

**THE KING'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c.B-3, AS AMENDED AND SECTION 55 OF *THE KING'S BENCH ACT*, C.C.S.M. c.C280

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant,

-and-

KROMAR PRINTING LTD.

Respondent.

**FOURTH REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
KROMAR PRINTING LTD.**

February 3, 2026

RECEIVER

BDO CANADA LIMITED
201 Portage Avenue, 26th Floor
Winnipeg, Manitoba R3B 3K6
Brent Warga
Ph: (204) 956-7200
Fax: (833) 888-1679
Email: bwarga@bdo.ca

COUNSEL TO THE RECEIVER

Pitblado Law
2500 – 360 Main Street
Winnipeg, Manitoba R3C 4H6
Catherine Howden
Ph: (204) 956-3532
Fax: (204) 957-0227
Email: howden@pitblado.com

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INTRODUCTION

1. On November 30, 2023 (the “**Date of Receivership**”), Business Development Bank of Canada (“**BDC**” or the “**Applicant**”) made an application to the Court of King’s Bench for Manitoba (the “**Court**”) seeking an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”) and section 55 of the *King’s Bench Act*, C.C.S.M. c. C280, to appoint Deloitte Restructuring Inc. (“**Deloitte**”) as receiver, without security, of all the assets, undertakings, and properties (the “**Property**”) of Kromar Printing Ltd. (“**Kromar**” or the “**Company**”) acquired for or used in relation to the business carried on by the Company. On December 1, 2023, the Honourable Justice C. Martin signed an order (the “**Receivership Order**”) appointing Deloitte as receiver in respect of the Property.
2. On December 22, 2023, the Court granted an order (the “**December 22, 2023 Order**”), substituting BDO Canada Limited (“**BDO**”) in place of Deloitte as the receiver (the “**Receiver**”). All references to the Receiver prior to the December 22, 2023 Order refer to Deloitte, and all references to the Receiver after the granting of the December 22, 2023 Order refer to BDO.
3. On February 11, 2025, the Court granted an order (the “**Ancillary Order**”) approving, amongst other relief, the sealing of the confidential report of the Receiver dated February 7, 2025 (the “**Confidential Report**”), increasing the Receiver’s Borrowings Charge to \$800,000, and approving the reported actions and activities of the Receiver, inclusive of the Receiver’s interim statement of receipts and disbursements, as detailed in the Receiver’s first report dated February 7, 2025 (the “**First Report**”).
4. On March 17, 2025, the Court granted an order (the “**SAVO**”) approving, amongst other relief, the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale dated July 11, 2024, and the amending agreement dated February 18, 2025 (collectively, the “**Sale Agreement**”), between the Receiver and Nawoc Holdings Ltd. (“**Nawoc**” or the “**Purchaser**”), and the sealing of the second confidential report of the Receiver dated March 7, 2025 (the “**Second Confidential Report**”).

5. On November 26, 2025, the Court granted an order increasing the Receiver’s Borrowings Charge to \$1,100,000, approving the reported actions and activities of the Receiver (inclusive of the Receiver’s interim statement of receipts and disbursements, as detailed in the Receiver’s second report dated November 21, 2025 (the “**Second Report**”), and sealing the third confidential report of the Receiver dated November 21, 2025 (the “**Third Confidential Report**”).
6. On January 15, 2026, the Court granted an order discharging the Receiver, provided that notwithstanding such discharge:
 - (a) The Receiver shall remain Receiver for the performance of such routine administrative tasks as may be required to complete the administration of the proceedings; and
 - (b) The Receiver shall remain the Receiver for the determination and finalization of any payment of outstanding invoiced expenses incurred in the Receivership to Pinchin Ltd., J Hansen HVAC Group, Miller Environmental (collectively, the “**Receivership Creditors**”) and Nawoc (and together with the Receivership Creditors the “**Unpaid Creditors**”) as detailed in paragraph 32 and Appendix E of the third report of the Receiver dated January 14, 2026 (the “**Third Report**”), to be determined by further order of the Court upon notice to the Unpaid Creditors, and shall not be discharged for liability in respect to the matters relating to the Unpaid Creditors pending further order of the Court.
7. All of the Court Orders (collectively, the “**Orders**”) and other information regarding the receivership proceedings can be accessed on the Receiver’s website at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/kromarprinting>.
8. This report constitutes the fourth report of the Receiver (the “**Fourth Report**”) and is being filed to inform the Court as to the activities of the Receiver, Nawoc, and BDC subsequent to the November 26, 2025 Court hearing (the “**November 26, 2025 Hearing**”) in these proceedings.

