformance by the institutions; however, we do not anticipate nonperformance by these institutions.

For the year ended December 31, 2024, the Corporation recorded a bad debt expense of $nil (2024: $274). No other provisions were recorded.

The Corporation is exposed to credit risk related to accounts receivable as a result of extending credit to customers for services performed, creating exposure on accounts receivable balances with trade customers. This exposure to credit risk is managed through a corporate credit policy whereby upfront evaluations are performed on all customers and credit is granted based on payment history, financial conditions, and anticipated industry conditions. Customer payments are continuously monitored to ensure the creditworthiness of all customers with outstanding balances and a provision for doubtful accounts is established based on lifetime expected credit loss.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation actively manages its liquidity through daily, weekly, and longer-term cash outlook and debt management strategies. The Corporation's policy is to ensure that sufficient resources are available either from cash balances or cash flows, to ensure all obligations are met as they fall due.

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The following maturity analysis shows the remaining contractual maturities for the face value of the Corporation's financial liabilities:

	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	4,757	-	-	-
Long-term debt	4,400	2,316	-	-
Convertible debentures	46,234	-	-	-
Lease liabilities	898	2,874	998	58
	56,289	5,190	998	58

As at December 31, 2024, the Corporation has reported that the Corporation will continue as a going concern (see note 2).

As at December 31, 2024, the covenants for the equipment loan with a variable base rate plus 0% interest per annum were offside and $3,269 was within the current portion of long-term debt.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Corporation's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

The Corporation has customers in the United States, United Kingdom, and in Canada and transacts in Canadian and US dollar currencies. Future fluctuations in exchange rates will have an effect on the Corporation's operating results, financial position, and cash flows. The Corporation is also exposed to currency risk on working capital and borrowings that are denominated in currencies other than the Corporation's functional currency, being the Canadian dollar.

Sensitivity analysis

For the year ended December 31, 2024, a weakening of the Canadian dollar against the US dollar by 100 basis points would have increased net loss by $48 (2024: increased net loss by $24). For the year ended December 31, 2024, a strengthening in the Canadian dollar against the Euro by 100 basis points would have increased net loss by less than $18 (2023: increased net loss by $1). This sensitivity analysis assumes that all other variables - interest rates in particular - remain constant.

Interest rate risk

The Corporation's objective in managing interest rate risk is to monitor expected volatility in interest rates while also minimizing financing expense levels. Interest rate risk mainly arises from fluctuations of interest rates and the impact on the expense associated with variable rate debt. On an ongoing basis, management monitors changes in short-term rates and considers long-term forecasts to assess potential cash flow impacts to the Corporation.

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Sensitivity analysis

The net income of the Corporation is sensitive to fluctuations in interest rates that impact interest expense incurred on its long-term debt. For the year ended December 31, 2024, for every 100 basis points change in interest rates, and with all other variables held constant, interest expense and net loss would have been impacted by $35 (2023: $51).

23. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital balances:

For the year ended	**December 31, 2024**	December 31, 2023
Accounts receivable and other receivables	**(3,523)**	(3,352)
Unbilled revenue	-	2,263
Inventory	**(1,461)**	4,297
Prepaids	**131**	415
Deposits	**114**	179
Accounts payable and accrued liabilities	**956**	(5,871)
Deferred revenue	**6,424**	(8,804)
	2,641	(10,873)

24. SUBSEQUENT EVENTS, AND OTHER MATTERS

The Corporation collected $7,543 of net trade receivables subsequent to year-end. Only $115 remains uncollected of the net trade receivables balance.

The Corporation secured an interest free loan from the Government of Canada subsequent to year-end. The maximum amount guaranteed is $9,500.

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This is Exhibit E to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

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ATTABOTICS

Q1 2025

Condensed Consolidated Interim Financial Statements

Attabotics Inc.

March 31, 2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements.

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ATTABOTICS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at			
($ Cdn thousands)	**Note**	**March 31, 2025**	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**6,271**	10,689
Short-term investments		**387**	387
Accounts receivable and other receivables		**3,706**	8,669
Inventory		**12,513**	11,787
Prepaid expenses		**2,407**	1,906
Deposits		**99**	99
		25,383	33,537
Property, plant and equipment		**2,901**	3,067
Rights of use assets		**3,291**	3,463
		31,575	40,067
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**5,231**	4,757
Deferred revenue	6	**11,189**	8,102
Warranty provision		**-**	195
Current portion of long-term debt	3	**4,807**	4,400
Current portion of lease obligation		**411**	654
Convertible debentures	4	**47,513**	46,234
		69,151	64,342
Long-term debt	3	**1,064**	2,193
Lease liabilities		**3,476**	3,410
		73,691	69,945
Shareholders' Deficit			
Common shares	5	**3,020**	3,020
Preferred shares	5	**243,479**	243,479
Warrants and pro-rata rights	5	**11,098**	11,098
Contributed surplus	5	**7,422**	7,115
Accumulated other comprehensive income		**(198)**	(195)
Deficit		**(306,937)**	(294,395)
		(42,116)	(29,878)
		31,575	40,067

Basis of presentation and going concern	2
Commitments and contingencies	8

(See Notes to the Condensed Consolidated Interim Financial Statements)

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ATTABOTICS

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the three months ended March 31,

($ Cdn thousands)	Note	2025	2024
Revenue	6	**766**	401
Cost of sales		**715**	815
		51	(414)
Expenses			
General and administrative		**3,068**	3,374
Research and development		**5,246**	5,178
Sales and marketing		**1,779**	1,684
Share based compensation		**307**	275
Depreciation and amortization		**817**	1,207
Derecognition of lapsed warranty provision		**-**	-
Total operating expenses		**11,217**	**11,718**
Operating loss		**(11,166)**	(12,132)
Government subsidies		**(405)**	(509)
Foreign exchange gain		**(4)**	(92)
Loss on write off of assets		**-**	-
Other expenses (income)	7	**303**	(245)
Finance costs		**1,482**	438
Net loss		**(12,542)**	(11,724)
Other comprehensive income (loss)		**(3)**	(4)
Total comprehensive loss		**(12,545)**	(11,728)

(See Notes to the Condensed Consolidated Interim Financial Statements)

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ATTABOTICS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended March 31, 2025 and 2024
($ Cdn thousands)

	Note	Common Shares	Preferred Shares	Warrants and pro-rata rights	Contributed surplus	Accumulated other comprehensive Income	Deficit	Total equity
Balance as at December 31, 2023		2,771	243,479	11,098	6,227	16	(245,115)	18,476
Net loss		-	-	-	-	-	(11,724)	(11,724)
Other comprehensive income		-	-	-	-	(4)	-	(4)
Shares issued on exercise of stock options	5	5	-	-	-	-	-	5
Share-based payments	5	-	-	-	275	-	-	275
Balance as at March 31, 2024		2,776	243,479	11,098	6,502	12	(256,839)	7,028
Balance as at December 31, 2024		**3,020**	**243,479**	**11,098**	**7,115**	**(195)**	**(294,395)**	**(29,878)**
Net loss		-	-	-	-	-	**(12,542)**	**(12,542)**
Other comprehensive loss		-	-	-	-	**(3)**	-	**(3)**
Shares issued on exercise of stock options	5	-	-	-	-	-	-	-
Share-based payments	5	-	-	-	**307**	-	-	**307**
Balance as at March 31, 2025		**3,020**	**243,479**	**11,098**	**7,422**	**(198)**	**(306,937)**	**(42,116)**

(See Notes to the Condensed Consolidated Interim Financial Statements)

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ATTABOTICS

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31,

($ Cdn thousands)	Note	2025	2024
Cash flows provided by (used in)			
Operating activities			
Net loss		**(12,542)**	(11,724)
Adjustments for:			
Foreign exchange loss (gain)		**(4)**	(92)
Depreciation and amortization		**817**	1,207
Loss on sale of asset		**-**	-
Finance costs		**1,482**	438
Other	7	**(108)**	(270)
Share based compensation	5	**307**	275
Derecognition of lapsed warranty provision		**195**	-
Cash used in operations before changes in non-cash working capital		**(9,853)**	(10,166)
Change in non-cash working capital		**7,297**	3,756
		(2,556)	(6,410)
Investing activities			
Purchase of property, plant, and equipment		**(480)**	(220)
Proceed from sale of property, plant and equipment		**-**	-
Interest received	7	**108**	270
		(372)	50
Financing activities			
Repayment of long-term debt		**(722)**	(751)
Proceeds from convertible debentures		**-**	10,069
Payment of lease liabilities		**(227)**	(333)
Proceeds from stock options exercised		**-**	5
Interest paid		**(165)**	(202)
		(1,114)	8,788
Effect of translation of foreign currency cash		**(376)**	56
Net (decrease) increase in cash		**(4,418)**	2,484
Cash and cash equivalents, beginning of period		**10,689**	11,118
Cash and cash equivalents, end of period		**6,271**	13,602

(See Notes to the Condensed Consolidated Interim Financial Statements)

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1. STRUCTURE OF CORPORATION

Organization

Attabotics Inc. (the "Corporation") is privately held and incorporated in Canada. The Corporation provides robotic warehousing and fulfillment systems. In March 2018, the Corporation incorporated a subsidiary in Delaware USA named Attabotics (US) Corp. (the "Subsidiary").

The Corporation's head office is located at 7944 10th Street NE, Calgary, Alberta, Canada T2E 8W1.

Operations

The Corporation operates as a 3D robotics supply chain company. The Corporation has developed and is selling a robotic automated storage and retrieval system. The technology is used to support an automated fulfillment process in supply chain operations. The Corporation currently serves customers in both Canada and the United States and is preparing to enter additional international markets in the future. The Corporation is vertically integrated, performing the corporate R&D, design, software development, manufacturing, assembly, installation and aftermarket service functions from their Headquarters in Calgary.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the financial reporting provisions of the lending agreements and annual signed waivers between the Corporation and:

- Business Development Bank of Canada dated January 17, 2019 and the amendments dated October 3, 2020 and April 10, 2023, and December 3, 2023, and February 11, 2025, and;
- 2762294 Ontario Limited and Export Development Canada dated November 8, 2022 and the amendments dated March 2, 2023, March 6, 2023, January 26, 2024, and February 4, 2025;

collectively referred to as ("the Agreements"). In accordance with the Agreements, the consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS"), with the exception of the accounting for convertible debentures, warrants and Series C preferred shares of the Corporation (referred to as the "disclosed basis of accounting"). These condensed consolidated interim financial statements were prepared using International Accounting Standard ("IAS") 34 - Interim Financial Reporting as at and for the three months period ended March 31, 2025. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 29, 2025.

These condensed consolidated interim financial statements were prepared by management and follow the same accounting policies and methods as the audited consolidated financial statements as at and for the year ended December 31, 2024, as described in Notes 2, 3, and 4. These condensed consolidated interim financial statements do not contain all the disclosures required for the annual consolidated financial statements. As a result, these condensed consolidated interim financial statements should be read in conjunction with the Corporation's previous annual consolidated financial statements for the year ended December 31, 2024.

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Disclosed basis of accounting

The Corporation has accounted for the convertible debenture and Series C preferred shares on a disclosed basis of accounting. This includes the accounting for the related share purchase warrants and incremental pro-rata offerings and on a disclosed basis of accounting.

The Corporation accounted for the convertible debenture at amortized cost and on initial recognition recorded the fair value of the convertible debentures at the face value less any issuance costs. The Corporation will record interest based on the terms of the agreement and the amount the Corporation expects to repay at maturity using the effective interest rate method. This is not in compliance with IFRS®. Under IFRS®, the Corporation would be required to recognize the convertible debenture by separating the compound financial instrument into its component parts, the debt component as a liability and an equity component for the conversion feature. Given the conversion feature does not meet the "fixed for fixed" criteria under IFRS®, the equity component would be recorded as a derivative liability. Under IFRS®, the Corporation has the option to measure the entire hybrid contract at fair value with adjustments recorded to finance costs in the consolidated statements of operations and comprehensive loss.

The 2022 convertible debentures were issued with warrants. As the number of shares related to the warrants are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the warrants at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the warrants as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and recorded the warrants in warrants and pro-rata rights and as an expense as part of share-based payments. For the year ended December 31, 2021, the warrants were recorded at the initial amount of $96 with no adjustment to the amount and no additional expenses recorded for the years ended December 31, 2022, December 31, 2023, December 31, 2024 or for the three months ended March 31, 2025. Consistent with equity instruments under IFRS®, the Corporation did not revalue the warrants for the years ended December 31, 2023, December 31, 2024, or for the three months ended March 31, 2025. The warrants are recorded under warrants and pro-rata rights rather than a financial liability. This is not in compliance with IFRS®.

The Corporation closed a Series C preferred share issuance on November 8, 2022. Upon close, the convertible debentures were converted into preferred shares. Under IFRS®, the Corporation would be required to fair value the debt and equity components of the compound instrument prior to conversion. The Corporation did not recognize these fair value adjustments. This is not in compliance with IFRS®.

The Series C preferred shares were issued with an incremental pro-rata offering. The incremental pro-rata offering contains a down-round provision resulting in a variable quantity of shares. As the number of shares related to the incremental pro-rata offering are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the incremental pro-rata offering at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the incremental pro-rata offering as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and allocated the relative fair value of the preferred share issuance to the incremental pro-rata offering in warrants and pro-rata rights. This treatment is

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consistent with the convertible debenture warrants noted above. The Series C preferred shares were valued using the residual method. For the years ended December 31, 2023, December 31, 2024, and the three months ended March 31, 2025 the Corporation recorded $11,002 to warrants and pro-rata rights related to the incremental pro-rata offering.

Instead, the Corporation has not recognized these fair value adjustments. This is not in compliance with IFRS®.

Going concern

These consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to raise the necessary capital on terms acceptable to the Corporation and be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

As at March 31, 2025, the Corporation's cash and cash equivalents were $6,271 (December 31, 2024: $10,689) and the Corporation had a negative net working capital position of $42,908 (December 31, 2024: $30,805). The Corporation had a net loss for the three months ended March 31, 2025 of $12,542 (three months ended March 31, 2024: net loss of $11,724), a deficit of $306,937 as at March 31, 2025 (December 31, 2024: a deficit of $294,395), and a deficit from cash flows from operations of $2,556 for the three months ended March 31, 2025 (three months ended March 31, 2024: a deficit of $6,410). As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Until the Corporation can demonstrate the ability to generate significant sales volumes with positive margins, the Corporation's liquidity requirements will be dependent on its ability to continue to obtain additional debt or equity funding as required. The Corporation has secured a Master Services Agreement and initial Purchase Order with a global grocer. This could add the ability to generate revenues and positive cash flows from potential sales contracts and Purchase Orders. If the Corporation is unable to secure adequate financing, or significantly reduce planned expenditures, there could be a material adverse effect on the Company's ability to operate as a going concern.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the classifications used in the consolidated statements of financial position, which could be material. The consolidated financial statements do not include adjustments that would be necessary if the going concern assumption was not appropriate.

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3. LONG-TERM DEBT

	Note	March 31, 2025	December 31, 2024
Non-interest bearing facility	a	**254**	314
Equipment loan, variable base rate plus 0% interest per annum	b	**2,823**	3,269
Non-interest bearing facility	c	**2,794**	3,010
Total debt		**5,871**	6,593
Less current portion		**3,947**	4,400
Long term debt		**1,924**	2,193

Significant details of the facilities are summarized below.

The Corporation has obtained financing and received loans from four credit facilities. The subsidiary provides corporate guarantee against the equipment loan, variable base rate plus 0% per annum.

(a) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 30, 2018, to provide funding to the Corporation for a project to scale-up and commercialize a large robotic warehousing system. This is a non-interest bearing loan. Under the terms of the agreement the governmental agency will advance up to $1.3 million over a period of two years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2021, and ending March 1, 2026.

As at March 31, 2025, the Corporation had received funding of $1,300 (December 31, 2024: $1,300). The loan was initially recorded at the fair value of $1,074. The $226 initial discounted portion has been recorded as a reduction to research and development expenses. The related accretion for the three months ended March 31, 2025, has been included in finance costs in the consolidated statements of operations and comprehensive loss. During the three months ended March 31, 2025, the Corporation made principal payments of $61 (2024: $58). No adjustment to the fair market value has been made in 2024 or 2025. The fair market value of the facility as at March 31, 2025 is $254 (December 31, 2024: $314).

(b) Equipment loan, variable base rate plus 0% per annum

The Corporation entered into an agreement with a governmental agency on January 17, 2019, to provide equipment financing up to $10.7 million or 100% of purchase price of eligible equipment, whichever is less. As at March 31, 2025, a term loan of $2,823 (December 31, 2024: $3,269) was drawn against the credit facility. The term loan is interest payable only until November 30, 2020 and repayable monthly over a six-year term and matures on October 31, 2026. The interest rate is equal to 9.30% as at March 31, 2025 (December 31, 2024: 9.30%). The credit facility is secured by a general security agreement creating a first priority security interest on specific equipment financed under the loan and a security interest in all present and after acquired personal property of the Corporation, except consumer goods.

The Corporation shall perform and observe the financial covenants set out by lender, including for fiscal year end 2018: (i) Minimum Revenue of $25 million; (ii) Minimum EBITDA of $8.5 million; (iii) Minimum Tangible Equity of $14 million; (iv) Minimum Working Capital Ratio of 1:1:1; (v) Maximum Term Debt to Tangible Ratio of 1:1; and starting as of December 31, 2019, maintaining at all times a Fixed Charge Coverage Ratio equal to or greater than 1.1:1.

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The Corporation was in violation of its financial covenants as at March 31, 2025 and December 31, 2024. The Corporation did not obtain a waiver from the lender prior to March 31, 2025, and the outstanding balance of $2,823 (December 31, 2024: $3,269) is presented within the current portion of long-term debt. The enforcement of financial covenants will continue to be reassessed by the lender and the Corporation going forward.

(c) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 24, 2019 to provide funding to the Corporation for a project to scale-up manufacturing capacity. This is a non-interest bearing loan. Under the term of the agreement the governmental agency will advance up to $5 million over a period of three years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2023 and ending March 1, 2028.

As at March 31, 2025, the Corporation had received funding of **$5,000** (December 31, 2025: $5,000). The loan was initially recorded at a fair value of $2,836. The $829 initial discounted portion has been recorded as a reduction to research and development expenses. The related accretion for the three months ended March 31, 2025, has been included in finance costs in the consolidated statements of operations and comprehensive loss. The fair market value of the facility as at March 31, 2025 is $2,794 (December 31, 2024: $3,010).

4. CONVERTIBLE DEBENTURES

The Corporation closed an unsecured convertible debenture financing arrangement on February 1, 2024, for gross proceeds of US $30 million.

	March 31, 2025	December 31, 2024
Balance - beginning of period	**46,234**	-
Proceeds received from issuance	**-**	40,748
Less: Finance charges	**222**	222
Fair value of convertible debentures on issuance	**46,012**	40,526
Accrued interest	**1,290**	3,094
Amortization of finance charges	**222**	195
Exchange difference	**(11)**	2,419
Balance - end of period	**47,513**	46,234

The unsecured convertible debenture terms are as follows:

- 12.00% per annum interest accruing daily, compounding annually to be accrued on the outstanding principal and will not become due until the maturity date.
- The maturity date is July 31, 2025.
- The convertible debenture will have a 20% discount rate at the time of conversion, with a conversion rate of 1 minus the discount rate.
- At the closing of the next qualified financing, all principal and interest outstanding shall be automatically converted into the qualified financing security, or into a separate class or series of shares with equivalent terms reflecting the lower issue price, if the Corporation undergoes a qualified financing at a price per share equivalent to the Conversion Rate multiplied by the cash issue price.
- The holder may convert the debenture at any point in time.

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The convertible debentures shall be due and payable on July 31, 2025, unless it is earlier converted.

5. SHARE CAPITAL

(a) Common shares

Authorized:
As at March 31, 2025, 13,025,983 (December 31, 2024: 13,025,983) common shares are entitled to one vote per share and all shares rank equally with regard to the Corporation's residual assets.

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**4,896,502**	**3,020**	4,884,736	2,771
Shares issued on exercise of stock options	**-**	**-**	11,766	249
Balance - end of period	**4,896,502**	**3,020**	4,896,502	3,020

(b) Contributed surplus

The contributed surplus included in the Shareholders' Equity section of the consolidated statement of financial position comprises all share-based payment transactions that do not involve the issuance of shares and unexercised stock options.