9. Furthermore, this Fourth Report is being filed in support of the Receiver's motion to this Honourable Court on February 11, 2026, seeking the following:
 - (a) Approval of the Fourth Report and the reported actions of the Receiver detailed herein in respect of administering these receivership proceedings, including the approval of the Proposed Payments (as defined below) for certain outstanding expenses of the Receiver; and
 - (b) An Order providing for the discharge of the Receiver once the Proposed Payments are completed.

TERMS OF REFERENCE

10. In preparing this Fourth Report, the Receiver has relied upon unaudited financial information, the books and records of the Company, and discussions with former management of the Company, interested parties, and the stakeholders of the Company.
11. The financial information of the Company has not been audited, reviewed or otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this Fourth Report may not disclose all significant matters about the Company. Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Fourth Report.
12. Unless otherwise stated, all monetary amounts contained in this Fourth Report are expressed in Canadian dollars.

13. Capitalized terms used in this Fourth Report but not defined herein are as defined in the Orders and the various other reports filed by the Receiver in these proceedings.

ACTIVITIES OF THE RECEIVER, NAWOC, AND BDC SUBSEQUENT TO THE NOVEMBER 26, 2025 HEARING

14. As detailed in the Second Report and presented to the Court at the November 26, 2025 Hearing, in the absence of an increase in the Receiver's Borrowings Charge, the Receiver had insufficient funds available to satisfy both its outstanding commitments, and to continue with the receivership proceedings. Attached as Appendix H to the Third Confidential Report was a schedule detailing the forecast usage of the requested \$300,000 increase in the Receiver's Borrowings Charge, primarily needed to address the outstanding trade creditors, the outstanding (and ongoing) professional fees of the Receiver and its legal counsel, and to continue to hold the Property status quo to January 31, 2026 while the Receiver, Nawoc, and BDC determined if the Transaction could be closed on an expeditious basis.
15. Prior to the November 26, 2025 Hearing, BDC advised the Receiver that it would not commit to funding any additional borrowings. At the November 26, 2025 Hearing, BDC did not object to the increase in the Receiver's Borrowings Charge and any additional borrowings being *pari passu* with the funds previously advanced by BDC, but BDC would not commit to funding same.
16. As detailed in the Third Confidential Report, on November 28, 2025, the Receiver (and its counsel) coordinated a group call (the "**MB Regulator Call**") with Nawoc (and its counsel), the Environmental Consultant (Pinchin Ltd.), and the Manitoba Provincial Environmental Regulator (the "**MB Regulator**") to discuss the Property and the environmental findings to-date. Although only verbally discussed, the MB Regulator provided the following comments:
 - (a) As the extent of the environmental contamination has not yet been delineated, additional drilling was required to ascertain if the contamination was leaving the Property;

- (b) Given the location of the Property, removal (and a complete remediation) of the impacted soil was not likely feasible (from a cost perspective);
 - (c) The identified indoor air quality exceedances will have to be addressed (likely through ventilation);
 - (d) An ongoing monitoring plan will be necessary to monitor that the contamination is not worsening over time; and
 - (e) As none of Kromar, the Receiver, or Nawoc created or contributed to the environmental contamination, none of the parties would be responsible for full scale remediation, although the Purchaser would be responsible for ongoing monitoring at the Property.
17. Although counsel for Nawoc, Taylor McCaffrey LLP (“**Taylor McCaffrey**”), expressed some concern about potential future civil liability that may result from adjacent property owners if the contamination was leaving the Property (the “**Liability Concern**”), there was no indication on November 28, 2025 that Nawoc was considering abandoning the Transaction.
18. On December 2, 2025, the Receiver corresponded with the Purchaser by e-mail in respect of the MB Regulator Call, and the next immediate steps to try to expeditiously close the Transaction. On December 3, 2025, by return e-mail Mike Foy (“**Mr. Foy**”), the principal of Nawoc, advised that he was travelling and was awaiting an opinion from Taylor McCaffrey in respect of the environmental matters at the Property, and that a call be scheduled for December 5, 2025 amongst Nawoc and the Receiver.
19. On December 5, 2025, the Receiver and Mr. Foy discussed various matters in respect of the Property, inclusive of the Liability Concern. On December 8, 2025, Nawoc requested any updated Phase II Environmental Site Assessment (the “**Phase II ESA**”) reporting, and the Receiver provided the final August 8, 2025 Supplemental Phase II ESA (a draft of which was previously circulated to Nawoc on August 11, 2025, and was attached as Appendix B to the Third Confidential Report) that same day.