(c) Preferred shares

Series A preferred shares

Authorized:
As at March 31, 2025, 1,148,721 (December 31, 2024: 1,148,721) Series A preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**1,148,721**	**7,732**	1,148,721	7,732
Shares issued during the period	**-**	**-**	-	-
Share issurance costs	**-**	**(79)**	-	(79)
Balance - end of period	**1,148,721**	**7,653**	1,148,721	7,653

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Series B preferred shares

Authorized:
As at March 31, 2025, 1,294,164 (December 31, 2024: 1,294,164) Series B preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**1,294,164**	**69,286**	1,294,164	69,286
Shares issued during the period	**-**	**-**	-	-
Share issurance costs	**-**	**(187)**	-	(187)
Balance - end of period	**1,294,164**	**69,099**	1,294,164	69,099

Series C preferred shares

Authorized:
4,136,449 (December 31, 2024: 4,136,449) Series C preferred shares not redeemable and subject to an annual, accumulating and cumulative preferential dividend equal to 8% of the applicable Original Issue Price. The dividends are payable upon a liquidation event and are therefore not accrued in the consolidated statements of financial position. As at March 31, 2025, the accrued dividends were $13,567 (December 31, 2024: $12,170).

The issuance contained an incremental pro-rata offering for gross proceeds of up to $25.0 million USD for a 30-month period subsequent to close. Upon issuance, the fair value of the incremental pro-rata offering was $11,002, classified as equity, and recorded under warrants and pro-rata rights (refer to Note 2 for a disclosed basis of accounting).

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**3,144,880**	**169,949**	3,144,880	169,949
Shares issued during the period	**-**	**-**	-	-
Share issurance costs	**-**	**(3,222)**	-	(3,222)
Balance - end of period	**3,144,880**	**166,727**	3,144,880	166,727

(d) Options

The Corporation has adopted a stock option plan whereby a maximum of 10% of the issued and outstanding Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the stock option plan, options may be granted only to: (i) employees, officers, directors, and consultants of the Corporation; and (ii) employees, officers, directors, and consultants of an affiliate of the Corporation. As at March 31, 2025, the total option pool is 1,263,499 (December 31, 2024: 1,263,499) with 518,339 (December 31, 2024: 301,080) available to be issued.

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The following summarizes the changes in outstanding options:

	March 31, 2025		December 31, 2024	
	Number	Weighted average exercise price ($ Cdn)	Number	Weighted average exercise price ($ Cdn)
Outstanding - beginning of the period	**701,330**	**10.24**	763,150	10.24
Granted	**67,600**	**15.72**	70,630	15.03
Forfeited	**(23,770)**	**15.13**	(120,684)	12.14
Exercised	**-**	**-**	(11,766)	4.67
Outstanding - end of the period	**745,160**	**10.58**	701,330	10.24
Exercisable - end of the period	**538,679**	**10.01**	511,158	9.53

6. REVENUE

There are five major categories: structure, robots, installation, permitting and service. Structure, installation and robots are recognized on an input method basis over time. Service is recognized over the term of the contracted service period. Please refer to significant accounting policies (note 3) for Corporation's revenue recognition policy.

In the following table, revenue is disaggregated by major products and services lines based on contracts with customers performance obligation.

For the three months ended March 31,	2025	2024
Structure, installation and robots	**-**	357
Service	**766**	44
Total revenue	**766**	401

The Corporation sells its products and services pursuant to fixed-price contracts. The transaction price used in determining the amount of revenue to recognize is based upon agreed contractual terms with the customer and may be subject to variability based on the best available information available to the Corporation.

Contract assets primarily relate to work performed and revenue recognized prior to invoice progress billing adjusted for variable consideration. There are no contract asses outstanding as at March 31, 2025 or December 31, 2024.

	March 31, 2025	December 31, 2024
Deferred revenue	**11,189**	8,102
Contract liabilities	**11,189**	8,102

Contract liabilities primarily relate to upfront payment of progress billing received from customers. As the Corporation's contracts are less than one year in duration, the Corporation has elected to apply the practical expedients to expense costs related to costs to obtain contracts and not disclose unfulfilled performance obligations.

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7. OTHER INCOME AND EXPENSES

For the three months ended March 31,	2025	2024
Other income and expenses		
Interest income	**108**	270
Termination costs	**(411)**	(14)
Write down for inventory obsolescence	-	(11)
Total other income (expenses)	**(303)**	245

Other income and expenses contain items that occur outside of the normal operating activities of the Corporation.

8. COMMITMENTS AND CONTINGENCIES

Commitments

As at March 31, 2025, in the normal course of business, other than in relation to the office space leases and related facility services and long-term debt, the Corporation has no material obligations to make future payments, representing contracts and other commitments that are known and committed.

Contingencies

As at March 31, 2025, a statement of claim has been filed in the Alberta Court of King's Bench by a previous employee of the Corporation. The claim alleges wrongful dismissal of an employee by the Corporation. The claimant seeks damages totaling more than $3.1 million. The Corporation believes that this claim is without merit and litigation counsel is instructed to vigorously defend against the claim and, accordingly, the Corporation has not accrued a provision related to the claim.

As at March 31, 2025, the Corporation is awaiting judgement from a trial that concluded in October, 2024. The case concerns an intermediary customer requesting that the Corporation defend and indemnify the intermediary customer from claims asserted by the end user. The outcome is currently undeterminable and the Corporation has not accrued a provision related to the claim.

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This is Exhibit F to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029
Phone #: 403 592 7120
Reference #: 1269907-2381

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Business Debtor Search For:

ATTABOTICS INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

LW

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 18110104912
Registration Date: 2018-Nov-01

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2028-Nov-01 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23100612048 Renewal 2023-Oct-06

Debtor(s)

Block		Status
1	ATTABOTICS INC. 350 - 5010 RICHARD RD SW CALGARY, AB T3E 6L1	Current

Secured Party / Parties

Block		Status
1	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ON M2P 0A4	Current

Collateral: General

Block	Description	Status
1	ALL MONEY OR AMOUNTS ON DEPOSIT FROM TIME TO TIME WITH ANY OF	Current
2	ROYAL BANK OF CANADA, ROYAL BANK MORTGAGE CORPORATION, ROYAL	Current
3	TRUST CORPORATION OF CANADA OR THE ROYAL TRUST COMPANY.	Current
4	PROCEEDS: A SECURITY INTEREST IS CLAIMED IN ALL PRESENT AND	Current
5	AFTER-ACQUIRED GOODS (INCLUDING TRADE-INS), CHATTEL PAPER,	Current
6	SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND	Current
7	INTANGIBLES OF EVERY ITEM OR KIND THAT MAY BE DERIVED FROM	Current

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8	THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED	Current
9	ABOVE, ALL INSURANCE PROCEEDS AND ANY PROCEEDS OF ANY OF THE	Current
10	FOREGOING.	Current

LW

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 19022631763
Registration Date: 2019-Feb-26

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2032-Feb-26 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

19062902209	Amendment	2019-Jun-29
23070641209	Amendment	2023-Jul-06

Debtor(s)

Block

1 ATTABOTICS INC.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1

Status
Current

Block

2 ATTABOTICS US, CORP.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1

Status
Current

Secured Party / Parties

Block

1 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573

Status
Deleted by
19062902209

Block

2 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573

Status
Deleted by
23070641209

LW

Email: legalwfsc@bdc.ca

Block		Status
3	BUSINESS DEVELOPMENT BANK OF CANADA 1500 - 1133 MELVILLE STREET VANCOUVER, BC V6E 4E5 Phone #: 604 666 1916 Fax #: 604 666 1573 Email: legalwfsc@bdc.ca	Current by 23070641209

Collateral: General

Block	Description	Status
1	All present and after-acquired personal property of the Debtors plus proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.	Current

LW

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 22041920706
Registration Date: 2022-Apr-19
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2032-Apr-19 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944 10 STREET NE CALGARY, AB T2E 8W1	Current

Secured Party / Parties

Block		Status
1	EXPORT DEVELOPMENT CANADA 150 SLATER STREET OTTAWA, ON K1A 1K3 Email: LS-directlending@edc.ca	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the Debtor and proceeds thereof: goods, chattel paper, investment property, documents of title, instruments, money, and intangibles.	Current

LW

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 23121328791
Registration Date: 2023-Dec-13

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2028-Dec-13 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944 10TH STREET NE CALGARY, AB T2E8W1	Current

Secured Party / Parties

Block		Status
1	BANK OF MONTREAL/BANQUE DE MONTREAL 250 YONGE STREET, 9TH FLOOR TORONTO, ON M5B 2L7 Email: albertaprod@teranet.ca	Current

Collateral: General

Block	Description	Status
1	LF269 Pledge of Instruments and Assignment of Proceeds. All investments and other property pledged to and/or held with the secured party in the aggregate principal amount of $USD 50,000.00 USD Term deposit acct number 0002 9945 315 together with all of the debtor's present and future right, title, claim and interest in and to the moneys (comprising capital and interest) otherwise due or payable to the debtor or otherwise in connection with such investments, and all present and future renewals, replacements, re-investments, accretions, interest, income and proceeds thereof. Proceeds - all present and after-acquired personal property.	Current

LW

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 23121328814
Registration Date: 2023-Dec-13

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2028-Dec-13 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944 10TH STREET NE CALGARY, AB T2E8W1	Current

Secured Party / Parties

Block		Status
1	BANK OF MONTREAL/BANQUE DE MONTREAL 250 YONGE STREET, 9TH FLOOR TORONTO, ON M5B 2L7 Email: albertaprod@teranet.ca	Current

Collateral: General

Block	Description	Status
1	LF269 Pledge of Instruments and Assignment of Proceeds. All investments and other property pledged to and/or held with the secured party in the aggregate principal amount of $200,000.00 Short Term Investment Certificate acct number 0002 9469 304 , together with all of the debtor's present and future right, title, claim and interest in and to the moneys (comprising capital and interest) otherwise due or payable to the debtor or otherwise in connection with such investments, and all present and future renewals, replacements, re-investments, accretions, interest, income and proceeds thereof. Proceeds - all present and after-acquired personal property.	Current

LW

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 24012229829
Registration Date: 2024-Jan-22

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2028-Jan-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944-10TH STREET NE CALGARY, AB T2E 8W1	Current

Secured Party / Parties

Block		Status
1	EXPORT DEVELOPMENT CANADA 150 SLATER ST. OTTAWA, ON K1A 1K3 Email: edcequitytransactions@edc.ca	Current

Collateral: General

Block	Description	Status
1	Description: All present and after acquired personal property of the Debtor and proceeds thereof: goods, chattel paper, investment property, documents of title, instruments, money, and intangibles.	Current

LW

Business Debtor Search For:
ATTABOTICS INC.
Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 24060626051 Registration Type: SECURITY AGREEMENT
Registration Date: 2024-Jun-06 Registration Status: Current
Expiry Date: 2026-Jun-06 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC 7944 10 STREET NE DOOR #14 A CALGARY, AB T2E8W1	Current

Secured Party / Parties

Block		Status
1	TRS RENTELCO 90 -A BRUNSWICK BOULEVARD DOLLARD DES ORMEAUX, QC H9B2C5 Email: FRANCES.BONNETT@TRS-RENTELCO.COM	Current

Collateral: General

Block	Description	Status
1	QTY ONE, OSCILLOSCOPE 4/32 MFG MODEL # TEK/MSO54B 5-BW-1000 ASSET # 1277708 SERIAL # B027179	Current

Result Complete

LW

Personal Property Registry
Search Results Report

Search ID #: Z18894329

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029
Phone #: 403 592 7120
Reference #: 1269907-2381

Search ID #: Z18894329 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:32:20

Business Debtor Search For:

ATTABOTICS (US), CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:
ATTABOTICS (US), CORP.
Search ID #: Z18894329 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:32:20

Registration Number: 19022631763
Registration Date: 2019-Feb-26

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2032-Feb-26 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

19062902209	Amendment	2019-Jun-29
23070641209	Amendment	2023-Jul-06

Debtor(s)

Block **Status**

1 ATTABOTICS INC.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1
Current

Block **Status**

2 ATTABOTICS US, CORP.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1
Current

Secured Party / Parties

Block **Status**

1 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573
Deleted by 19062902209

Block **Status**

2 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573
Deleted by 23070641209

LW

Email: legalwfsc@bdc.ca

Block		Status
3	BUSINESS DEVELOPMENT BANK OF CANADA 1500 - 1133 MELVILLE STREET VANCOUVER, BC V6E 4E5 Phone #: 604 666 1916 Fax #: 604 666 1573 Email: legalwfsc@bdc.ca	Current by 23070641209

Collateral: General

Block	Description	Status
1	All present and after-acquired personal property of the Debtors plus proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.	Current

LW

Personal Property Registry
Search Results Report

Search ID #: Z18894329

Business Debtor Search For:
ATTABOTICS (US), CORP.
Search ID #: Z18894329 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:32:20

Registration Number: 24012326432 Registration Type: SECURITY AGREEMENT
Registration Date: 2024-Jan-23 Registration Status: Current
Expiry Date: 2028-Jan-23 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS (US), CORP. 7944-10TH STREET NE CALGARY, AB T2E 8W1	Current

Secured Party / Parties

Block		Status
1	EXPORT DEVELOPMENT CANADA 150 SLATER ST. OTTAWA, ON K1A 1K3 Email: edcequitytransactions@edc.ca	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the Debtor and proceeds thereof: goods, chattel paper, investment property, documents of title, instruments, money, and intangibles.	Current

Result Complete

LW

This is Exhibit G to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

Delaware

The First State

CERTIFICATE

SEARCHED JUNE 27, 2025 AT 4:59 P.M.
FOR DEBTOR, ATTABOTICS (US), CORP.

1 OF 1	FINANCING STATEMENT	20204838514

EXPIRATION DATE: 07/14/2025

DEBTOR:	ATTABOTICS (US), CORP.		
	2400 MARINE AVE, SUITE 104	ADDED	07-14-20
	REDONDO BEACH, CA US 90278		
SECURED:	2762294 ONTARIO LIMITED		
	5650 YONGE STREET	ADDED	07-14-20
	NORTH YORK, CA M2M4H5		

F I L I N G   H I S T O R Y

20204838514   FILED 07-14-20   AT 11:41 A.M.   FINANCING STATEMENT

E N D   O F   F I L I N G   H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, ATTABOTICS (US), CORP. AS OF JUNE 16, 2025 AT 11:59 P.M.

C. P. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

20262695376-UCC11
SR# 20253216038

Authentication: 204068071
Date: 06-27-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

LW

SPI CORPORATE SOLUTIONS, INC.

Debtor Name	Jurisdiction	Type of Search	Thru Date	Results
ATTAbotics (US), Corp.	Delaware Secretary of State	UCC/FTL	06/16/2025	1 UCC No Federal Tax Liens

LW

This is Exhibit H to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
CSC 1-800-858-5294

B. E-MAIL CONTACT AT FILER (optional)
SPRFILING@CSCGLOBAL.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

CORPORATION SERVICE COMPANY
SPRINGFIELD, IL 62703
US

Delaware Department of State
U.C.C. Filing Section
Filed: 11:41 AM 07/14/2020
U.C.C. Initial Filing No: 2020 4838514

Service Request No: 20206212916

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME: ATTABOTICS (US), CORP.

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2400 MARINE AVE, SUITE 104	REDONDO BEACH	CA	90278	US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME: 2762294 ONTARIO LIMITED

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
5650 YONGE STREET	NORTH YORK		M2M 4H5	CA

4. COLLATERAL: This financing statement covers the following collateral:

All assets of the Debtor whether now existing or hereafter arising or acquired, including all proceeds thereof.

5. Check only if applicable and check only one box. Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

LW

Schedule "A"

1. General Security Agreement from Attabotics Inc. and Attabotics (US) Corp. in favour of Export Development Canada, dated February 1, 2024;

LW

FORM 86
Notice of Intention to Enforce a Security
(Rule 124)

TO: Attabotics Inc. and Attabotics (US) Corp. (collectively, the "**Debtors**"), each an insolvent person;

Take notice that:

1. Export Development Canada (the "**Secured Creditor**"), a secured creditor, intends to enforce its security on the Debtors' property described below:

    a) A continuing security interest in all the Debtors' present and after-acquired personal property.

2. The security that is to be enforced is in the form of, *inter alia*, the agreement referred to in Schedule "A" (the "**Security Agreement**").

3. The total amount of indebtedness secured by the above-described security as at June 18, 2025 was the sum of US$33,782,341 plus additional interest, costs, fees and expenses.

4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Toronto, Ontario this 18th day of June 2025.

EXPORT DEVELOPMENT CANADA, by its counsel, Norton Rose Fulbright Canada LLP

Per: Evan Cobb

Name: Evan Cobb
Title: Partner

LW

This is Exhibit I to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmdinger
Student - at - Law

LW

CONSENT

TO: EXPORT DEVELOPMENT CANADA (the "**Secured Creditor**")

FROM: ATTABOTICS INC. AND ATTABOTICS (US) CORP. each an insolvent person (the "**Insolvent Persons**")

The Insolvent Persons acknowledge receipt of a Notice of Intention to Enforce Security dated June 18, 2025 delivered by the Secured Creditor.

For consideration received, the receipt and sufficiency of which are hereby acknowledged, the Insolvent Persons hereby consent to the immediate enforcement by the Secured Creditor of the security held by the Secured Creditor from the Insolvent Persons, and for the same consideration waives any further notice from the Secured Creditor with respect to the enforcement of its security and the exercise of the other remedies of the Secured Creditor against the Insolvent Persons.

DATED this _____ day of June, 2025

ATTABOTICS INC.

By: ______________________________

Name:

Title:

ATTABOTICS (US) CORP.

By: ______________________________

Name:

Title:

LW

This is Exhibit J to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Luke Bronson Wurmlinger
Student-at-Law

LW

COURT FILE NUMBER	25-095558 25-095559	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
	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.	
APPLICANTS	**ATTABOTICS INC. and ATTABOTICS (US), CORP.**	
DOCUMENT	**AFFIDAVIT OF EDNA CONWAY**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**OSLER, HOSKIN & HARCOURT LLP** Suite 2700, Brookfield Place 255 – 6th Avenue SW Calgary, AB T2P 1N2 Solicitors: Marc Wasserman / Emily Paplawski Phone: 416.862.4908 / 403.260.7071 Email: mwasserman@osler.com / epaplawski@osler.com Matter: 1269907	

AFFIDAVIT OF EDNA CONWAY
SWORN ON JULY 3, 2025

I, Edna Conway, of the Town of Merrimack, in the County of Hillsborough, in the State of New Hampshire, **MAKE OATH AND SAY:**

1. I am the Chair of the Board of Directors of ATTAbotics Inc. ("**ATTAbotics**") and ATTAbotics (US), Corp. ("**ATTAbotics US**" and together with ATTAbotics, the "**Applicants**"). I have been a member of the Board of Directors of the Applicants since February 2022. I am an attorney and business executive with more than 40 years of experience. I hold a bachelor of arts

degree from Columbia University and a juris doctor degree from the University of Virgina School of Law.

2. As such, I have personal knowledge of the matters to which I swear in this Affidavit, except where stated to be based on information and belief, in which case I believe such information to be true. In preparing this Affidavit, I have consulted with the Applicants' management team, Board of Directors and advisors and reviewed relevant documents and information concerning the Applicants' operations, business and financial affairs. I am authorized by the Applicants to swear this Affidavit.

3. I swear this Affidavit in support of an application by the Applicants for an Order:

(a) granting an administration charge to Richter Inc. ("**Richter**"), in its capacity as Trustee under the Notices of Intention to Make a Proposal filed by the Applicants (the "**Proposal Trustee**"), counsel to the Proposal Trustee and Applicants' counsel, as security for their professional fees and disbursements up to the maximum amount of $300,000 (the "**Administration Charge**");

(b) granting a charge to the Applicants' directors and officers as security for any obligations and liabilities they may incur as directors and officers of the Applicants after July 2, 2025, up to the maximum amount of $200,000 (the "**D&O Charge**");

(c) authorizing and empowering the Applicants to obtain and borrow under a credit facility (the "**Interim Facility**") from Export Development Canada ("**EDC**") on the terms and conditions specified in the term sheet between the Applicants and EDC dated July 3, 2025 (the "**Interim Financing Term Sheet**") up to the maximum amount of $1.5 million, and granting a charge to EDC as security for all obligations of the Applicants under the Interim Financing Term Sheet (the "**Interim Lender's Charge**");

(d) approving the key employee retention plan (the "**KERP**") described below and granting a charge to the KERP recipients as security for payments under the KERP, up to the maximum amount of $90,000 (the "**KERP Charge**");

(e) declaring that the Administration Charge, the D&O Charge, the Interim Lender's Charge and the KERP Charge (together, the "**Charges**") are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property (as defined in the proposed Order), including liens and trusts created by federal and provincial legislation, and that the Charges rank, as between themselves, in the following order of priority:

(i) first, the Administration Charge;

(ii) second, the D&O Charge;

(iii) third, the Interim Lender's Charge; and

(iv) fourth, the KERP Charge;

(f) directing that the proposal proceedings and estates of the Applicants shall be procedurally consolidated and shall continue under a single estate (each individual estate being an "**Estate**", and the consolidated estate being the "**Consolidated Estate**"), authorizing and directing the Proposal Trustee to administer the Estates making up the Consolidated Estate on a consolidated basis, and granting ancillary relief arising from the procedural consolidation of the Estates; and

(g) such further and other relief as counsel may request and this Honourable Court may grant.

4. All references to monetary amounts in this Affidavit are in Canadian dollars unless otherwise noted.

A. Notice of Intention to Make a Proposal

5. For the reasons described below, on July 2, 2025, the Applicants filed Notices of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") in Estate nos. 25-095558 and 25-095559 (the "**NOIs**"). Richter was appointed Proposal Trustee in the proceedings. Attached as **Exhibit "A"** is a copy of the NOIs.

B. The Applicants' Business

6. ATTAbotics is a private corporation incorporated under the laws of Canada, with a registered office in Calgary, Alberta. Attached as **Exhibit "B"** is a federal corporate search for ATTAbotics.

7. ATTAbotics US is a wholly-owned subsidiary of ATTAbotics and is formed under the laws of the State of Delaware. Attached as **Exhibit "C"** is a Delaware status search for ATTAbotics US.

8. ATTAbotics has developed and commercialized the world's first 3D robotics supply chain management system. The ATTAbotics system replaces the rows and aisles of traditional fulfillment centers with a patented storage structure and robotic shuttles that utilize both horizontal

and vertical spaces, thereby reducing a company's warehouse needs. The system is generally comprised of the following four components:

(a) *the Gallery* – the gallery is the cube storage facility which is designed to fit in each customer's warehouse space, regardless of its dimensions. The gallery uses both horizontal and vertical space, can be stacked up to 9 meters, and has three-dimensional shuttle access throughout the facility, thereby reducing required warehousing space;

(b) *the Attabot™ Blade* – the Attabot™ Blade is an intelligent robot which is designed to move freely throughout the gallery and has direct access to every storage location within the gallery, thereby allowing order fulfillment to be achieved in minutes;

(c) *the Nodes* – the nodes are workstations where orders are received, packed and shipped in one integrated process flow, thereby increasing productivity and reducing dependence on physical human labour;

(d) *the Weave Software* – the Weave software is the order management and control solution developed by the Applicants to efficiently manage the movement of robots, the fulfillment of orders and inventory management.

9. ATTAbotics was founded in 2016 as a start-up technology company to develop, prototype, pilot and commercialize the foregoing system. The first prototype was developed in 2017, with the system being piloted by a customer in 2018. Since this time, ATTAbotics has partnered with companies like Microsoft and its system has been deployed by major department stores and retailers across apparel, food and beverage, and home goods in Canada and the United States.

ATTAbotics was selected by the United States Department of Defense (DoD), to install its state-of-the-art system at the Marine Corps Logistics Command in Albany, Georgia.

10. As a technology company, ATTAbotics owns a significant and highly valuable suite of intellectual property, including: (a) registered and pending trademarks in Canada, the United States, the European Union, and elsewhere; and (b) approximately 150 granted and pending patent applications in Canada, the United States, Japan, China, Singapore, Brazil, Mexico, Australia, India and elsewhere relating to the design, interface, functionality, and development of various components of the system.

11. In addition to its intellectual property, in 2020, ATTAbotics constructed a $20 million manufacturing facility in its Calgary premises (located in the YYC Global Logistics Park at Calgary International Airport) to showcase the system to customers and to provide a model for further product testing and development. Such manufacturing facility remained operational until June 30, 2025 (as discussed further below) and has developed significantly as ATTAbotics has developed, tested and employed new and emerging technologies, including artificial intelligence. In 2022, ATTAbotics partnered with the Alberta Machine Intelligence Institute, a world leader in artificial intelligence research and commercial adoption, to leverage machine learning to help improve both speed and efficiency of the system without sacrificing safety or reliability.

12. ATTAbotics generally sells its products and services to customers pursuant to fixed price contracts. Pursuant to such contracts, ATTAbotics sells the structure, robots, and software to the customer, together with installation services and longer-term maintenance and troubleshooting services. Historically, ATTAbotic’s revenues have been largely concentrated in the sale of structures, robots, and software to customers, however as more supply chain management systems

are purchased and remain in use by customers, ATTAbotic's service revenues have sharply increased. For example, in 2022, only $64,000 of ATTAbotic's $11.4 million of revenues was generated from the provision of services, while in 2024 service-generated revenues increased to $574,000 of ATTAbotic's $3 million of revenues.

13. All of the Applicants' corporate functions, including finance, human resources, product research and development, are administered from ATTAbotic's head office in Calgary. Similarly, almost all of the Applicants' assets (including all intellectual property, equipment and inventory) are owned by ATTAbotics and ATTAbotics employs all Canadian-based employees. ATTAbotics US is the employer of all U.S. based employees, most of whom are generally focused on business development and sales within the United States, including the Applicants' Chief Operating Officer. ATTAbotics US has a U.S. dollar trust account in Canada with Applicants' counsel.

14. Notwithstanding its current cash flow issues (discussed further below), ATTAbotics is a true Alberta and, in particular, Calgary, success story. Over the past nine years, ATTAbotics has grown from an idea by ATTAbotic's founder to a Calgary-based company which:

(a) prior to June 30, 2025, employed more than 200 people throughout Canada and the United States (through ATTAbotics US), approximately 180 of which were based in Alberta, with the vast majority working from ATTAbotic's head office in Calgary;

(b) successfully raised approximately $220 million in equity financing led by, among others, EDC and Ontario Teachers' Pension Plan Board ("**Teachers**");

(c) won numerous innovation and technology awards, including the *Start-up Canada Ernest C. Manning* innovation award in 2019, the *Tech Deal of the Year* award at the Start Alberta Tech Awards in 2019, the *Significant Achievement in Innovation: Growth Stage Company* from ASTech in 2022, and the *Big Innovation Award* by the Business Intelligence Group in 2022;

(d) received a special mention in Time Magazine's "Best Inventions" list, was named to CNBC's "Disruptor 50" list and was ranked no. 1 on Fast Company's list of the Most Innovative Logistics Companies of 2020; and

(e) received grant funding from the Opportunity Calgary Investment Fund, a fund established by City Council to benefit companies and non-profits proposing projects that create jobs, spur diversification and expand the property tax assessment base.

C. Financial Position of the Applicant

15. The Applicants' financial reporting is completed on a consolidated basis and reported through ATTAbotics. Attached as **Exhibit "D"** is a copy of ATTAbotic's audited consolidated financial statements for the year ended December 31, 2024. Attached as **Exhibit "E"** is a copy of ATTAbotic's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025. These financial statements are ATTAbotic's most recent annual and quarterly financial statements.

16. Attached as **Exhibit "F"** are Alberta Personal Property Security Registry searches for ATTAbotics and ATTAbotics US. Attached as **Exhibit "G"** is a Uniform Commercial Code

("**UCC**") search for ATTAbotics US. The UCC search for ATTAbotics US lists one registration by 2762294 Ontario Limited, an entity which, to the best of my knowledge, is an investment vehicle owned by Teachers. Teachers historically held certain convertible debentures in ATTAbotics, but such debt was converted to equity in or about November 2022. Accordingly, to the best of my knowledge, such registration is no longer valid or applicable. It appears from a review of the UCC search that the registration expires on July 14, 2025.

(a) Assets

17. As of March 31, 2025, ATTAbotics had total assets having a book value of approximately $31.6 million CAD, broken down as follows:

Current Assets: $25.4 million	
Cash and Cash Equivalents	$6.3 million
Short-Term Investments	$387,000
Accounts Receivables	$3.7 million
Inventories	$12.5 million
Prepaid Expenses	$2.4 million
Deposits	$99,000
Non-Current Assets: $6.2 million	
Property, Plant & Equipment	$2.9 million
Right of Use Assets	$3.3 million

(b) Liabilities

18. As of March 31, 2025, ATTAbotics had total liabilities of approximately $73.8 million CAD, broken down as follows:

Current Liabilities: $69.2 million	
Accounts Payable and Accrued Liabilities	$5.2 million
Deferred Revenue	$11.2 million
Current Portion of Long-Term Debt	$4.8 million
Current Portion of Lease Obligation	$411,000
Convertible Debentures	$47.5 million
Non-Current Liabilities: $4.6 million	
Long Term Debt	$1.1 million
Lease Liabilities	$3.5 million

(c) Share Capital

19. As of March 31, 2025, ATTAbotics had the following issued and outstanding share capital:

(a) 13,025,983 common shares;

(b) 1,148,721 Series A non-redeemable, preferred shares;

(c) 1,294,164 Series B non-redeemable, preferred shares; and

(d) 3,144,880 Series C, non-redeemable, preferred shares.

20. As of March 31, 2025, ATTAbotic's shareholder deficit was approximately $42.1 million on a balance sheet basis.

(d) Secured Debt

i. Business Development Bank of Canada

21. ATTAbotics (as borrower), ATTAbotics US (as guarantor) and Business Development Bank of Canada ("**BDC**") are party to a Letter of Offer re: Loan No. 155123-01 dated January 17, 2019 (as amended, revised or restated, the "**BDC Loan Agreement**") pursuant to which BDC provided a credit facility for ATTAbotics to purchase equipment and related soft costs up to the maximum amount of $10,697,690 (the "**BDC Credit Facility**"). Borrowings under the BDC Credit Facility bear interest at BDC's Floating Base Rate (as defined in the BDC Loan Agreement). The BDC Credit Facility called for "interest only" payments until November 30, 2020, and thereafter was repayable in monthly installments over a six-year period. The maturity date of the BDC Credit Facility is October 31, 2026.

22. The BDC Credit Facility is secured by a general security agreement creating a first priority security interest on specific equipment financed under the BDC Loan Agreement and a security interest in all present and after acquired personal property of ATTAbotics and ATTAbotics US, except consumer goods.

23. As of March 31, 2025, approximately $2.8 million was outstanding under the BDC Credit Facility.

ii. EDC

24. ATTAbotics (as borrower), ATTAbotics US (as guarantor) and EDC are party to a Secured Note Purchase Agreement dated February 1, 2024 (as amended, revised or restated, the "**Note Purchase Agreement**"). Pursuant to the Note Purchase Agreement, ATTAbotics and EDC entered into three separate secured convertible promissory notes, the first dated as of February 1, 2024 in the amount of US$7.5 million, the second dated as of April 4, 2024 in the amount of US$12.5 million, and the third dated as of November 6, 2024 in the amount of US$10 million, for a total secured obligation of US$30 million (collectively, the "**Notes**").

25. The Note Purchase Agreement provides both automatic conversion triggers and certain discretionary conversion rights whereby, if triggered or elected in accordance with the Note Purchase Agreement, any balance outstanding under the Notes automatically converts to shares of ATTAbotics. Unless converted in accordance with the Note Purchase Agreement, all amounts outstanding under the Notes, including accrued but unpaid interest, mature on July 31, 2025.

26. The Notes are secured by a general security agreement creating a security interest in all present and after acquired personal property of ATTAbotics and ATTAbotics US.

iii. Intercreditor Agreement

27. BDC, EDC and the Applicants are party to an Intercreditor Agreement dated as of January 31, 2024 pursuant to which the parties agreed that:

(a) BDC had a first priority security interest over all equipment financed with the BDC Credit Facility to secure all obligations due and owing to it under the BDC Loan Agreement; and

(b) EDC had a first priority security interest over all other collateral to secure all obligations due and owing to it under the Notes.

iv. Royal Bank of Canada and Bank of Montreal

28. Royal Bank of Canada ("**RBC**") and Bank of Montreal/BMO Harris Bank (together, "**BMO**") each provided credit card facilities to the Applicants in Canada and the United States. In order to secure the Applicants' obligations under the credit card facilities, each of RBC and BMO hold a security interest in certain investments and proceeds held by the Applicants with each bank (the "**Credit Card Collateral**").

29. Each of RBC and BMO are in the process of releasing the Credit Card Collateral to the Applicants because no amounts are owing under the credit cards and the accounts are in the process of being closed. It is expected that the entirety of the Credit Card Collateral currently being held by RBC and BMO will be released to the Applicants on or before August 1, 2025. The Interim Financing Term Sheet requires that any Credit Card Collateral released to the Applicants will be applied solely to prepay the Interim Facility.

(e) Unsecured Debt

30. As of June 28, 2025, ATTAbotics has the following liabilities due and owing to unsecured creditors:

(a) approximately $2.5 million due and owing to Her Majesty the Queen in Right of Canada as represented by the Minister responsible for Western Economic Diversification Canada (the "**Minister**") pursuant to the terms of an Agreement dated July 24, 2019 which funds were advanced under the Business Scale-Up and Productivity program stream;

(b) approximately $191,000 due and owing to the Minister pursuant to the terms of an agreement dated June 26, 2020 which funds were advanced under the Western Innovation Initiative; and

(c) approximately $3.2 million due and owing to unsecured trade creditors.

31. As of June 28, 2025, ATTAbotics US has unsecured trade debt of approximately US$227,203.

D. Events Leading to the Applicants' Insolvency

32. As an early-stage technology company, ATTAbotics requires significant capital to undertake research and development activities to advance and commercialize the technology, software and robotics employed in its supply chain management system. Since it was founded in 2016, ATTAbotics has advanced its system from an initial prototype in 2017, to an early stage pilot in 2018, through a complete multi-year development and redesign of the Attabot™ Blade in 2022 (a process which took thousands of prototypes and million of test cycles to get to the final

product), to the introduction of artificial intelligence into the system in 2022 and, finally, the commercialization and scaling of the system in the market.

33. Such rapid development of ATTAbotics' 3D robotics supply chain management system has necessitated the investment of significant amounts of capital into research and development since the company's inception. For example, in 2022, ATTAbotics incurred research and development expenses of almost $30 million. In 2023, ATTAbotics incurred research and development expenses of approximately $26 million, and in 2024, ATTAbotics incurred research and development expenses of approximately $20 million. All of these costs are in addition to the Applicants' normal course corporate and administrative expenses and sales and marketing costs required to simply run the business. Because of the nature and stage of ATTAbotic's business, it is highly capital intensive.

34. Since inception, ATTAbotics has largely funded its business through capital raises led by, among others, EDC. Between 2019 and 2022, ATTAbotics raised total funding of approximately $220 million (US$165.1 million). While a significant portion of this capital was invested in product research and development, commencing in late 2022 with the unveiling of the redesigned Attabot™ Blade, ATTAbotics shifted its focus to accelerating the commercialization of its robotics warehousing solution to new industries, customers and markets. Among other things, ATTAbotics expanded into both the European Union and the Asian markets.

35. At the time of ATTABotics' shifted focus to commercialization and expansion in 2022, traditional supply chains had been upended as a result of the COVID-19 pandemic and demand for eCommerce and, in turn, warehouse solutions, was surging. In 2020, total online spending grew by more than 30% year-over-year from 2019 levels. In 2021, total online spending grew by more

than 14.2% year-over-year from 2020 levels. This rapid increase in consumer spending accelerated the shift towards digitization and automation in warehouse spaces around the world.

36. While the Applicants enjoyed a surge in revenues in 2022 to $11.4 million which continued into 2023 at $8 million, by 2024, revenues began to sharply decline in response to increasing interest rates, constrained consumer spending, lower demands for eCommerce, global uncertainty, supply chain disruptions and other factors. A number of customers delayed planned projects with ATTAbotics and various opportunities that were in advanced stages of discussion between potential customers and ATTAbotics with planned rolls outs in 2024 were shelved. In 2024, the Applicants realized revenues of only $3 million.

37. In addition to a sharp decrease in demand for new supply chain management systems, ATTAbotics also experienced a tightening of its gross margin on customer deals and services which further constrained its liquidity. While ATTAbotics, as an early-stage technology company, has never achieved profitable operations, its annual losses escalated in 2024 to $49.5 million from $43 million in 2023 and $35 million in 2022. The Applicants' 2024 consolidated financial statements accordingly included the following notation:

> As at December 31, 2024, the Corporation's cash and cash equivalents were $10,689 and the Corporation had a negative net working capital position of $30,805. The Corporation had a net loss for the year ended December 31, 2024 of $49,280, a deficit of $294,395 as at December 31, 2024, and a deficit from cash flows from operations of $35,243 as at December 31, 2024. As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.
>
> Until the Corporation can demonstrate the ability to generate significant sales volumes with positive margins, the Corporation's liquidity requirements will be dependent on its ability to continue to obtain additional debt or equity funding as required. The Corporation has secured a Master Services Agreement and initial Purchase Order with a global grocer. This could add the ability to generate revenues and positive cash flows from potential sales contracts and Purchase Orders. If the

> Corporation is unable to secure adequate financing, or significantly reduce planned expenditures, there could be material adverse effects on the Company's ability to operate as a going concern.

38. After significant upheaval in 2024, ATTAbotics' commercialization of the technology began to stabilize in late 2024 and early 2025 and demand from existing customers and new industry sectors increased, resulting in approximately $30 million of new business to be delivered over the 2025 and 2026 fiscal years.

39. In accordance with the foregoing, ATTAbotics undertook preparations for a Class D preferred share financing in late 2024. Numerous discussions with a variety of investors occurred, including existing investors. Those discussions included full financial disclosure together with contracted and committed business and opportunities currently under advanced negotiation.

40. Efforts to advance the financing stalled when certain investors expressed concern with the Applicants' cash flow challenges and elected not to participate in further financings. Such concerns had a ripple effect across the investor community. The Class D preferred share financing was shelved and ATTAbotics was not able to access planned capital. As a result, secured and anticipated new business was not able to proceed on the planned schedule discussed above.

41. On June 18, 2025, EDC served the Applicants with a Notice of Intention to Enforce Security advising that: (a) as at June 18, 2025, the Applicants were indebted to EDC in the amount of US$33,782,341 plus additional interest, costs, fees and expenses; and (b) EDC had the right to enforce its security upon expiry of the 10-day period after provision of the notice. Attached as **Exhibit "H"** is a copy of EDC's Notice of Intention to Enforce Security.

42. Both prior to, and following, receipt of the Notice of Intention to Enforce Security, ATTAbotics has been in discussions with various parties regarding a potential transaction for the sale of its assets or business or a refinancing of the Applicants. As noted in the Interim Financing Term Sheet, the intention of these NOI proceedings is to provide the Applicants with the breathing space and working capital necessary to "solicit options to sell its assets and business or obtain an investment in its assets and business during the 30 day initial period of the Proposal Proceedings, and to develop a Strategic Plan[1]".

43. Critical to the Applicants' ability to undertake these NOI proceedings to attempt a going concern outcome is their access to the $1.5 million Interim Facility to be advanced by EDC under the Interim Financing Term Sheet. Without the Interim Facility, the Applicants do not have sufficient capital to meet payroll obligations and statutory requirements, much less fund any normal course expenses of the business or any marketing/sales process/refinancing initiatives.

44. The Interim Facility is only sufficient to fund the Applicants' business for a period of 30 days on a massively scaled down basis. Accordingly, in order to facilitate these NOI proceedings, the Applicants: (a) terminated the employment of 192 employees on June 30, 2025, leaving only a skeleton crew of 11 employees (i.e. 5% of the prior workforce) to assist the Applicants to navigate these NOI proceedings and develop and implement the Strategic Process; and (b) suspended the vast majority of corporate operations (including sales, marketing, and service and warranty work), other than as necessary to maintain basic corporate functions and to assist in developing and implementing the Strategic Plan.

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[1] Defined in the Interim Financing Term Sheet as a plan regarding one or more sale and investment solicitation processes in respect of the business or assets of the Loan Parties ("**Strategic Plan**").

45. It is accordingly imperative that the relief sought by the Applicants be granted in order to provide them with the stability, breathing room, necessary cash flow, and employee support to attempt a going concern outcome or asset sale in an abridged time frame within these NOI proceedings.