20. On December 8, 2025, the Receiver arranged a call with BDC to further discuss the MB Regulator Call (which was attended by BDC’s legal counsel, MLT Aikins LLP) and the ongoing dialogue the Receiver was having with Nawoc in respect of the Transaction and funding of the receivership proceedings.
21. On December 10, 2025, the Receiver and Mr. Foy arranged a further call to discuss the Property and various options for continued funding of the receivership proceedings, a potential reduction in the purchase price to expeditiously close the Transaction, and the possibility of BDC funding Nawoc to redevelop the Property post-Transaction closing. The Receiver undertook to summarize the various options discussed with Mr. Foy and provided same in draft (the “**Draft Options Summary**”) to Mr. Foy on December 11, 2025 for review.
22. The Receiver corresponded with Mr. Foy on December 15, 2025 to determine if the Draft Options Summary accurately represented the options that Nawoc was prepared to move forward with, as the Receiver intended to share and discuss same with BDC. After a further call with Mr. Foy on December 15, 2025 to discuss the Draft Options Summary, certain amendments were made and the options summary was finalized (the “**Final Options Summary**”) on December 16, 2025, was approved by Nawoc, and was provided to BDC that same day. The Final Options Summary is attached as Appendix A to the Confidential Supplement to the Fourth Report dated February 3, 2026 (the “**Fourth Confidential Supplement**”).
23. On December 22, 2025, the Receiver arranged a call with BDC to discuss the Final Options Summary. In order to assess the Final Options Summary and certain of the representations therein, on December 23, 2025, with the consent of BDC, the Receiver shared BDC’s contact details with Mr. Foy such that BDC and Nawoc could discuss facets of the Final Options Summary directly, without the Receiver’s involvement.
24. On January 8, 2026, the Receiver was advised by BDC that it was able to connect with Mr. Foy on or about January 7, 2026, and that after that discussion, BDC had decided on the option that it was prepared to proceed with (further details of which are included in the Fourth Confidential Supplement). The option selected did not include any additional

advances from BDC.

25. On January 9, 2026, the Receiver contacted Mr. Foy to advise of BDC's decision, and for the first time, was apprised that Nawoc was abandoning the Transaction. With the support of BDC, the Receiver arranged for the January 15, 2026 Court hearing to seek its immediate discharge.

TRUST FUNDS

26. As detailed in Statement of Receipts and Disbursements (for the period November 30, 2023 to January 12, 2026) attached as Appendix C to the Third Report, the Receiver is holding \$60,514 in trust (the "**Residual Trust Funds**").
27. At the time of filing the Third Report, the Receiver was of the view that the Receivership Creditors and Nawoc should share in the Residual Trust Funds on a *pro rata* basis. Since the filing of the Third Report, and after consultation with BDC, the Receiver raises the following for consideration by the Court:
 - (a) As detailed in the in the first addendum to the APA dated February 18, 2025 (the "**APA Addendum**") (a redacted version of which was attached as Appendix B to the Supplement to the First Report dated March 7, 2025, and an unredacted version of which was attached as Appendix A to the Second Confidential Report), paragraph 5 thereof detailed that Nawoc authorized the Receiver to utilize up to the whole of the \$250,000 deposit (the "**Deposit**") to fund the completion of the heating system installation at the Property (the "**Heating Solution**"), which the Receiver completed with the Deposit.
 - (b) The APA Addendum further detailed at paragraph 9, that in the event the Purchaser's Initial Conditions (as defined therein) as set out in Section 4.1(1)(a) of the APA are not satisfied or waived by the Purchaser, the Receiver shall forthwith refund the Deposit, and if the Receiver has no funds available to do so it will borrow funds as are necessary pursuant to the Increased Receiver's Borrowings Charge (as defined therein as an amount not exceeding \$800,000) in order to fund any required repayment.