E. Requirement for Administration Charge

46. The Applicants seek approval of a first ranking administration charge against their Property as security for professional fees and disbursements incurred by Applicants' counsel, the Proposal Trustee and the Proposal Trustee's counsel both prior to and after the filing of the NOIs in an amount not to exceed $300,000. The Applicants require the services of their counsel, the Proposal Trustee and the Proposal Trustee's counsel to develop a Strategic Plan and solicit proposals for the sale of the Applicants' assets or business or a refinancing of the Applicants. The Applicants believe that the Administration Charge is reasonable and appropriate in the circumstances and critical to the success of the Applicants' proposal proceedings.

F. Requirement for a D&O Charge

47. The Applicants also seek approval of a second ranking D&O Charge as security for any obligations and liabilities the Applicants' directors and officers may incur in their roles as directors and officers after July 2, 2025, up to the maximum amount of $200,000. The quantum of the D&O Charge was developed in consultation with, and with the assistance of, the Proposal Trustee and is supported by the Interim Lender.

48. I believe that the D&O Charge is fair and reasonable in the circumstances. In light of: (a) the significant reduction in the Applicants' workforce (from over 200 people to 11 people), (b) the

fact that at the time of the filing of the NOI proceedings, only two executives remained employed by the company (the Chief Executive Officer who is on medical leave and the Chief Operating Officer); (c) the fact that little institutional knowledge of the Applicants and their business remains other than by the directors; and (d) the current directors' decision to waive their contractual compensation in order to support the Applicants' ongoing efforts, it is critical that the Applicants' directors continue in such capacities during these NOI proceedings. The Applicants require the continued services of their directors to maximize the chances of identifying and concluding a going concern outcome.

49. It is my understanding that the Applicants' directors and officers are among the potential beneficiaries under an insurance policy that provides an aggregate limit of liability of $5 million (the "**D&O Insurance**"). However, I understand that the D&O Insurance has various exceptions, exclusions, and carve-outs where coverage may not be available. The directors have accordingly expressed their desire for certainty with respect to potential liability if they continue in their current capacities within these NOI proceedings.

G. Requirement for Interim Financing and the Interim Lender's Charge

50. As a result of their current liquidity challenges, as demonstrated in the cash flow forecast, the Applicants require interim financing to provide stability, to continue going concern operations (on a significantly scaled backed basis), to develop and implement a Strategic Plan, and to satisfy obligations to preserve secure access to the physical assets of ATTAbotics. EDC has agreed to provide the Interim Facility on the basis and terms specified in the Interim Financing Term Sheet, a copy of which is attached hereto as **Exhibit "I"**. A copy of the Cash Flow Projections referenced in the Interim Financing Term Sheet is attached hereto as **Exhibit "J"**.

51. The Interim Facility Term Sheet includes the following key terms:

(a) ***Interim Facility***: A non-revolving credit facility to be available in multiple advances up to the maximum aggregate principal amount $1.5 million;

(b) ***Term***: 30 days from the date of the NOI filings (i.e. August 1, 2025); and

(c) ***Interest***: Royal Bank of Canada prime rate from time to time plus 10% per annum;

(d) ***Fees***: 3% of $1.5 million (i.e. $45,000).

52. The Interim Facility is proposed to be secured by the Interim Lender's Charge on all of the Applicants' Property. The Interim Lender's Charge will not secure any obligations that existed before the NOI proceedings (i.e. before July 2, 2025). The Interim Lender's Charge is proposed to have priority over all other security interests, charges and liens, except the Administration Charge and the D&O Charge.

H. Requirement for a KERP and KERP Charge

53. The Applicants are seeking approval of a KERP and the granting of a Court-ordered KERP Charge as security for payments under the KERP.

54. The Applicants are seeking a KERP to facilitate and encourage the continued employment of the nine (9) non-executive individuals who remain employed with the Applicants. As discussed above, on June 30, 2025, the Applicants terminated 192 of their 203 employees in order to minimize cash outflow and in response to the Applicants' reduced labour needs following the significant scale down of business operations leading up to the NOI filings. The Applicants intend during these NOI proceedings to maintain only minimal corporate functions and otherwise dedicate all corporate resources to identifying and advancing a going concern solution.

55. Accordingly, the 11 individuals who remain employed with the Applicants have all been identified as business critical and necessary to the Applicants' restructuring efforts. The Applicants are concerned that if the KERP and the KERP Charge are not approved by this Court, the remaining employees may depart and seek employment elsewhere. The resignation of any of these employees could (depending on the individual) significantly hamper the efforts of the Applicants in these NOI proceedings. The Applicants expect that it will be difficult, if not impossible, to replace certain individuals should they resign in light of the expected short duration of these NOI proceedings and the Applicants' current financial circumstances. In addition, it is expected that the remaining employees will face increased workloads as they will be required to maintain the Applicants' business operations, while also meeting the demands of the Strategic Process and these NOI proceedings.

56. The Applicants accordingly seek approval of a KERP on the following basis:

(a) each of the 9 non-executive employees remaining in the employment of the Applicants post- June 30th will be offered a one-time lump sum incentive bonus of $10,000 (the "**KERP Payment**") to incentivize them to continue their employment with the Applicants during these NOI proceedings;

(b) the KERP Payment will be paid to each of the 9 non-executive employees on August 1, 2025; and

(c) payments to the employees under the KERP will only be made if, as at August 1, 2025, the employee has fulfilled his or her employment obligations and has not voluntarily resigned or been terminated for cause.

57. The KERP was developed in consultation with both EDC and the Proposal Trustee. The Applicants believe that the amounts payable to the employees under the KERP are reasonable and appropriate in the circumstances.

58. The Applicants propose a KERP Charge to secure their obligations under the KERP in an amount not to exceed $90,000. The proposed KERP Charge would rank subordinate to all other Charges.

59. The deponent was not physically present before the commissioner but was linked with the commissioner using video technology, and the process described in Notice to the Profession and Public #2020-02 was followed.

SWORN BEFORE ME at Calgary, Alberta, by two-way videoconferencing with the deponent this 3rd day of July, 2025. I certify that Edna Conway satisfied me that she was a person entitled to swear.

Commissioner for Taking Affidavits in and for the Province of Alberta

Edna Conway

This is Exhibit A to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

District of ALBERTA
Division No. 02 - Calgary
Court No. 25-095559
Estate No. 25-095559

In the Matter of the Notice of Intention
to make a proposal of:

ATTABOTICS INC.

Insolvent Person

RICHTER INC.

Licensed Insolvency Trustee

Date of the Notice of Intention: July 2, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4(1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

STEPHANIE LEE Official Receiver

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | **Bureau du surintendant des faillites Canada**

District of ALBERTA
Division No. 02 - Calgary
Court No. 25-095558
Estate No. 25-095558

In the Matter of the Notice of Intention to make a proposal of:

ATTABOTICS (US) CORP.
Insolvent Person

RICHTER INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: July 2, 2025

<u>CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL</u>
<u>Subsection 50.4(1)</u>

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

STEPHANIE LEE — Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, ALBERTA, T2G 4X3, 877/376-9902

Canada

This is Exhibit B to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

____
A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Return to search results

Start a new search

Overview

Corporate name:
ATTABOTICS INC.

Status:
Active

Corporation number:
1151372-9

Business number (BN):
812899987RC0002

Governing legislation:
Canada Business Corporations Act - 2019-07-12

Find existing extra-provincial registrations of this corporation on Canada's Business registries

▶ **Order copies of corporate documents and certificates**

Registered office address

300, 14505 Bannister Road SE
Calgary AB T2X 3J3

Canada

Update registered office address

Directors

Minimum: 1
Maximum: 10

Update directors

Ray DePaul
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Gary Moss
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Edna Conway
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Matt Hyland
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Scott Gravelle
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Bradley Leufkens
7944 10 Street NE
Calgary AB T2E 8W1
Canada

Individuals with significant control

Last updated(YYYY-MM-DD): 2024-10-11

There are no individuals with significant control over the corporation.

Update Individuals with significant control

Annual filings

Anniversary date (MM-DD):
07-12

Date of last annual meeting:
2023-07-31

Annual filing period (MM-DD):
07-12 to 09-10

Type of corporation:
Non-distributing corporation with more than 50 shareholders

Status of annual filings:

File an annual return

- 2025 - **Not due**
- 2024 - **Filed**
- 2023 - **Filed**

Corporate history

Corporate name history

ATTABOTICS INC.	2019-07-12 to Present	

Certificates and filings

Certificate of Amalgamation	2019-07-12	Corporations amalgamated: • 11200275 11200275 Canada Inc. • 9729160 ATTABOTICS INC.
Certificate of Amendment	2020-07-13	Amendment details: Other
Certificate of Amendment	2022-11-03	Amendment details: Other

Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, contact Corporations Canada.

Date Modified:

2025-06-24

This is Exhibit C to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

____

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

CSC
251 Little Falls Drive
Wilmington, DE 19808-1674
800.927.9800
302.636.5454 fax

CSC **ATTABOTICS (US), CORP.**

Matter Number **1269907/E.Pratt**

DELAWARE STATUS SEARCH **www.cscglobal.com**

Entity Information

	Search Results Date/Time	**06-27-2025 16:38**	
Entity Name	**ATTABOTICS (US), CORP.**		
File Number	**6821784**	**Status**	**Good Standing since 20180329**
Entity Type	Corporation	**Corp Type**	General
Tax Type	A/R Filing Required	**Stock Corporation**	Yes
Residency	Domestic	**State**	DE
Incorporation Date	20180329		
Renew Date		**Expire Date**	
Bankruptcy		**Bankrupt Date**	
Case No			
Orig Incorp Country		**Orig Date**	
Merged To Number			
Qtrly Filings	False	**Last Ann Rpt**	2024
Foreign incorporation date			
Original foreign name			
Original foreign kind	Unknown		

Registered Agent

Agent Name	THE CORPORATION TRUST COMPANY			**Agent ID**	9000010
Address	CORPORATION TRUST CENTER				
	1209 ORANGE ST				
	WILMINGTON,New Castle				
State	DE	**Country**	US	**Zip**	19801

CSC

ATTABOTICS (US), CORP.

CSC
251 Little Falls Drive
Wilmington, DE 19808-1674
800.927.9800
302.636.5454 fax

Matter Number **1269907/E.Pratt**

DELAWARE STATUS SEARCH

www.cscglobal.com

Stock Information

Amendment Number	0	Effective Date	20180329	End Date	

Description	Class	Series	Authorized	Par Value	Designated shares
COMMON			1,000	0.000010	0
Total Shares Authorized					1,000
No Par Shares					0

Filing History (last 5 filings)

Filing Year	Document Code	Pages	Filing Date/Time	Efective Date	Filing Status	Merger Type
2018	Stock Corporation	2	20180329T16:38:00:0000	20180329	Archived	

Taxes Due

Tax Year	Filing Fee	Total Tax	Penalty	Interest	Other	Paid	Balance
2025	50.00	175.00	0.00	0.00	0.00	0.00	225.00
2024	50.00	175.00	0.00	0.00	0.00	225.00	0.00
2023	50.00	175.00	0.00	0.00	0.00	225.00	0.00
						Tax Balance	225.00

This is Exhibit D to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

____

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

ATTABOTICS

2024

Consolidated Financial Statements

Attabotics Inc.

December 31, 2024

Deloitte LLP
122 1st Avenue S.
Suite 400
Saskatoon SK S7K 7E5
Canada

Tel: 306-343-4400
Fax: 306-343-4480
www.deloitte.ca

Independent Auditor's Report

To the Board of Directors of
Attabotics Inc.

Opinion

We have audited the consolidated financial statements of Attabotics Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Company incurred a net loss of $49,280,000 during the year ended December 31, 2024, and a deficit from cash flows from operations of $35,243,000 during the year ended December 31, 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and International Financial Reporting Standards ("IFRS"). Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 2 of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Saskatoon, Saskatchewan
March 20, 2025

ATTABOTICS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at ($ Cdn thousands)	Note	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	5	**10,689**	11,118
Short-term investments	6	**387**	366
Accounts receivable and other receivables	7	**8,669**	5,146
Inventory	8	**11,787**	10,326
Prepaid expenses		**1,906**	2,037
Deposits		**99**	213
		33,537	29,206
Property, plant and equipment	9	**3,067**	5,279
Rights of use assets	13	**3,463**	1,610
		40,067	36,095
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**4,757**	3,797
Deferred revenue	16	**8,102**	1,678
Warranty provision	10	**195**	-
Current portion of long-term debt	11	**4,400**	6,201
Current portion of lease liabilities	13	**654**	1,109
Convertible debentures	12	**46,234**	-
		64,342	12,785
Long-term debt	11	**2,193**	3,320
Lease liabilities	13	**3,410**	1,514
		69,945	17,619
Shareholders' Deficit			
Common shares	15	**3,020**	2,771
Preferred shares	15	**243,479**	243,479
Warrants and pro-rata rights	15	**11,098**	11,098
Contributed surplus	15	**7,115**	6,227
Accumulated other comprehensive (loss) income		**(195)**	16
Deficit		**(294,395)**	(245,115)
		(29,878)	18,476
		40,067	36,095

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(See Notes to the Consolidated Financial Statements)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the year ended December 31,

($ Cdn thousands)	**Note**	**2024**	2023
Revenue	16	**3,013**	8,031
Cost of sales	17	**3,811**	15,665
		(798)	(7,634)
Expenses			
General and administrative	17	**14,821**	11,769
Research and development	17	**19,188**	25,709
Sales and marketing	17	**4,606**	2,797
Share based compensation	15	**1,085**	1,276
Depreciation and amortization		**3,892**	4,919
Recognition (derecognition) of warranty provision	10	**846**	(1,334)
Total operating expenses		**44,438**	45,136
Operating loss		**(45,236)**	(52,772)
Government subsidies	7	**(1,889)**	(4,705)
Foreign exchange loss (gain)		**1,676**	(83)
(Gain) loss on sale of assets		**(12)**	697
Other expense (income)	18	**442**	(6,390)
Finance costs	19	**3,823**	974
Income tax	14	**4**	2
Net loss		**(49,280)**	(43,265)
Other comprehensive loss (income)		**211**	(68)
Total comprehensive loss		**(49,491)**	(43,197)

ATTABOTICS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2024 and 2023
($ Cdn thousands)

	Note	Common Shares	Preferred Shares	Warrants and pro-rata rights	Contributed surplus	Accumulated other comprehensive (loss) income	Deficit	Total equity
Balance as at December 31, 2022		2,501	243,479	11,098	4,951	(52)	(201,850)	60,127
Net loss		-	-	-	-	-	(43,265)	(43,265)
Other comprehensive income		-	-	-	-	68	-	68
Shares issued on exercise				-				
of stock options	15	270	-	-	-	-	-	270
Share-based payments	15	-	-	-	1,276	-	-	1,276
Balance as at December 31, 2023		2,771	243,479	11,098	6,227	16	(245,115)	18,476
Balance as at December 31, 2023		**2,771**	**243,479**	**11,098**	**6,227**	**16**	**(245,115)**	**18,476**
Net loss		**-**	**-**	**-**	**-**	**-**	**(49,280)**	**(49,280)**
Other comprehensive loss		**-**	**-**	**-**	**-**	**(211)**	**-**	**(211)**
Shares issued on exercise								
of stock options	15	**249**	**-**	**-**	**(197)**	**-**	**-**	**52**
Share-based payments	15	**-**	**-**	**-**	**1,085**	**-**	**-**	**1,085**
Balance as at December 31, 2024		**3,020**	**243,479**	**11,098**	**7,115**	**(195)**	**(294,395)**	**(29,878)**

(See Notes to the Consolidated Financial Statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended December 31,

($ Cdn thousands)	Note	2024	2023
Cash flows provided by (used in)			
Operating activities			
Net loss		**(49,280)**	(43,265)
Adjustments for:			
Foreign exchange loss (gain)		**1,676**	(83)
Depreciation and amortization		**3,892**	4,919
(Gain) loss on sale of asset		**(12)**	697
Finance costs	19	**3,823**	974
Income taxes	14	**4**	2
Other		**733**	(657)
Share based compensation		**1,085**	1,276
Warranty expense		**195**	-
Derecognition of lapsed warranty provision		-	(1,511)
Cash used in operations before changes in non-cash working capital		**(37,884)**	(37,648)
Change in non-cash working capital	23	**2,641**	(10,873)
		(35,243)	(48,521)
Investing activities			
Purchase of property, plant, and equipment		**(1,096)**	(2,155)
Proceed from sale of property, plant and equipment		**14**	44
Interest (received) paid		**(733)**	1,841
		(1,815)	(270)
Financing activities			
Purchase of short-term investments		**(21)**	(266)
Repayment of long-term debt		**(2,857)**	(2,735)
Proceeds from convertible debentures		**40,748**	-
Payment of lease liabilities		**(1,158)**	(1,112)
Proceeds from stock options exercised		**52**	270
Interest paid		**(684)**	(933)
		36,080	(4,776)
Effect of translation of foreign currency cash		**549**	(166)
Net decrease in cash		**(429)**	(53,733)
Cash and cash equivalents, beginning of year		**11,118**	64,851
Cash and cash equivalents, end of year		**10,689**	11,118

1. STRUCTURE OF CORPORATION

Organization

Attabotics Inc. (the "Corporation") is privately held and incorporated in Canada. The Corporation provides robotic warehousing and fulfillment systems. In March 2018, the Corporation incorporated a subsidiary in Delaware USA named Attabotics (US) Corp. (the "Subsidiary").

The Corporation's head office is located at 7944 10th Street NE, Calgary, Alberta, Canada T2E 8W1.

Operations

The Corporation operates as a 3D robotics supply chain company. The Corporation has developed and is selling a robotic automated storage and retrieval system. The technology is used to support an automated fulfillment process in supply chain operations. The Corporation currently serves customers in both Canada and the United States and is preparing to enter additional international markets in the future. The Corporation is vertically integrated, performing the corporate R&D, design, software development, manufacturing, assembly, installation and aftermarket service functions from their Headquarters in Calgary.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

The consolidated financial statements have been prepared in accordance with the financial reporting provisions of the lending agreements and annual signed waivers between the Corporation and:

- Business Development Bank of Canada dated January 17, 2019 and the amendments dated October 3, 2020 and April 10, 2023; and
- 2762294 Ontario Limited and Export Development Canada dated November 8, 2022 and the amendments dated March 2, 2023 and March 6, 2023;
- Export Development Canada dated November 30, 2023;

collectively referred to as ("the Agreements"). In accordance with the Agreements, the consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS®") as issued by the International Accounting Standards Board ("IASB"), with the exception of the accounting for convertible debentures, warrants and Series C preferred shares of the Corporation (referred to as the "disclosed basis of accounting"). Details of the Corporations' accounting policies, including changes during the year are discussed in Note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on March 20, 2025.

Disclosed basis of accounting

The Corporation has accounted for the convertible debenture and Series C preferred shares on a disclosed basis of accounting. This includes the accounting for the related share purchase warrants and incremental pro-rata offerings and on a disclosed basis of accounting.

The Corporation accounted for the convertible debenture at amortized cost and on initial recognition recorded the fair value of the convertible debentures at the face value less any issuance costs. The Corporation will record interest based on the terms of the agreement and the amount the Corporation expects to repay at maturity using the effective interest rate method. This is not in compliance with IFRS®. Under IFRS®, the Corporation would be required to recognize the convertible debenture by separating the compound financial instrument into its component parts, the debt component as a liability and an equity component for the conversion feature. Given the conversion feature does not meet the "fixed for fixed" criteria under IFRS®, the equity component would be recorded as a derivative liability. Under IFRS®, the Corporation has the option to measure the entire hybrid contract at fair value with adjustments recorded to finance costs in the consolidated statements of operations and comprehensive loss.

The 2022 convertible debentures were issued with warrants. As the number of shares related to the warrants are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the warrants at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the warrants as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and recorded the warrants in warrants and pro-rata rights and as an expense as part of share-based payments. For the year ended December 31, 2021, the warrants were recorded at the initial amount of $96 with no adjustment to the amount and no additional expenses recorded for the years ended December 31, 2022, December 31, 2023, or December 31, 2024. Consistent with equity instruments under IFRS®, the Corporation did not revalue the warrants for the years ended December 31, 2023, or December 31, 2024. The warrants are recorded under warrants and pro-rata rights rather than a financial liability. This is not in compliance with IFRS®.

The Corporation closed a Series C preferred share issuance on November 8, 2022. Upon close, the convertible debentures were converted into preferred shares. Under IFRS®, the Corporation would be required to fair value the debt and equity components of the compound instrument prior to conversion. The Corporation did not recognize these fair value adjustments. This is not in compliance with IFRS®.

The Series C preferred shares were issued with an incremental pro-rata offering. The incremental pro-rata offering contains a down-round provision resulting in a variable quantity of shares. As the number of shares related to the incremental pro-rata offering are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the incremental pro-rata offering at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the incremental pro-rata offering as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and allocated the relative fair value of the preferred share issuance to the incremental pro-rata offering in warrants and pro-rata rights. This treatment is consistent with the convertible debenture warrants noted above. The Series C preferred shares were valued using the residual method. For the years ended December 31, 2023 and December 31, 2024, the Corporation recorded $11,002 to warrants and pro-rata rights related to the incremental pro-rata offering.

Instead, the Corporation has not recognized these fair value adjustments. This is not in compliance with IFRS®.

Going concern

These consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to raise the necessary capital on terms acceptable to the Corporation and be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

As at December 31, 2024, the Corporation's cash and cash equivalents were $10,689 and the Corporation had a negative net working capital position of $30,805. The Corporation had a net loss for the year ended December 31, 2024 of $49,280, a deficit of $294,395 as at December 31, 2024, and a deficit from cash flows from operations of $35,243 as at December 31, 2024. As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Until the Corporation can demonstrate the ability to generate significant sales volumes with positive margins, the Corporation's liquidity requirements will be dependent on its ability to continue to obtain additional debt or equity funding as required. The Corporation has secured a Master Services Agreement and initial Purchase Order with a global grocer. This could add the ability to generate revenues and positive cash flows from potential sales contracts and Purchase Orders. If the Corporation is unable to secure adequate financing, or significantly reduce planned expenditures, there could be a material adverse effect on the Company's ability to operate as a going concern.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the classifications used in the consolidated statements of financial position, which could be material. The consolidated financial statements do not include adjustments that would be necessary if the going concern assumption was not appropriate.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

Basis of consolidation

The Subsidiary is controlled by the Corporation. Control is achieved where the entity has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of the subsidiary are included in the consolidated statements of operations and comprehensive loss from the effective date of incorporation. Where necessary, adjustments are made to the financial statements of the Subsidiary to bring its accounting policies into line with those used by the Corporation.

Intercompany balances and transactions, and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the Corporation’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Canadian dollars, which is also the Corporation’s functional and presentation currency. The functional currency of the Subsidiary entity is US dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of operations and comprehensive loss.

Cash and cash equivalents

Cash includes cash on hand, demand deposits and investments in highly liquid money market instruments which are readily convertible at the time of purchase to known amounts of cash in less than three months.

Short-term investments

Short-term investments consist of short-term interest-bearing securities which mature more than three months but less than twelve months from the date of purchase. Short-term investments are held with highly rated financial institutions.

Accounts receivable and other receivables

Accounts receivable includes amounts due from customers in the ordinary course of business and other receivables. Accounts due from customers may arise from contractual rights to collect in the absence of work being performed. Other receivables generally arise from transactions outside the usual operating activities of the Corporation. If collection of the amounts is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Due to the short-term nature of the current receivables, their carrying amount is considered to approximate their fair value. Accounts receivable and other receivables are recognized initially at their carrying value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment through an expected credit loss assessment.

The Corporation maintains reserves for potential uncollectible accounts receivable. Accounts receivable are reported net of uncollectible accounts receivable on the consolidated statements of financial position. Allowances for doubtful accounts are based on management’s assessment of the collectability of client accounts. The adequacy of these allowances is regularly reviewed by considering internal factors such as historical experience, credit quality and age of the client receivable balances as well as external factors such as economic conditions that may affect a client’s ability to pay and review of major third-party credit-rating agencies, as needed.

Inventories

Raw materials, work-in-progress, and finished goods are stated at the lower of cost and net realizable value. Cost is determined using the standard costing method which is updated semi-annually to reflect current conditions and approximate cost.

The cost of work-in-progress and finished goods inventory comprises raw materials, direct labour, other direct costs and related production overhead expenditures, the latter being allocated based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling costs. Inventories are written down to net realizable value when the cost of inventories is determined not to be recoverable. When the circumstances that previously caused the inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down.

Property, plant, and equipment

Property, plant, and equipment are recorded at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant, and equipment are recorded at cost and amortized over their estimated useful life.

Depreciation is calculated on a straight-line basis to recognize the cost less estimated residual value over the estimated useful life of the assets as follows:

Furniture and equipment	straight-line over five years
Machinery and vehicles	straight-line over five years
Computer hardware	straight-line over three years
Support hardware	straight-line over two years
Tooling	straight-line over one year
Leasehold improvements	straight-line over length of lease

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Impairment of property, plant, and equipment

Property, plant, and equipment subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Leases

Leases are typically entered into for equipment, office and factory space. At inception of a contract, the Corporation assesses whether the contract contains a lease. A lease contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- the contract involves the use of an identified asset;
- the Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Corporation has the right to direct the use of the identified asset.

Lease liabilities are initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if not readily determinable, the Corporation's incremental borrowing rate. A single incremental borrowing rate is applied to a portfolio of leases with similar characteristics. Lease payments included in the measurement of the lease liability consist of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under a residual value guarantee; and
- payments relating to purchase options and renewal option periods that are reasonably certain to be exercised, or periods subject to termination options that are not reasonably certain to be exercised.

The initial lease term included in the measurement of the lease liability consists of:

- the non-cancellable period of the lease;
- periods covered by options to extend the lease, where the Corporation is reasonably certain to exercise the option; and
- periods covered by options to terminate the lease, where the Corporation is reasonably certain not to exercise the option.

Lease liabilities are subsequently measured at amortized cost. Lease liabilities are remeasured when there is a lease modification, and a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest expense for lease liabilities is recorded in finance costs in the consolidated statements of operations and comprehensive loss.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities and right-of-use assets. The related payments are expensed in operating expenses, and administrative expenses in the period in which the event or condition that triggers those payments occurs.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, plus an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Corporation presents right-of-use assets separately from property, plant and equipment in the consolidated statements of financial position.

If the Corporation obtains ownership of the leased asset by the end of the lease term or the costs of the right-of-use assets reflects the exercise of a purchase option, we depreciate the right-of-use assets from the lease commencement date to the end of the useful life of the underlying asset. Otherwise, right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life or the end of the lease term. Right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements on the related lease liability. The depreciation charge for right-of-use assets is recorded in depreciation and amortization in the consolidated statements of operations and comprehensive loss.

Provisions and contingent liabilities

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing or amount of the outflow may still be uncertain. Provisions are measured using the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, considering risks and uncertainties associated with the obligation. Provisions are discounted where the time value of money is considered significant.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statements of operations and comprehensive loss except to the extent it relates to items recognized directly in equity.

Current tax

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates which are enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences, except for temporary differences that arise from goodwill, which is not deductible for tax purposes. Deferred tax liabilities are also recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible balances can be utilized. All deferred tax assets are analyzed at each reporting period and reduced to the extent that it is no longer probable that the asset will be recovered. Deferred tax assets and liabilities are not recognized with respect to temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Revenue recognition

Revenue is earned from contracts with customers. A contract with a customer contains multiple deliverables, such as sales of products which include: structure, workstations, robots, and the provision of services (installation and permitting). As such, the Corporation has identified the following performance obligations that are distinct from one another and allocates amounts received from the customer to each of these performance obligations based on relative stand-alone selling prices of each performance obligation. The stand-alone selling price of each performance obligation is determined based on the current market price of each of the performance obligations when sold separately. If performance obligations are not sold separately resulting in the inability to determine the stand-alone selling price, the Corporation uses the residual method to determine a value that most reasonably reflects the selling price that might be achieved in a stand-alone transaction. Any variable consideration such as discounts, price concessions etc. identified as part of a contract containing multiple deliverables are allocated to all separate performance obligations based on relative selling price. Variable consideration is measured using the expected value method or the most likely amount based on which method will best predict the amount of consideration based on the contract.

As the Corporation's sales contracts are less than one year in duration, the Corporation has elected to apply the practical expedients to expense related costs to obtain contracts and not disclose unfulfilled performance obligations. In addition, as the timing of payments and satisfying performance obligations is generally less than one year in duration, the Corporation has applied the practical expedient to disregard the effects of a financing component.

Structure and robots

The Corporation derives revenue from design, engineering, commissioning, and manufacturing of customized structure systems to its customers. Included in the sale of a structure is the number of robots required to operate the customer's warehousing and fulfillment system. The customer considers its performance obligation related to the sale of a structure and robots to be satisfied and control to be transferred typically over time as the structures and robots are together customized to each customer's specific needs and specifications and therefore does not create an asset with an alternative use to the Corporation, and the Corporation has an enforceable right to payment for the performance completed to date. The Corporation uses an input method that recognizes revenue based on the cost incurred that appropriately depicts the actual progress towards complete satisfaction of the performance obligation. When a contract with multiple deliverables includes the sale of a structure, the Corporation uses the residual method to determine the standalone selling price of the structure.

Installation

The Corporation provides installation services for customers as required in certain contractual situations through third party contractors. Revenue from installation services is recognized over time using the input method.

Permitting

The Corporation applies for permits that are required to install or operate the systems through third party service providers. Revenue is typically recognized at a point in time once permits are obtained, which is where title and risk associated with the benefit derived from possessing permits is typically transferred to the customer.

Services

The Corporation provides supporting services for its products. Revenues for supporting services are recognized over the term of the contracted service period with amounts prepaid by customers accounted for as deferred revenue.

Warranty

The Corporation's standard warranty period is not considered to be a distinct performance obligation. Warranties are accounted for as warranty obligations and the estimated cost of satisfying them is recognized at the time the necessity of such provision is evident.

Research and development costs

Research costs are charged to operations in the period incurred. Development costs are charged to operations when incurred unless they meet the specific criteria for capitalization of intangible assets, identifiability, control and the existence of future economic benefits, in which case they are capitalized and amortized on a straight-line basis over the estimated economic life of the related product or service. The value of capitalized development costs is reviewed when events or changes in circumstances indicate the carrying value may be impaired. When there is an impairment in the estimated net recoverable amount of these costs, based on future expected cash flows, the costs are written down to their estimated recoverable value. As at December 31, 2024, the Corporation has not capitalized any of its development costs.

Share-based payments

The Corporation operates an equity-settled, stock-based compensation plan, under which the Corporation grants stock options as consideration for services provided by employees of the Corporation.

Under the Corporation's stock option plan, options can be granted to directors, officers and employees. The exercise price of options is determined by the Board of Directors. Vesting is provided for at the discretion of the Board of Directors and the expiration of options is to be no greater than 10 years from the date of grant.

The Corporation recognizes the value of stock options awarded in the consolidated financial statements based on the estimated fair value at the date of grant. The Corporation calculates the value of stock options issued using the Black-Scholes option pricing model with consideration of factors specific to the Corporation. Each tranche in an award is considered a separate award with its own vesting year and grant date fair value. Share-based payment expense is recognized over the tranche's vesting period, with a corresponding increase to contributed surplus based on the number of awards expected to vest.

When stock options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. The number of awards expected to vest is reviewed at least quarterly, with any impact being recognized immediately.

Share capital, warrants and pro-rata rights

Common shares and preferred shares are classified as equity. Transaction costs directly attributable to the issue of common shares and preferred shares are recognized as a deduction from equity.

Warrants and pro-rata rights issued in conjunction with the preferred shares are financial instruments classified as equity (refer to the disclosed basis of accounting in Note 2) and were measured at fair value upon issuance. Transaction costs directly attributable to the issue of warrants and pro-rata rights are recognized as a deduction from equity. On exercise, the cash consideration received by the Corporation and the associated carrying value of the warrants and pro-rata rights are recorded as share capital.

Government grants, loans, and investment tax credits ("ITC")

The Corporation may receive government assistance in connection with product development expenditures that qualify for the Scientific Research and Experimental Development program ("SR&ED"). Federal and provincial investment tax credits are accounted for as a other income. The tax credit amounts received can be subject to a detailed technical and financial review which could result in the repayment of the amounts received.

Assistance from governmental funding agencies related to supporting product development is recorded in the period that the assistance is received. The way the assistance is recorded is dependent on the terms of the agreement between the Corporation and the relevant governmental agency.

The Corporation's repayable funding has been recorded at its carrying value. The fair value of the repayable funding equals its carrying value, as the impact of discounting is not deemed to be significant.

The classification of that debt as short or long-term is dependent on the period in which the repayments are estimated to become due under the terms of the agreement with the relevant governmental agency.

Financial instruments and risk management

Financial assets

i) *Classification*

The Corporation classifies its financial assets in the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI"), or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

The Corporation holds the following financial assets at the end of the reporting period:

Loans and receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The Corporation's accounts receivable is generally due for settlement within 30 days and therefore are all classified as current with accounts receivable with settlement terms longer than one year being classified as long-term receivables within non-current assets.

ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized on the trade-date, this being the date on which the Corporation commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Corporation has transferred substantially all the risks and rewards of ownership.

iii) *Measurement*

At initial recognition, the Corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortized cost using the effective interest method should the fair values be deemed to be significantly different to their carrying amounts.

iv) *Impairment*

The Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The Corporation measures impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

Financial liabilities

i) *Classification*

The Corporation classifies its financial liabilities in the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and other financial liabilities. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition. The Corporation does not hold any financial liabilities classified at FVTPL and FVOCI.

The Corporation holds the following financial liabilities at the end of the reporting period:

Other financial liabilities

Other financial liabilities are financial liabilities which are not classified at FVTPL and FVOCI are measured at amortized cost. If payment of the amounts is expected in one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities. The fair value equivalent to the financial liabilities measured at amortized cost is immaterially different.

The Corporation's accounts payable and accrued liabilities are generally due for settlement within 30 days and therefore are all classified as current. Long term debt and convertible debentures are repayable in accordance with the terms of the agreements with the estimated repayable amount due within one year classified as current with the remainder classified as a non-current liability.

ii) *Measurement*

At initial recognition, the Corporation measures a financial liability at its fair value less transaction costs.

Other financial liabilities are subsequently carried at amortized cost using the effective interest method should the fair values be deemed to be significantly different to their carrying amounts.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS® requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The key judgements identified in applying accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements include the following:

- The determination of whether it is probable that sufficient taxable earnings will be generated in future periods to utilize tax losses and tax credits for the purpose of recognizing related tax assets. If sufficient taxable earnings are not generated, or estimates change, the Corporation would be required to reverse the related tax assets, or a portion thereof, which would impact income tax expense and possibly earnings before income tax if tax credits were reversed.
- The determination and estimate of warranty provision.
- The determination of the fair value of stock options requires the use of a pricing model which requires the estimation of stock price volatility, the expected term of the underlying instruments, the estimation of the risk-free interest rate, and if applicable the resulting number of options that will ultimately vest.
- The measurement of property and equipment involves the use of estimates in determining the expected useful lives of those assets and the depreciation and amortization methods used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

- ***Revenue recognition using input method to account for implementation of contracts and variable consideration***. The Corporation uses the input method to account for the structure, robots, and installation performance obligation of contracts. The transaction price is recognized into revenue as the performance obligations are satisfied. Total actual costs are compared to total expected costs to measure the progress of the performance obligations satisfied over time for the relevant project. This method of accounting for contracts requires the Corporation to make estimates regarding the total costs of the project, progress against the project schedule and the estimated completion date, all of which impact the amount of revenue and gross margin recognized in each reporting period. The transaction price also includes estimates of variable consideration it expects to receive. The amount of variable consideration is adjusted at least annually based on the best available information available to the Corporation.
- ***Measuring deferred income taxes.*** Key estimates and assumptions include the availability of future taxable earnings as explained above, timing of reversals for temporary differences, and future enacted tax rates.
- ***Provisions, including warranty provisions.*** Key estimates include future cash flows and discount rates.
- ***Right of use assets and lease liabilities.*** Key estimates include incremental borrowing rate, and the inclusion of lease extensions. The incremental borrowing rates are based on assumptions including economic environment, term, currency, and the underlying risk inherent to the asset. The Corporation has included extension options in the calculation of lease liabilities, where the Corporation has the right to extend a lease term at its discretion and is more than likely to exercise the extension option. The Corporation does not have any significant termination options and the residual amounts are not material.

Measurement of fair values

A number of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to that asset or liability.

(i) Accounts receivable and other receivables

The fair value of accounts receivable and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Revenue recognition - multi-element arrangements

Determining the amount of revenue to allocate to individual elements in a multi-element arrangement and whether a deliverable constitutes a separate unit of accounting.

5. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash at bank	**10,689**	10,888
Notice term deposits	**-**	230
	10,689	11,118

6. SHORT TERM INVESTMENTS

	December 31, 2024	December 31, 2023
Guaranteed investment certificate with fixed interest of 2.25% and maturity date of November 24, 2025	**100**	100
Guaranteed investment certificate with fixed interest of 3.50% and maturity date of August 11, 2025	**211**	200
Guaranteed investment certificate with fixed interest of 3.15% and maturity date of August 21, 2025	**76**	66
	387	366

Short term investments include $387 (2023: $366) that is subject to restrictions and therefore not available for general use.

7. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	Notes	**December 31, 2024**	December 31, 2023
Trade receivables		**1,240**	4,389
Advanced billings	16	**6,589**	-
Less: Allowance for doubtful accounts		**(171)**	(431)
Net trade receivables		**7,658**	3,958
Other receivables:			
Government receivable		**1,007**	50
Insurance proceeds receivable		**-**	1,000
Lease receivable		**4**	138
Accounts receivable and other receivables		**8,669**	5,146

Of the $1,889 (2023: $4,705) recorded as Government subsidies, $1,007 (2023: $50) is receivable. This is entirely attributable to the SR&ED tax incentive program.

The aging of trade receivables is as follows:

	Notes	**December 31, 2024**	December 31, 2023
Current		**3,681**	17
Past due 0-30 days		**3,023**	-
Past due 31-60 days		**-**	1,992
Past due > 60 days		**1,125**	2,380
	24	**7,829**	4,389

Trade receivables are impaired when their estimated future cash flows are less than their contractual cash flows. The amount of impairment considers the financial condition of the customers and delinquencies in payments.

8. INVENTORY

Inventories comprised the following:

	December 31, 2024	December 31, 2023
Raw materials	**11,634**	9,675
Work in progress	**153**	430
Finished goods	**-**	221
	11,787	10,326

Other income (expense) for the year ended December 31, 2024 includes write-down of the value of specific inventory items of $632 (2023: $3,034) related to parts and manufactured goods from previous generation robots, workstations and structures.

The amount of inventory used during the year was $2,918 (2023: $9,010). The amount was recognized as cost of sales in the consolidated statements of operations and comprehensive loss during the year.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at and for the years ended December 31, 2023 and December 31, 2024 were as follows:

	Furniture and equipment	Hardware	Leasehold improvements	Tooling	Machinery	Vehicles	Total
Cost:							
Balance at December 31, 2022	3,906	1,330	5,032	652	13,196	58	24,174
Additions	1,803	64	-	288	-	-	2,155
Disposal	(1,125)	(917)	(2,583)	(646)	(2,368)	(41)	(7,680)
Balance at December 31, 2023	**4,584**	**477**	**2,449**	**294**	**10,828**	**17**	**18,649**
Additions	813	29	2	252	-	-	1,096
Disposal	(78)	(40)	-	-	-	-	(118)
Balance at December 31, 2024	**5,319**	**466**	**2,451**	**546**	**10,828**	**17**	**19,627**
Accumulated depreciation:							
Balance at December 31, 2022	1,669	1,000	3,810	604	9,443	15	16,541
Amortization	967	152	175	258	2,417	14	3,983
Disposal	(626)	(917)	(2,583)	(646)	(2,368)	(14)	(7,154)
Balance at December 31, 2023	**2,010**	**235**	**1,402**	**216**	**9,492**	**15**	**13,370**
Amortization	1,549	158	175	141	1,254	2	3,279
Disposal	(59)	(30)	-	-	-	-	(89)
Balance at December 31, 2024	**3,500**	**363**	**1,577**	**357**	**10,746**	**17**	**16,560**
Carrying amount:							
At December 31, 2023	2,574	242	1,047	78	1,336	2	5,279
At December 31, 2024	**1,819**	**103**	**874**	**189**	**82**	**-**	**3,067**

As at December 31, 2024, the carrying amount of $83 (2023: $1,472) of property, plant and equipment of the Corporation represented collateral associated with long-term debt.

10. WARRANTY PROVISION

	December 31, 2024	December 31, 2023
Balance - beginning of year	**-**	1,511
Provision recognized	**846**	-
Provision used during the year	**(651)**	(177)
Derecognition of lapsed warranty provision	**-**	(1,334)
	195	-

The Corporation set up a warranty provision related to systems delivered to its customers under existing contracts. The warranty provision represents the estimated costs the Corporation would incur to maintain and service systems deployed at customer sites over a one-year period after the initial delivery and installation, representing the warranty period. The provision costs are derecognized if not fully consumed once the one-year provision has lapsed.

The net obligation of the provision is based on management's best estimate. The provision is reviewed and reassessed on a periodic basis by management.

11. LONG-TERM DEBT

	Note	**December 31, 2024**	December 31, 2023
Equipment loans, Prime Rate plus 1.7% to 2% interest per annum	a	**-**	71
Non-interest bearing facility	b	**314**	552
Equipment loan, variable base rate plus 0% interest per annum	c	**3,269**	5,051
Non-interest bearing facility	d	**3,010**	3,847
Total debt		**6,593**	9,521
Less current portion		**4,400**	6,201
Long term debt		**2,193**	3,320

Significant details of the facilities are summarized below.

The Corporation has obtained financing and received loans from four credit facilities. The subsidiary provides corporate guarantee against the equipment loan, variable base rate plus 0% per annum.

(a) Equipment loans, Prime Rate plus 1.7% to 2% interest per annum

The Corporation had credit facilities with a commercial lender for equipment financing up to $1.8 million or 60% of purchase price of eligible equipment, whichever is less. The facilities matured on July 1, 2024 and balances were paid off.

(b) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 30, 2018 to provide funding to the Corporation for a project to scale-up and commercialize a large robotic warehousing system. This is a non-interest bearing loan. Under the term of the agreement the governmental agency will advance up to $1.3 million over a period of two years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2021 and ending March 1, 2026.

As at December 31, 2024, the Corporation received funding of $1,300 (2023: $1,300). The loan was initially recorded at the fair value of $1,074. The $226 initial discounted portion was recorded as a reduction to research and development expenses in the fiscal year the amounts were received. The related accretion for the year ended December 31, 2024, has been included in finance costs in the consolidated statements of operations and comprehensive loss. During the year ended December 31, 2024, the Corporation made principal payments of $238 (2023: $225). No adjustment to the fair market value has been made in 2024. The fair market value of the facility as at December 31, 2024 is $314 (2023: $552).

(c) Equipment loan, variable base rate plus 0% per annum

The Corporation entered into an agreement with a governmental agency on January 17, 2019 to provide equipment financing up to $10.7 million or 100% of purchase price of eligible equipment, whichever is less. As at December 31, 2024, a term loan of $3,269 (2023: $5,051) was drawn against the credit facility. The term loan is interest payable only until November 30, 2020 and repayable monthly over a six-year term and matures on October 31, 2026. The interest rate is equal to 8.88% as at December 31, 2024 (2023: 9.30%). The credit facility is secured by a general security agreement creating a first priority security interest on specific equipment financed under the loan and a security interest in all present and after acquired personal property of the Corporation, except consumer goods.

The Corporation shall perform and observe the financial covenants set out by lender, including for fiscal year end 2018: (i) Minimum Revenue of $25 million; (ii) Minimum EBITDA of $8.5 million; (iii) Minimum Tangible Equity of $14 million; (iv) Minimum Working Capital Ratio of 1:1:1; (v) Maximum Term Debt to Tangible Ratio of 1:1; and starting as of December 31, 2019, maintaining at all times a Fixed Charge Coverage Ratio equal to or greater than 1.1:1.

The Corporation was in violation of its financial covenants as at December 31, 2024 and 2023. The Corporation did not obtain a waiver from the lender prior to December 31, 2024, and the outstanding balance of $3,269 (2023: $5,051) is presented within the current portion of long-term debt. The enforcement of financial covenants will continue to be reassessed by the lender and the Corporation going forward.

(d) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 24, 2019 to provide funding to the Corporation for a project to scale-up manufacturing capacity. This is a non-interest bearing loan. Under the term of the agreement the governmental agency will advance up to $5 million over a period of three years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2023 and ending March 1, 2028.

As at December 31, 2024, the Corporation received funding of $5,000 (2024: $5,000). The loan was initially recorded at a fair value of $2,836. The $829 initial discounted portion was recorded as a reduction to research and development expenses in the fiscal year the amounts were received. The related accretion for the year ended December 31, 2024 has been included in finance costs in the consolidated statements of operations and comprehensive loss. The fair market value of the facility as at December 31, 2024 is $3,010 (2023: $3,847).

12. CONVERTIBLE DEBENTURES

The Corporation closed an unsecured convertible debenture financing arrangement on February 1, 2024, for gross proceeds of US$30 million.

	December 31, 2024	December 31, 2023
Balance - beginning of year	**-**	-
Proceeds received from issuance	**40,748**	-
Less: Finance charges	**222**	-
Fair value of convertible debentures on issuance	**40,526**	-
Accrued interest	**3,094**	-
Amortization of finance charges	**195**	-
Exchange difference	**2,419**	-
Balance - end of year	**46,234**	-

The unsecured convertible debenture terms are as follows:

- 12.00% per annum interest accruing daily, compounding annually to be accrued on the outstanding principal and will not become due until the maturity date.
- The maturity date is March 30, 2025.
- The convertible debenture will have a 20% discount rate at the time of conversion, with a conversion rate of 1 minus the discount rate.
- At the closing of the next qualified financing, all principal and interest outstanding shall be automatically converted into the qualified financing security, or into a separate class or series of shares with equivalent terms reflecting the lower issue price, if the Corporation undergoes a qualified financing at a price per share equivalent to the Conversion Rate multiplied by the cash issue price.
- The holder may convert the debenture at any point in time.

The convertible debentures shall be due and payable on March 30, 2025, unless it is earlier converted.

13. LEASES

The Corporation's portfolio of leases mainly consists of office, factory space, and equipment.

Right of use assets

	Office and factory space	Equipment	Total
Cost:			
Balance at December 31, 2022	6,355	74	6,429
Disposal	(1,718)	-	(1,718)
Exchange difference	(35)	-	(35)
Balance at December 31, 2023	**4,602**	**74**	**4,676**
Addition	**2,527**	**-**	2,527
Disposal	-	(74)	(74)
Balance at December 31, 2024	**7,129**	**-**	**7,129**
Accumulated depreciation:			
Balance at December 31, 2022	3,556	28	3,584
Amortization	1,193	37	1,230
Disposal	(1,718)	-	(1,718)
Exchange difference	(30)	-	(30)
Balance at December 31, 2023	**3,001**	**65**	**3,066**
Amortization	665	9	674
Disposal	-	(74)	(74)
Balance at December 31, 2024	**3,666**	**-**	**3,666**
Carrying amount:			
At December 31, 2023	1,601	9	1,610
At December 31, 2024	**3,463**	**-**	**3,463**

Lease liabilities

	Office and factory space	Equipment	Total
Balance at December 31, 2022	3,746	48	3,794
Accretion expense	178	2	180
Repayment of lease liabilities	(1,281)	(39)	(1,320)
Exchange difference	(31)	-	(31)
Balance at December 31, 2023	**2,612**	**11**	**2,623**
Addition	2,527		2,527
Accretion expense	119	-	119
Repayment of lease liabilities	(1,147)	(11)	(1,158)
Exchange difference	(47)	-	(47)
Balance at December 31, 2024	**4,064**	**-**	**4,064**
Less: current lease liabilities	654	-	654
Long-term lease liabilities	**3,410**	**-**	**3,410**

Undiscounted cash outflows related to the lease liabilities are:

	December 31, 2024
Less than one year	898
One to three years	2,874
Four to five years	998
More than five years	58
Balance at December 31, 2024	**4,828**

As at December 31, 2024, the Corporation has renewed its head office lease with an expiry date of December 31, 2029. The lease does not contemplate any renewal options.

In addition to the head office lease, the Corporation has a lease for the factory space which expires on February 28, 2030.

14. INCOME TAXES

The major components of income tax expense for the years ended December 31 are as follows:

For the year ended	**December 31, 2024**	December 31, 2023
Current income tax expense	**4**	2
Deferred tax expense	**-**	-
Total income taxes	**4**	2

Income tax expense (recovery) for the years ended December 31, 2024 and 2023 differ from that calculated by applying statutory rates for the following reasons:

For the year ended	**December 31, 2024**	December 31, 2023
Loss before income taxes	**(49,276)**	(43,195)
Statutory tax rate	**23%**	23%
Expected tax (recovery) expense	**(11,333)**	(9,935)
Non-deductible items	**980**	319
Tax adjustment to opening balances	**(3,684)**	2,399
Change in rates and other items	-	-
Benefit of tax assets not recognized	**14,250**	7,139
Other	**(209)**	80
	4	2

The statutory income tax rate for the Corporation remained consistent with 2024 at 23%.

The Corporation has not recognized the benefit of deferred tax assets of a net deferred tax asset of $57,770 (2023: $45,287). The Corporation has a non-operating loss carryforward of $206,866 (2023: $171,507). The balance expires in varying annual amounts from 2039 to 2043.

15. SHARE CAPITAL

(a) Common shares

Authorized:
13,025,983 (2023: 13,025,983) common shares are entitled to one vote per share and all shares rank equally regarding the Corporation's residual assets.

Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**4,884,736**	**2,771**	4,837,999	2,501
Shares issued on exercise of stock options	**11,766**	**249**	46,737	270
Balance - end of year	**4,896,502**	**3,020**	4,884,736	2,771

(b) Contributed surplus

The contributed surplus included in the Shareholders' Equity section of the consolidated statement of financial position comprises all share-based payment transactions that do not involve the issuance of shares and unexercised stock options.

(c) Preferred shares

Series A preferred shares

Authorized:
1,148,721 (2023: 1,148,721) Series A preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**1,148,721**	**7,732**	1,148,721	7,732
Shares issued during the year	**-**	**-**	-	-
Share issuance costs	**-**	**(79)**	-	(79)
Balance - end of year	**1,148,721**	**7,653**	1,148,721	7,653

Series B preferred shares

Authorized:
1,294,164 (2023: 1,294,164) Series B preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**1,294,164**	**69,286**	1,294,164	69,286
Shares issued during the year	**-**	**-**	-	-
Share issuance costs	**-**	**(187)**	-	(187)
Balance - end of year	**1,294,164**	**69,099**	1,294,164	69,099

Series C preferred shares

Authorized:
4,136,449 (2023: 4,136,449) Series C preferred shares not redeemable and subject to an annual, accumulating and cumulative preferential dividend equal to 8% of the applicable Original Issue Price. The dividends are payable upon a liquidation event and are therefore not accrued in the consolidated statements of financial position. As at December 31, 2024, the accrued dividends were $12,170 (2023: $6,488).

2,100,374 of the Series C preferred shares issued were due to the conversion of the 2020 convertible debentures and 2022 convertible debentures.

The issuance contained an incremental pro-rata offering for gross proceeds of up to $25.0 million USD for a 30-month period subsequent to close. Upon issuance, the fair value of the incremental pro-rata offering was $11,002, classified as equity, and recorded under warrants and pro-rata rights (refer to Note 2 for a disclosed basis of accounting).

Issued:

	2024		2023	
	Number	**$**	Number	$
Balance - beginning of year	**3,144,880**	**169,949**	3,144,880	169,949
Shares issued during the year	**-**	**-**	-	-
Share issuance costs	**-**	**(3,222)**	-	(3,222)
Balance - end of year	**3,144,880**	**166,727**	3,144,880	166,727

(d) Options

The Corporation has adopted a stock option plan whereby a maximum of 10% of the issued and outstanding Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the stock option plan, options may be granted only to: (i) employees, officers, directors, and consultants of the Corporation; and (ii) employees, officers, directors, and consultants of an affiliate of the Corporation. As at December 31, 2024, the total option pool is 1,263,499 (2023: 1,263,499) with 562,169 (2023: 328,507) available to be issued.

The following summarizes the changes in outstanding options:

	December 31, 2024		December 31, 2023	
	Number	**Weighted average exercise price ($ Cdn)**	Number	Weighted average exercise price ($ Cdn)
Outstanding - beginning of the year	**763,150**	**10.24**	900,051	9.90
Granted	**70,630**	**15.03**	70,790	14.83
Forfeited	**(120,684)**	**12.14**	(160,954)	11.65
Exercised	**(11,766)**	**4.67**	(46,737)	5.78
Outstanding - end of the year	**701,330**	**10.24**	763,150	10.24
Exercisable - end of the year	**511,158**	**9.53**	485,239	8.07

The range of exercise prices for the options outstanding and exercisable as at December 31, 2024 is as follows:

	Total options outstanding			**Exercisable options**	
	Number	Weighted average exercise price ($ Cdn)	Weighted average remaining life (years)	Number	Weighted average exercise price ($ Cdn)
2017	59,000	3.22	2.72	59,000	3.22
2018	134,300	3.64	3.46	134,300	3.64
2019	48,650	12.18	4.44	48,650	12.18
2020	16,000	13.17	5.79	16,000	13.17
2021	195,600	13.17	6.83	150,933	13.17
2022	141,310	13.29	7.52	85,523	13.27
2023	45,160	15.81	8.47	16,752	15.81
2024	61,310	15.81	9.45	-	-
	701,330	10.86	6.12	511,158	9.53

The Corporation uses the Black-Scholes option-pricing model to determine the estimated fair value of the options granted. The weighted average fair value of options granted during the year ended December 31, 2024 and 2023 were $10.86 and $9.52 per share, respectively, using graded vesting.

The calculation was based on the following assumptions:

For options granted in the year ended December 31,	**2024**	2023
Share price (Cdn $)	**15.08**	14.88
Exercise price (Cdn $)	**15.08**	14.88
Volatility (%)	**64**	77
Expected life (years)	**10**	10
Dividend yield (%)	**-**	-
Forfeiture rate (%)	**16**	16
Risk free interest rate (%)	**3.41**	3.26

16. REVENUE

There are five major categories: structure, robots, installation, permitting and service. Structure, installation and robots are recognized on an input method basis over time. Service is recognized over the term of the contracted service period. Please refer to significant accounting policies (note 3) for Corporation's revenue recognition policy.

In the following table, revenue is disaggregated by major products and services lines based on contracts with customers performance obligation.

For the year ended	**December 31, 2024**	December 31, 2023
Structure, installation, and robots	**2,439**	7,885
Service	**574**	146
Total revenue	**3,013**	8,031

The Corporation sells its products and services pursuant to fixed-price contracts. The transaction price used in determining the amount of revenue to recognize is based upon agreed contractual terms with the customer and may be subject to variability based on the best available information available to the Corporation.

For the year ended	**December 31, 2024**	December 31, 2023
Deferred revenue	**8,102**	1,678
Contract liabilities	**8,102**	1,678

Contract liabilities of $6,589 (2023: $nil) relate to contractual agreements to provide goods and services to customers. These amounts are offset by the contractual rights to receive consideration and is recorded in Trade Receivables (see Note 7). The remaining balance of $1,513 (2023: $1,678) relates to upfront payment of progress billing received from customers. As the Corporation's contracts are less than one year in duration, the Corporation has elected to apply the practical expedients and not disclose unfulfilled performance obligations.

Significant customers

For the year ended December 31, 2024, the Corporation had three significant customers that provide more than 10% of total revenue. The revenue from these customers was $1,328 (44%), $873 (29%), and $488 (16%) in 2024 (2023: $1,160 (14%), $5,358 (67%) and $1,373 (17%)).

17. EXPENSES BY NATURE

The Corporation presents certain expenses in the consolidated statements of operations and comprehensive loss by function. The following table presents those expenses by nature:

	December 31, 2024	December 31, 2023
Salaries, subcontractors, and benefits	**29,983**	34,308
Marketing and sales costs	**931**	1,175
Material and supplies	**2,596**	12,786
External services and facilities	**8,916**	7,397
Bad debt expenses	**-**	274
	42,426	55,940

18. OTHER INCOME AND EXPENSES

	December 31, 2024	December 31, 2023
Interest income	**(733)**	(1,840)
Other income	**(329)**	(52)
Insurance proceeds	**-**	(1,000)
Settlement of contingencies	**-**	(7,158)
Termination costs	**872**	356
Write down for inventory obsolescence	**632**	3,034
Contingent provisions	**-**	270
	442	(6,390)

Other income and expenses contain items that occur outside of the normal operating activities of the Corporation.

19. FINANCE COSTS

	December 31, 2024	December 31, 2023
Interest on long-term debt	**3,509**	794
Finance costs on convertible debentures	**195**	-
Interest on lease liabilities	**119**	180
Total finance costs	**3,823**	974

As at December 31, 2024, $3,094 of the total interest on long-term debt was attributable to the convertible debenture outstanding (2023: $0).

20. COMMITMENTS AND CONTINGENCIES

Commitments

As at December 31, 2024, in the normal course of business, other than in relation to the office space leases and long-term debt, the Corporation has no material obligations to make future payments, representing contracts and other commitments that are known and committed.

Contingencies

As at December 31, 2024, a statement of claim has been filed in the Alberta Court of King's Bench by a previous employee of the Corporation. The claim alleges wrongful dismissal of an employee by the Corporation. The claimant seeks damages totaling more than $3.1 million. The Corporation believes that this claim is without merit and litigation counsel is instructed to vigorously defend against the claim and, accordingly, the Corporation has not accrued a provision related to the claim.

As at December 31, 2024, the Corporation is awaiting judgement from a trial that concluded in October, 2024. The case concerns an intermediary customer requesting that the Corporation defend and indemnify the intermediary customer from claims asserted by the end user. The outcome is currently undeterminable and the Corporation has not accrued a provision related to the claim.

21. RELATED PARTY TRANSACTIONS

Related party balances

For the year ended December 31, 2024, there were no related party transactions.

Key management compensation

Key management personnel are people who have authority and responsibility for planning, directing, and controlling the activities of the Corporation. The Corporation has identified key management personnel as directors and executive officers.

The following discloses the amounts recognized as expense during the year related to directors and key management personnel compensation:

	December 31, 2024	December 31, 2023
Salaries and benefits	**2,047**	2,233
Share-based payments	**205**	435
Total key management compensation	**2,252**	2,668

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's financial instruments include cash and cash equivalents, short-term investments, accounts receivable and other receivables, accounts payable and accrued liabilities, convertible debentures, and long-term debt. For the aforementioned, the carrying value approximates fair value.

The Corporation has estimated the fair value amounts using appropriate valuation methodologies and information available to management as of the valuation dates. The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it was practicable to estimate that value:

- **Cash and cash equivalents, short-term investments, accounts receivable and other receivables, and accounts payable and accrued liabilities**. The carrying amounts approximate fair value because of the short maturity of these instruments.
- **Convertible debentures**. The carrying amounts approximate fair value because of the short maturity of the debentures.
- **Long-term debt**. The fair value of long-term debt consists of $6,593 (2023: $9,521).

Nature and Extent of Risks Arising from Financial Instruments

The Corporation is exposed to a number of market risks arising through the use of financial instruments in the ordinary course of business. Specifically, the Corporation is subject to credit risk, liquidity risk, currency risk, and interest rate risk.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation's management identifies and analyzes the risks faced by the Corporation and manages/monitors these risks, including the impact of changes in market conditions and changes in the Corporation's activities.

As at December 31, 2024	Risk			
			Market risks	
	Credit	Liquidity	Currency	Interest rate
Measured at cost or amortized cost				
Cash and cash equivalents	X		X	X
Short-term investments	X			X
Accounts receivable and other receivables	X		X	
Accounts payable and accrued liabilities		X	X	
Long-term debt		X		X

The fair value equivalent to the amortized cost of the long-term debt instruments are immaterially different.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations.

The Corporation manages credit risk by holding its cash and cash equivalents and short-term deposits with major financial institutions. Cash and cash equivalents consist primarily of cash, demand deposits and investments with original maturities of less than 90 days. Short-term investments consist of cash and cash equivalents held for a period of 91 days to 365 days. As at December 31, 2024 and December 31, 2023, the Corporation held cash and cash equivalents of $10,689 and $11,118 and short-term investments of $387 and $366, respectively. Cash deposits and short-term investments are exposed to credit loss for amounts in excess of insured limits in the event of nonperformance by the institutions; however, we do not anticipate nonperformance by these institutions.

For the year ended December 31, 2024, the Corporation recorded a bad debt expense of $nil (2024: $274). No other provisions were recorded.

The Corporation is exposed to credit risk related to accounts receivable as a result of extending credit to customers for services performed, creating exposure on accounts receivable balances with trade customers. This exposure to credit risk is managed through a corporate credit policy whereby upfront evaluations are performed on all customers and credit is granted based on payment history, financial conditions, and anticipated industry conditions. Customer payments are continuously monitored to ensure the creditworthiness of all customers with outstanding balances and a provision for doubtful accounts is established based on lifetime expected credit loss.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation actively manages its liquidity through daily, weekly, and longer-term cash outlook and debt management strategies. The Corporation's policy is to ensure that sufficient resources are available either from cash balances or cash flows, to ensure all obligations are met as they fall due.

The following maturity analysis shows the remaining contractual maturities for the face value of the Corporation's financial liabilities:

	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	4,757	-	-	-
Long-term debt	4,400	2,316	-	-
Convertible debentures	46,234	-	-	-
Lease liabilities	898	2,874	998	58
	56,289	5,190	998	58

As at December 31, 2024, the Corporation has reported that the Corporation will continue as a going concern (see note 2).

As at December 31, 2024, the covenants for the equipment loan with a variable base rate plus 0% interest per annum were offside and $3,269 was within the current portion of long-term debt.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Corporation's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

The Corporation has customers in the United States, United Kingdom, and in Canada and transacts in Canadian and US dollar currencies. Future fluctuations in exchange rates will have an effect on the Corporation's operating results, financial position, and cash flows. The Corporation is also exposed to currency risk on working capital and borrowings that are denominated in currencies other than the Corporation's functional currency, being the Canadian dollar.

Sensitivity analysis

For the year ended December 31, 2024, a weakening of the Canadian dollar against the US dollar by 100 basis points would have increased net loss by $48 (2024: increased net loss by $24). For the year ended December 31, 2024, a strengthening in the Canadian dollar against the Euro by 100 basis points would have increased net loss by less than $18 (2023: increased net loss by $1). This sensitivity analysis assumes that all other variables - interest rates in particular - remain constant.

Interest rate risk

The Corporation's objective in managing interest rate risk is to monitor expected volatility in interest rates while also minimizing financing expense levels. Interest rate risk mainly arises from fluctuations of interest rates and the impact on the expense associated with variable rate debt. On an ongoing basis, management monitors changes in short-term rates and considers long-term forecasts to assess potential cash flow impacts to the Corporation.

Sensitivity analysis

The net income of the Corporation is sensitive to fluctuations in interest rates that impact interest expense incurred on its long-term debt. For the year ended December 31, 2024, for every 100 basis points change in interest rates, and with all other variables held constant, interest expense and net loss would have been impacted by $35 (2023: $51).

23. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital balances:

For the year ended	December 31, 2024	December 31, 2023
Accounts receivable and other receivables	**(3,523)**	(3,352)
Unbilled revenue	-	2,263
Inventory	**(1,461)**	4,297
Prepaids	**131**	415
Deposits	**114**	179
Accounts payable and accrued liabilities	**956**	(5,871)
Deferred revenue	**6,424**	(8,804)
	2,641	(10,873)

24. SUBSEQUENT EVENTS, AND OTHER MATTERS

The Corporation collected $7,543 of net trade receivables subsequent to year-end. Only $115 remains uncollected of the net trade receivables balance.

The Corporation secured an interest free loan from the Government of Canada subsequent to year-end. The maximum amount guaranteed is $9,500.

This is Exhibit E to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

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A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Q1 2025

Condensed Consolidated Interim Financial Statements

Attabotics Inc. March 31, 2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements.

ATTABOTICS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at ($ Cdn thousands)	Note	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**6,271**	10,689
Short-term investments		**387**	387
Accounts receivable and other receivables		**3,706**	8,669
Inventory		**12,513**	11,787
Prepaid expenses		**2,407**	1,906
Deposits		**99**	99
		25,383	33,537
Property, plant and equipment		**2,901**	3,067
Rights of use assets		**3,291**	3,463
		31,575	40,067
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**5,231**	4,757
Deferred revenue	6	**11,189**	8,102
Warranty provision		**-**	195
Current portion of long-term debt	3	**4,807**	4,400
Current portion of lease obligation		**411**	654
Convertible debentures	4	**47,513**	46,234
		69,151	64,342
Long-term debt	3	**1,064**	2,193
Lease liabilities		**3,476**	3,410
		73,691	69,945
Shareholders' Deficit			
Common shares	5	**3,020**	3,020
Preferred shares	5	**243,479**	243,479
Warrants and pro-rata rights	5	**11,098**	11,098
Contributed surplus	5	**7,422**	7,115
Accumulated other comprehensive income		**(198)**	(195)
Deficit		**(306,937)**	(294,395)
		(42,116)	(29,878)
		31,575	40,067

Basis of presentation and going concern	2
Commitments and contingencies	8

(See Notes to the Condensed Consolidated Interim Financial Statements)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the three months ended March 31,

($ Cdn thousands)	Note	2025	2024
Revenue	6	**766**	401
Cost of sales		**715**	815
		51	(414)
Expenses			
General and administrative		**3,068**	3,374
Research and development		**5,246**	5,178
Sales and marketing		**1,779**	1,684
Share based compensation		**307**	275
Depreciation and amortization		**817**	1,207
Derecognition of lapsed warranty provision		**-**	-
Total operating expenses		**11,217**	11,718
Operating loss		**(11,166)**	(12,132)
Government subsidies		**(405)**	(509)
Foreign exchange gain		**(4)**	(92)
Loss on write off of assets		**-**	-
Other expenses (income)	7	**303**	(245)
Finance costs		**1,482**	438
Net loss		**(12,542)**	(11,724)
Other comprehensive income (loss)		**(3)**	(4)
Total comprehensive loss		**(12,545)**	(11,728)

(See Notes to the Condensed Consolidated Interim Financial Statements)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended March 31, 2025 and 2024
($ Cdn thousands)

	Note	Common Shares	Preferred Shares	Warrants and pro-rata rights	Contributed surplus	Accumulated other comprehensive Income	Deficit	Total equity
Balance as at December 31, 2023		2,771	243,479	11,098	6,227	16	(245,115)	18,476
Net loss		-	-	-	-	-	(11,724)	(11,724)
Other comprehensive income		-	-	-	-	(4)	-	(4)
Shares issued on exercise				-				
of stock options	5	5	-	-	-	-	-	5
Share-based payments	5	-	-	-	275	-	-	275
Balance as at March 31, 2024		2,776	243,479	11,098	6,502	12	(256,839)	7,028
Balance as at December 31, 2024		**3,020**	**243,479**	**11,098**	**7,115**	**(195)**	**(294,395)**	**(29,878)**
Net loss		**-**	**-**	**-**	**-**	**-**	**(12,542)**	**(12,542)**
Other comprehensive loss		**-**	**-**	**-**	**-**	**(3)**	**-**	**(3)**
Shares issued on exercise								
of stock options	5	-	-	-	-	-	-	-
Share-based payments	5	-	-	-	**307**	-	-	**307**
Balance as at March 31, 2025		**3,020**	**243,479**	**11,098**	**7,422**	**(198)**	**(306,937)**	**(42,116)**

(See Notes to the Condensed Consolidated Interim Financial Statements)

ATTABOTICS

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31,

($ Cdn thousands)	Note	2025	2024
Cash flows provided by (used in)			
Operating activities			
Net loss		**(12,542)**	(11,724)
Adjustments for:			
Foreign exchange loss (gain)		**(4)**	(92)
Depreciation and amortization		**817**	1,207
Loss on sale of asset		**-**	-
Finance costs		**1,482**	438
Other	7	**(108)**	(270)
Share based compensation	5	**307**	275
Derecognition of lapsed warranty provision		**195**	-
Cash used in operations before changes in non-cash working capital		**(9,853)**	(10,166)
Change in non-cash working capital		**7,297**	3,756
		(2,556)	(6,410)
Investing activities			
Purchase of property, plant, and equipment		**(480)**	(220)
Proceed from sale of property, plant and equipment		**-**	-
Interest received	7	**108**	270
		(372)	50
Financing activities			
Repayment of long-term debt		**(722)**	(751)
Proceeds from convertible debentures		**-**	10,069
Payment of lease liabilities		**(227)**	(333)
Proceeds from stock options exercised		**-**	5
Interest paid		**(165)**	(202)
		(1,114)	8,788
Effect of translation of foreign currency cash		**(376)**	56
Net (decrease) increase in cash		**(4,418)**	2,484
Cash and cash equivalents, beginning of period		**10,689**	11,118
Cash and cash equivalents, end of period		**6,271**	13,602

(See Notes to the Condensed Consolidated Interim Financial Statements)

1. STRUCTURE OF CORPORATION

Organization

Attabotics Inc. (the "Corporation") is privately held and incorporated in Canada. The Corporation provides robotic warehousing and fulfillment systems. In March 2018, the Corporation incorporated a subsidiary in Delaware USA named Attabotics (US) Corp. (the "Subsidiary").

The Corporation's head office is located at 7944 10th Street NE, Calgary, Alberta, Canada T2E 8W1.

Operations

The Corporation operates as a 3D robotics supply chain company. The Corporation has developed and is selling a robotic automated storage and retrieval system. The technology is used to support an automated fulfillment process in supply chain operations. The Corporation currently serves customers in both Canada and the United States and is preparing to enter additional international markets in the future. The Corporation is vertically integrated, performing the corporate R&D, design, software development, manufacturing, assembly, installation and aftermarket service functions from their Headquarters in Calgary.

2. BASIS OF PRESENTATION AND GOING CONCERN

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the financial reporting provisions of the lending agreements and annual signed waivers between the Corporation and:

- Business Development Bank of Canada dated January 17, 2019 and the amendments dated October 3, 2020 and April 10, 2023, and December 3, 2023, and February 11, 2025, and;
- 2762294 Ontario Limited and Export Development Canada dated November 8, 2022 and the amendments dated March 2, 2023, March 6, 2023, January 26, 2024, and February 4, 2025;

collectively referred to as ("the Agreements"). In accordance with the Agreements, the consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS"), with the exception of the accounting for convertible debentures, warrants and Series C preferred shares of the Corporation (referred to as the "disclosed basis of accounting"). These condensed consolidated interim financial statements were prepared using International Accounting Standard ("IAS") 34 - Interim Financial Reporting as at and for the three months period ended March 31, 2025. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 29, 2025.

These condensed consolidated interim financial statements were prepared by management and follow the same accounting policies and methods as the audited consolidated financial statements as at and for the year ended December 31, 2024, as described in Notes 2, 3, and 4. These condensed consolidated interim financial statements do not contain all the disclosures required for the annual consolidated financial statements. As a result, these condensed consolidated interim financial statements should be read in conjunction with the Corporation's previous annual consolidated financial statements for the year ended December 31, 2024.

Disclosed basis of accounting

The Corporation has accounted for the convertible debenture and Series C preferred shares on a disclosed basis of accounting. This includes the accounting for the related share purchase warrants and incremental pro-rata offerings and on a disclosed basis of accounting.

The Corporation accounted for the convertible debenture at amortized cost and on initial recognition recorded the fair value of the convertible debentures at the face value less any issuance costs. The Corporation will record interest based on the terms of the agreement and the amount the Corporation expects to repay at maturity using the effective interest rate method. This is not in compliance with IFRS®. Under IFRS®, the Corporation would be required to recognize the convertible debenture by separating the compound financial instrument into its component parts, the debt component as a liability and an equity component for the conversion feature. Given the conversion feature does not meet the "fixed for fixed" criteria under IFRS®, the equity component would be recorded as a derivative liability. Under IFRS®, the Corporation has the option to measure the entire hybrid contract at fair value with adjustments recorded to finance costs in the consolidated statements of operations and comprehensive loss.

The 2022 convertible debentures were issued with warrants. As the number of shares related to the warrants are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the warrants at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the warrants as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and recorded the warrants in warrants and pro-rata rights and as an expense as part of share-based payments. For the year ended December 31, 2021, the warrants were recorded at the initial amount of $96 with no adjustment to the amount and no additional expenses recorded for the years ended December 31, 2022, December 31, 2023, December 31, 2024 or for the three months ended March 31, 2025. Consistent with equity instruments under IFRS®, the Corporation did not revalue the warrants for the years ended December 31, 2023, December 31, 2024, or for the three months ended March 31, 2025. The warrants are recorded under warrants and pro-rata rights rather than a financial liability. This is not in compliance with IFRS®.

The Corporation closed a Series C preferred share issuance on November 8, 2022. Upon close, the convertible debentures were converted into preferred shares. Under IFRS®, the Corporation would be required to fair value the debt and equity components of the compound instrument prior to conversion. The Corporation did not recognize these fair value adjustments. This is not in compliance with IFRS®.

The Series C preferred shares were issued with an incremental pro-rata offering. The incremental pro-rata offering contains a down-round provision resulting in a variable quantity of shares. As the number of shares related to the incremental pro-rata offering are not a fixed amount, it does not meet the fixed-to-fixed criteria under IFRS®, which the Corporation would be required to recognize the incremental pro-rata offering at fair value through profit and loss as a financial liability. Instead, the Corporation has accounted for the incremental pro-rata offering as an equity instrument and records them as if it did meet the fix-to-fix criteria under IFRS® and report them under warrants and pro-rata rights rather than a liability. This is not in compliance with IFRS®. The Corporation has calculated the value of the options using a Black-Scholes model at the time of issuance and allocated the relative fair value of the preferred share issuance to the incremental pro-rata offering in warrants and pro-rata rights. This treatment is consistent with the convertible debenture warrants noted above. The Series C preferred shares were valued using the residual method. For the years ended December 31, 2023, December 31, 2024, and the three months ended March 31, 2025 the Corporation recorded $11,002 to warrants and pro-rata rights related to the incremental pro-rata offering.

Instead, the Corporation has not recognized these fair value adjustments. This is not in compliance with IFRS®.

Going concern

These consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to raise the necessary capital on terms acceptable to the Corporation and be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future.

As at March 31, 2025, the Corporation's cash and cash equivalents were $6,271 (December 31, 2024: $10,689) and the Corporation had a negative net working capital position of $42,908 (December 31, 2024: $30,805). The Corporation had a net loss for the three months ended March 31, 2025 of $12,542 (three months ended March 31, 2024: net loss of $11,724), a deficit of $306,937 as at March 31, 2025 (December 31, 2024: a deficit of $294,395), and a deficit from cash flows from operations of $2,556 for the three months ended March 31, 2025 (three months ended March 31, 2024: a deficit of $6,410). As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Until the Corporation can demonstrate the ability to generate significant sales volumes with positive margins, the Corporation's liquidity requirements will be dependent on its ability to continue to obtain additional debt or equity funding as required. The Corporation has secured a Master Services Agreement and initial Purchase Order with a global grocer. This could add the ability to generate revenues and positive cash flows from potential sales contracts and Purchase Orders. If the Corporation is unable to secure adequate financing, or significantly reduce planned expenditures, there could be a material adverse effect on the Company's ability to operate as a going concern.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses, and the classifications used in the consolidated statements of financial position, which could be material. The consolidated financial statements do not include adjustments that would be necessary if the going concern assumption was not appropriate.

3. LONG-TERM DEBT

	Note	**March 31, 2025**	December 31, 2024
Non-interest bearing facility	a	**254**	314
Equipment loan, variable base rate plus 0% interest per annum	b	**2,823**	3,269
Non-interest bearing facility	c	**2,794**	3,010
Total debt		**5,871**	6,593
Less current portion		**3,947**	4,400
Long term debt		**1,924**	2,193

Significant details of the facilities are summarized below.

The Corporation has obtained financing and received loans from four credit facilities. The subsidiary provides corporate guarantee against the equipment loan, variable base rate plus 0% per annum.

(a) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 30, 2018, to provide funding to the Corporation for a project to scale-up and commercialize a large robotic warehousing system. This is a non-interest bearing loan. Under the terms of the agreement the governmental agency will advance up to $1.3 million over a period of two years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2021, and ending March 1, 2026.

As at March 31, 2025, the Corporation had received funding of $1,300 (December 31, 2024: $1,300). The loan was initially recorded at the fair value of $1,074. The $226 initial discounted portion has been recorded as a reduction to research and development expenses. The related accretion for the three months ended March 31, 2025, has been included in finance costs in the consolidated statements of operations and comprehensive loss. During the three months ended March 31, 2025, the Corporation made principal payments of $61 (2024: $58). No adjustment to the fair market value has been made in 2024 or 2025. The fair market value of the facility as at March 31, 2025 is $254 (December 31, 2024: $314).

(b) Equipment loan, variable base rate plus 0% per annum

The Corporation entered into an agreement with a governmental agency on January 17, 2019, to provide equipment financing up to $10.7 million or 100% of purchase price of eligible equipment, whichever is less. As at March 31, 2025, a term loan of $2,823 (December 31, 2024: $3,269) was drawn against the credit facility. The term loan is interest payable only until November 30, 2020 and repayable monthly over a six-year term and matures on October 31, 2026. The interest rate is equal to 9.30% as at March 31, 2025 (December 31, 2024: 9.30%). The credit facility is secured by a general security agreement creating a first priority security interest on specific equipment financed under the loan and a security interest in all present and after acquired personal property of the Corporation, except consumer goods.

The Corporation shall perform and observe the financial covenants set out by lender, including for fiscal year end 2018: (i) Minimum Revenue of $25 million; (ii) Minimum EBITDA of $8.5 million; (iii) Minimum Tangible Equity of $14 million; (iv) Minimum Working Capital Ratio of 1:1:1; (v) Maximum Term Debt to Tangible Ratio of 1:1; and starting as of December 31, 2019, maintaining at all times a Fixed Charge Coverage Ratio equal to or greater than 1.1:1.

The Corporation was in violation of its financial covenants as at March 31, 2025 and December 31, 2024. The Corporation did not obtain a waiver from the lender prior to March 31, 2025, and the outstanding balance of $2,823 (December 31, 2024: $3,269) is presented within the current portion of long-term debt. The enforcement of financial covenants will continue to be reassessed by the lender and the Corporation going forward.

(c) Non-interest bearing facility

The Corporation entered into an agreement with a governmental agency on July 24, 2019 to provide funding to the Corporation for a project to scale-up manufacturing capacity. This is a non-interest bearing loan. Under the term of the agreement the governmental agency will advance up to $5 million over a period of three years. The funded amount shall be fully repaid in 60 monthly payments commencing April 1, 2023 and ending March 1, 2028.

As at March 31, 2025, the Corporation had received funding of $5,000 (December 31, 2025: $5,000). The loan was initially recorded at a fair value of $2,836. The $829 initial discounted portion has been recorded as a reduction to research and development expenses. The related accretion for the three months ended March 31, 2025, has been included in finance costs in the consolidated statements of operations and comprehensive loss. The fair market value of the facility as at March 31, 2025 is $2,794 (December 31, 2024: $3,010).

4. CONVERTIBLE DEBENTURES

The Corporation closed an unsecured convertible debenture financing arrangement on February 1, 2024, for gross proceeds of US $30 million.

	March 31, 2025	December 31, 2024
Balance - beginning of period	**46,234**	-
Proceeds received from issuance	**-**	40,748
Less: Finance charges	**222**	222
Fair value of convertible debentures on issuance	**46,012**	40,526
Accrued interest	**1,290**	3,094
Amortization of finance charges	**222**	195
Exchange difference	**(11)**	2,419
Balance - end of period	**47,513**	46,234

The unsecured convertible debenture terms are as follows:

- 12.00% per annum interest accruing daily, compounding annually to be accrued on the outstanding principal and will not become due until the maturity date.
- The maturity date is July 31, 2025.
- The convertible debenture will have a 20% discount rate at the time of conversion, with a conversion rate of 1 minus the discount rate.
- At the closing of the next qualified financing, all principal and interest outstanding shall be automatically converted into the qualified financing security, or into a separate class or series of shares with equivalent terms reflecting the lower issue price, if the Corporation undergoes a qualified financing at a price per share equivalent to the Conversion Rate multiplied by the cash issue price.
- The holder may convert the debenture at any point in time.

The convertible debentures shall be due and payable on July 31, 2025, unless it is earlier converted.

5. SHARE CAPITAL

(a) Common shares

Authorized:
As at March 31, 2025, 13,025,983 (December 31, 2024: 13,025,983) common shares are entitled to one vote per share and all shares rank equally with regard to the Corporation's residual assets.

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**4,896,502**	**3,020**	4,884,736	2,771
Shares issued on exercise of stock options	-	-	11,766	249
Balance - end of period	**4,896,502**	**3,020**	4,896,502	3,020

(b) Contributed surplus

The contributed surplus included in the Shareholders' Equity section of the consolidated statement of financial position comprises all share-based payment transactions that do not involve the issuance of shares and unexercised stock options.

(c) Preferred shares

Series A preferred shares

Authorized:
As at March 31, 2025, 1,148,721 (December 31, 2024: 1,148,721) Series A preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**1,148,721**	**7,732**	1,148,721	7,732
Shares issued during the period	-	-	-	-
Share issurance costs	-	**(79)**	-	(79)
Balance - end of period	**1,148,721**	**7,653**	1,148,721	7,653

Series B preferred shares

Authorized:
As at March 31, 2025, 1,294,164 (December 31, 2024: 1,294,164) Series B preferred shares not redeemable and subject to an annual, non-cumulative preferential dividend equal to 8% of the applicable Original Issue Price.

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**1,294,164**	**69,286**	1,294,164	69,286
Shares issued during the period	**-**	**-**	-	-
Share issurance costs	**-**	**(187)**	-	(187)
Balance - end of period	**1,294,164**	**69,099**	1,294,164	69,099

Series C preferred shares

Authorized:
4,136,449 (December 31, 2024: 4,136,449) Series C preferred shares not redeemable and subject to an annual, accumulating and cumulative preferential dividend equal to 8% of the applicable Original Issue Price. The dividends are payable upon a liquidation event and are therefore not accrued in the consolidated statements of financial position. As at March 31, 2025, the accrued dividends were $13,567 (December 31, 2024: $12,170).

The issuance contained an incremental pro-rata offering for gross proceeds of up to $25.0 million USD for a 30-month period subsequent to close. Upon issuance, the fair value of the incremental pro-rata offering was $11,002, classified as equity, and recorded under warrants and pro-rata rights (refer to Note 2 for a disclosed basis of accounting).

Issued:

	March 31, 2025		December 31, 2024	
	Number	**$**	Number	$
Balance - beginning of period	**3,144,880**	**169,949**	3,144,880	169,949
Shares issued during the period	**-**	**-**	-	-
Share issurance costs	**-**	**(3,222)**	-	(3,222)
Balance - end of period	**3,144,880**	**166,727**	3,144,880	166,727

(d) Options

The Corporation has adopted a stock option plan whereby a maximum of 10% of the issued and outstanding Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the stock option plan, options may be granted only to: (i) employees, officers, directors, and consultants of the Corporation; and (ii) employees, officers, directors, and consultants of an affiliate of the Corporation. As at March 31, 2025, the total option pool is 1,263,499 (December 31, 2024: 1,263,499) with 518,339 (December 31, 2024: 301,080) available to be issued.

The following summarizes the changes in outstanding options:

	March 31, 2025		December 31, 2024	
	Number	**Weighted average exercise price ($ Cdn)**	Number	Weighted average exercise price ($ Cdn)
Outstanding - beginning of the period	**701,330**	**10.24**	763,150	10.24
Granted	**67,600**	**15.72**	70,630	15.03
Forfeited	**(23,770)**	**15.13**	(120,684)	12.14
Exercised	**-**	**-**	(11,766)	4.67
Outstanding - end of the period	**745,160**	**10.58**	701,330	10.24
Exercisable - end of the period	**538,679**	**10.01**	511,158	9.53

6. REVENUE

There are five major categories: structure, robots, installation, permitting and service. Structure, installation and robots are recognized on an input method basis over time. Service is recognized over the term of the contracted service period. Please refer to significant accounting policies (note 3) for Corporation's revenue recognition policy.

In the following table, revenue is disaggregated by major products and services lines based on contracts with customers performance obligation.

For the three months ended March 31,	**2025**	2024
Structure, installation and robots	**-**	357
Service	**766**	44
Total revenue	**766**	401

The Corporation sells its products and services pursuant to fixed-price contracts. The transaction price used in determining the amount of revenue to recognize is based upon agreed contractual terms with the customer and may be subject to variability based on the best available information available to the Corporation.

Contract assets primarily relate to work performed and revenue recognized prior to invoice progress billing adjusted for variable consideration. There are no contract asses outstanding as at March 31, 2025 or December 31, 2024.

	March 31, 2025	December 31, 2024
Deferred revenue	**11,189**	8,102
Contract liabilities	**11,189**	8,102

Contract liabilities primarily relate to upfront payment of progress billing received from customers. As the Corporation's contracts are less than one year in duration, the Corporation has elected to apply the practical expedients to expense costs related to costs to obtain contracts and not disclose unfulfilled performance obligations.

7. OTHER INCOME AND EXPENSES

For the three months ended March 31,	2025	2024
Other income and expenses		
Interest income	**108**	270
Termination costs	**(411)**	(14)
Write down for inventory obsolescence	**-**	(11)
Total other income (expenses)	**(303)**	245

Other income and expenses contain items that occur outside of the normal operating activities of the Corporation.

8. COMMITMENTS AND CONTINGENCIES

Commitments

As at March 31, 2025, in the normal course of business, other than in relation to the office space leases and related facility services and long-term debt, the Corporation has no material obligations to make future payments, representing contracts and other commitments that are known and committed.

Contingencies

As at March 31, 2025, a statement of claim has been filed in the Alberta Court of King's Bench by a previous employee of the Corporation. The claim alleges wrongful dismissal of an employee by the Corporation. The claimant seeks damages totaling more than $3.1 million. The Corporation believes that this claim is without merit and litigation counsel is instructed to vigorously defend against the claim and, accordingly, the Corporation has not accrued a provision related to the claim.

As at March 31, 2025, the Corporation is awaiting judgement from a trial that concluded in October, 2024. The case concerns an intermediary customer requesting that the Corporation defend and indemnify the intermediary customer from claims asserted by the end user. The outcome is currently undeterminable and the Corporation has not accrued a provision related to the claim.

This is Exhibit F to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

____

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029
Phone #: 403 592 7120
Reference #: 1269907-2381

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Business Debtor Search For:

ATTABOTICS INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 18110104912
Registration Date: 2018-Nov-01

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2028-Nov-01 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23100612048	Renewal	2023-Oct-06

Debtor(s)

Block		Status
1	ATTABOTICS INC. 350 - 5010 RICHARD RD SW CALGARY, AB T3E 6L1	Current

Secured Party / Parties

Block		Status
1	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ON M2P 0A4	Current

Collateral: General

Block	Description	Status
1	ALL MONEY OR AMOUNTS ON DEPOSIT FROM TIME TO TIME WITH ANY OF	Current
2	ROYAL BANK OF CANADA, ROYAL BANK MORTGAGE CORPORATION, ROYAL	Current
3	TRUST CORPORATION OF CANADA OR THE ROYAL TRUST COMPANY.	Current
4	PROCEEDS: A SECURITY INTEREST IS CLAIMED IN ALL PRESENT AND	Current
5	AFTER-ACQUIRED GOODS (INCLUDING TRADE-INS), CHATTEL PAPER,	Current
6	SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND	Current
7	INTANGIBLES OF EVERY ITEM OR KIND THAT MAY BE DERIVED FROM	Current

8	THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED	Current
9	ABOVE, ALL INSURANCE PROCEEDS AND ANY PROCEEDS OF ANY OF THE	Current
10	FOREGOING.	Current

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 19022631763	Registration Type: SECURITY AGREEMENT
Registration Date: 2019-Feb-26	Registration Status: Current
	Expiry Date: 2032-Feb-26 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

19062902209	Amendment	2019-Jun-29
23070641209	Amendment	2023-Jul-06

Debtor(s)

Block 1

ATTABOTICS INC.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1

Status Current

Block 2

ATTABOTICS US, CORP.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1

Status Current

Secured Party / Parties

Block 1

BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3

Phone #: 604 666 1916 Fax #: 604 666 1573

Status Deleted by 19062902209

Block 2

BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3

Phone #: 604 666 1916 Fax #: 604 666 1573

Status Deleted by 23070641209

Email: legalwfsc@bdc.ca

Block		Status
3	BUSINESS DEVELOPMENT BANK OF CANADA 1500 - 1133 MELVILLE STREET VANCOUVER, BC V6E 4E5 Phone #: 604 666 1916 Fax #: 604 666 1573 Email: legalwfsc@bdc.ca	Current by 23070641209

Collateral: General

Block	Description	Status
1	All present and after-acquired personal property of the Debtors plus proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.	Current

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 22041920706 Registration Type: SECURITY AGREEMENT
Registration Date: 2022-Apr-19 Registration Status: Current
Expiry Date: 2032-Apr-19 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944 10 STREET NE CALGARY, AB T2E 8W1	Current

Secured Party / Parties

Block		Status
1	EXPORT DEVELOPMENT CANADA 150 SLATER STREET OTTAWA, ON K1A 1K3 Email: LS-directlending@edc.ca	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the Debtor and proceeds thereof: goods, chattel paper, investment property, documents of title, instruments, money, and intangibles.	Current

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 23121328791 Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Dec-13 Registration Status: Current

Expiry Date: 2028-Dec-13 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944 10TH STREET NE CALGARY, AB T2E8W1	Current

Secured Party / Parties

Block		Status
1	BANK OF MONTREAL/BANQUE DE MONTREAL 250 YONGE STREET, 9TH FLOOR TORONTO, ON M5B 2L7 Email: albertaprod@teranet.ca	Current

Collateral: General

Block	Description	Status
1	LF269 Pledge of Instruments and Assignment of Proceeds. All investments and other property pledged to and/or held with the secured party in the aggregate principal amount of $USD 50,000.00 USD Term deposit acct number 0002 9945 315 together with all of the debtor's present and future right, title, claim and interest in and to the moneys (comprising capital and interest) otherwise due or payable to the debtor or otherwise in connection with such investments, and all present and future renewals, replacements, re-investments, accretions, interest, income and proceeds thereof. Proceeds - all present and after-acquired personal property.	Current

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number:	23121328814	Registration Type:	SECURITY AGREEMENT
Registration Date:	2023-Dec-13	Registration Status:	Current
		Expiry Date:	2028-Dec-13 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944 10TH STREET NE CALGARY, AB T2E8W1	Current

Secured Party / Parties

Block		Status
1	BANK OF MONTREAL/BANQUE DE MONTREAL 250 YONGE STREET, 9TH FLOOR TORONTO, ON M5B 2L7 Email: albertaprod@teranet.ca	Current

Collateral: General

Block	Description	Status
1	LF269 Pledge of Instruments and Assignment of Proceeds. All investments and other property pledged to and/or held with the secured party in the aggregate principal amount of $200,000.00 Short Term Investment Certificate acct number 0002 9469 304 , together with all of the debtor's present and future right, title, claim and interest in and to the moneys (comprising capital and interest) otherwise due or payable to the debtor or otherwise in connection with such investments, and all present and future renewals, replacements, re-investments, accretions, interest, income and proceeds thereof. Proceeds - all present and after-acquired personal property.	Current

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 24012229829 Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Jan-22 Registration Status: Current

Expiry Date: 2028-Jan-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC. 7944-10TH STREET NE CALGARY, AB T2E 8W1	Current

Secured Party / Parties

Block		Status
1	EXPORT DEVELOPMENT CANADA 150 SLATER ST. OTTAWA, ON K1A 1K3 Email: edcequitytransactions@edc.ca	Current

Collateral: General

Block	Description	Status
1	Description: All present and after acquired personal property of the Debtor and proceeds thereof: goods, chattel paper, investment property, documents of title, instruments, money, and intangibles.	Current

Personal Property Registry
Search Results Report

Search ID #: Z18894306

Business Debtor Search For:

ATTABOTICS INC.

Search ID #: Z18894306 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:30:46

Registration Number: 24060626051 Registration Type: SECURITY AGREEMENT
Registration Date: 2024-Jun-06 Registration Status: Current
Expiry Date: 2026-Jun-06 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS INC 7944 10 STREET NE DOOR #14 A CALGARY, AB T2E8W1	Current

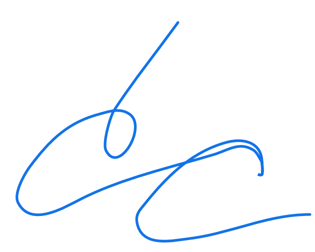
Secured Party / Parties

Block		Status
1	TRS RENTELCO 90 -A BRUNSWICK BOULEVARD DOLLARD DES ORMEAUX, QC H9B2C5 Email: FRANCES.BONNETT@TRS-RENTELCO.COM	Current

Collateral: General

Block	Description	Status
1	QTY ONE, OSCILLOSCOPE 4/32 MFG MODEL # TEK/MSO54B 5-BW-1000 ASSET # 1277708 SERIAL # B027179	Current

Result Complete



Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z18894329

Transmitting Party

OSLER HOSKIN & HARCOURT LLP

2700, 225 6 AVENUE SW
CALGARY, AB T2P 1N2

Party Code: 50084029
Phone #: 403 592 7120
Reference #: 1269907-2381

Search ID #: Z18894329 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:32:20

Business Debtor Search For:

ATTABOTICS (US), CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:

ATTABOTICS (US), CORP.

Search ID #: Z18894329 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:32:20

Registration Number: 19022631763 Registration Type: SECURITY AGREEMENT
Registration Date: 2019-Feb-26 Registration Status: Current
Expiry Date: 2032-Feb-26 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

19062902209	Amendment	2019-Jun-29
23070641209	Amendment	2023-Jul-06

Debtor(s)

Block **Status**
Current

1 ATTABOTICS INC.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1

Block **Status**
Current

2 ATTABOTICS US, CORP.
7944 - 10 STREET NE
CALGARY, AB T2E 8W1

Secured Party / Parties

Block **Status**
Deleted by
19062902209

1 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573

Block **Status**
Deleted by
23070641209

2 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573

Email: legalwfsc@bdc.ca

Block		**Status**
3	BUSINESS DEVELOPMENT BANK OF CANADA 1500 - 1133 MELVILLE STREET VANCOUVER, BC V6E 4E5 Phone #: 604 666 1916 Fax #: 604 666 1573 Email: legalwfsc@bdc.ca	Current by 23070641209

Collateral: General

Block	**Description**	**Status**
1	All present and after-acquired personal property of the Debtors plus proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.	Current

Personal Property Registry
Search Results Report

Search ID #: Z18894329

Business Debtor Search For:
ATTABOTICS (US), CORP.
Search ID #: Z18894329 **Date of Search:** 2025-Jun-27 **Time of Search:** 14:32:20

Registration Number: 24012326432
Registration Date: 2024-Jan-23

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2028-Jan-23 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	ATTABOTICS (US), CORP. 7944-10TH STREET NE CALGARY, AB T2E 8W1	Current

Secured Party / Parties

Block		Status
1	EXPORT DEVELOPMENT CANADA 150 SLATER ST. OTTAWA, ON K1A 1K3 Email: edcequitytransactions@edc.ca	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the Debtor and proceeds thereof: goods, chattel paper, investment property, documents of title, instruments, money, and intangibles.	Current

Result Complete

This is Exhibit G to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

SPI CORPORATE SOLUTIONS, INC.

Debtor Name	Jurisdiction	Type of Search	Thru Date	Results
ATTAbotics (US), Corp.	Delaware Secretary of State	UCC/FTL	06/16/2025	1 UCC No Federal Tax Liens

Delaware

The First State

CERTIFICATE

SEARCHED JUNE 27, 2025 AT 4:59 P.M.
FOR DEBTOR, ATTABOTICS (US), CORP.

1 OF 1	FINANCING STATEMENT	20204838514

EXPIRATION DATE: 07/14/2025

DEBTOR:	ATTABOTICS (US), CORP.		
	2400 MARINE AVE, SUITE 104	ADDED	07-14-20
	REDONDO BEACH, CA US 90278		
SECURED:	2762294 ONTARIO LIMITED		
	5650 YONGE STREET	ADDED	07-14-20
	NORTH YORK, CA M2M4H5		

F I L I N G H I S T O R Y

20204838514 FILED 07-14-20 AT 11:41 A.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, ATTABOTICS (US), CORP. AS OF JUNE 16, 2025 AT 11:59 P.M.

C. P. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

SECRETARY'S OFFICE DELAWARE 1793 1855

20262695376-UCC11
SR# 20253216038

Authentication: 204068071
Date: 06-27-25

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
CSC 1-800-858-5294

B. E-MAIL CONTACT AT FILER (optional)
SPRFILING@CSCGLOBAL.COM

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

CORPORATION SERVICE COMPANY
SPRINGFIELD, IL 62703
US

Delaware Department of State
U.C.C. Filing Section
Filed: 11:41 AM 07/14/2020
U.C.C. Initial Filing No: 2020 4838514

Service Request No: 20206212916

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
ATTABOTICS (US), CORP.

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2400 MARINE AVE, SUITE 104	REDONDO BEACH	CA	90278	US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
2762294 ONTARIO LIMITED

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
5650 YONGE STREET	NORTH YORK		M2M 4H5	CA

4. COLLATERAL: This financing statement covers the following collateral:

All assets of the Debtor whether now existing or hereafter arising or acquired, including all proceeds thereof.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

This is Exhibit H to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

____

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

FORM 86

Notice of Intention to Enforce a Security

(Rule 124)

TO: Attabotics Inc. and Attabotics (US) Corp. (collectively, the “**Debtors**”), each an insolvent person;

Take notice that:

1. Export Development Canada (the "**Secured Creditor**"), a secured creditor, intends to enforce its security on the Debtors’ property described below:

    a) A continuing security interest in all the Debtors’ present and after-acquired personal property.

2. The security that is to be enforced is in the form of, *inter alia*, the agreement referred to in Schedule “A” (the “**Security Agreement**”).

3. The total amount of indebtedness secured by the above-described security as at June 18, 2025 was the sum of US$33,782,341 plus additional interest, costs, fees and expenses.

4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Toronto, Ontario this 18th day of June 2025.

EXPORT DEVELOPMENT CANADA, by its counsel, Norton Rose Fulbright Canada LLP

Per: Evan Cobb

Name: Evan Cobb

Title: Partner

Schedule "A"

1. General Security Agreement from Attabotics Inc. and Attabotics (US) Corp. in favour of Export Development Canada, dated February 1, 2024;

CONSENT

TO: EXPORT DEVELOPMENT CANADA (the “**Secured Creditor**”)

FROM: ATTABOTICS INC. AND ATTABOTICS (US) CORP. each an insolvent person (the “**Insolvent Persons**”)

The Insolvent Persons acknowledge receipt of a Notice of Intention to Enforce Security dated June 18, 2025 delivered by the Secured Creditor.

For consideration received, the receipt and sufficiency of which are hereby acknowledged, the Insolvent Persons hereby consent to the immediate enforcement by the Secured Creditor of the security held by the Secured Creditor from the Insolvent Persons, and for the same consideration waives any further notice from the Secured Creditor with respect to the enforcement of its security and the exercise of the other remedies of the Secured Creditor against the Insolvent Persons.

DATED this ______ day of June, 2025

ATTABOTICS INC.

By: ________________________________

Name:

Title:

ATTABOTICS (US) CORP.

By: ________________________________

Name:

Title:

This is Exhibit I to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

This is Exhibit J to the Affidavit of
Edna Conway sworn before me
this 3rd day of July, 2025

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Certificate of Execution

1. I, Luke Wurmlinger, being a Commissioner for Oaths in and for Alberta:

    a. witnessed the signature of Edna Conway, named in the attached Affidavit, in a single session during which I was able at all times to see and hear the person swearing the Affidavit by two-way videoconferencing;

    b. saw Edna Conway, who, on the basis of the government-issued photo identification shown to me, I reasonably believe to be the person named in the Affidavit, duly sign and execute the Affidavit;

    c. am reasonably satisfied that this process was necessary because it was impossible or unsafe, for medical reasons, for Edna Conway and I to be physically present together; and

    d. have complied with the requirements established by the Law Society of Alberta with respect to this type of witnessing in effect at the date of the Affidavit.

2. The Affidavit was signed at Merrimack, Hillsborough, New Hampshire, USA, and I am the subscribing witness thereto.

3. I believe that the person whose signature I witnessed is at least eighteen (18) years of age.

4. I am executing this document separate and apart from any other person.

The attached Affidavit was sworn before me, a Commissioner for Oaths in and for Alberta, at the City of Calgary, in the Province of Alberta, by two-way videoconferencing with the deponent, who was at Merrimack, Hillsborough, New Hampshire, USA this 3rd day of July 2025, on the basis of evidence provided to me that enabled me to verify the deponent's identity and confirm the contents of the document being executed.

A Commissioner for Oaths in and for Alberta

Luke Bronson Wurmlinger
Student-at-Law