- (c) In support of the Receiver's motion that was heard at the November 26, 2025 Hearing, the Second Report detailed that the Receiver had exhausted the \$800,000 Receiver's Borrowings Charge, and that as at November 17, 2025, the Receiver was holding \$83,864 in trust. Paragraph 36 of the Second Report further detailed that an increase in the Receiver's Borrowings Charge of \$300,000 was necessary for the ongoing Phase II ESA work, ongoing holding costs of the Property, outstanding professional fees, and the ongoing costs of the receivership proceedings.
 - (d) As Nawoc, BDC, and the Receiver were all continuing efforts to close the Transaction as at the November 26, 2025 Hearing, there was no contemplation of any further amendment to the APA (in the event that the Transaction did not close) to address the refunding of the Deposit from any additional increase in the Receiver's Borrowings Charge beyond \$800,000.
28. Given the above, it was known to the Purchaser at the November 26, 2025 Hearing that the Receiver had insufficient funds to repay the Deposit (if necessary) and to pay the various unpaid creditors in the receivership proceedings. Although the Receiver recognizes that Nawoc may be entitled to the refund of the Deposit pursuant to the terms of the Sale Agreement, the Receiver notes the following actions and activities of Nawoc subsequent to the November 26, 2025 Hearing:
- (a) On November 28, 2026, Nawoc actively participated in the MB Regulator call (as discussed above);
 - (b) Nawoc formulated and then discussed the Final Options Summary with both the Receiver and BDC, which options were being reviewed and considered by both BDC and Nawoc up until January 9, 2026;
 - (c) The Final Options Summary proposed by Nawoc detailed options that had either BDC or Nawoc continuing to fund the receivership proceedings;
 - (d) Up until January 9, 2026, Nawoc continuously communicated to the Receiver that the environmental state of the Property was not an insurmountable obstacle, and that Nawoc was committed to moving forward with the Transaction (albeit with some

potential purchase price adjustment given the Phase II ESA results to date);

- (e) Nawoc was apprised of all Phase II ESA results and reporting during the proceedings, and the environmental state of the Property did not change subsequent to the November 26, 2025 Hearing (as no additional testing was performed thereafter); and
 - (f) January 9, 2026 was the first notice the Receiver was provided that the Purchaser was abandoning the Transaction.
29. Given Nawoc's knowledge of the Property, status of the Receiver's accounts, and the necessity for the Receiver's request for a further increase in the Receiver's Borrowings Charge at the November 26, 2025 Hearing, the Receiver is of the view that although Nawoc may be an "unsecured creditor" for the Deposit, Nawoc ought to be treated differently than the Receivership Creditors, and any entitlement that Nawoc may have to the Residual Trust Funds should rank behind the Receivership Creditors.
30. The Receiver further understands that BDC is supportive of the Receiver's conclusion in respect of the uncertainty around the refunding of the Deposit, and accordingly, BDC is prepared to support the below payments (the "**Proposed Payments**") to the Receivership Creditors (and certain other unpaid receivership creditors not quantified at the time of the Third Report), by way of a voluntary further total advance of \$179,904 (the "**Additional BDC Advance**") under the extant Receiver's Borrowings Charge of \$1,100,000 on the condition that the Additional BDC Advance be used exclusively for the Proposed Payments:

**Kromar Printing Ltd.
In Receivership
Proposed Payments**

	Amount	
Additional Advances by BDC	\$	179,904
Unpaid Receiver Fees to January 9, 2026	84,323	
Unpaid Legal Fees to January 9, 2026	59,542	143,865
Residual Funds to be Applied to Unpaid Invoices of the Receiver	\$	36,039
Funds Held in Trust - January 12, 2026	\$	60,514
Final Payment on Liquidation of Equipment (Outstanding Deposit)		8,800
Interest		124
Residual Funds to be Applied to Unpaid Invoices of the Receiver		36,039
Funds Available	\$	105,477
Proposed Payments		
	Balance Owing	Payment
(1) BDO Canada Limited		
Approved Estimated Costs to Complete	10,500	3,074
(2) Pitblado LLP		
Approved Estimated Costs to Complete	8,400	2,459
(3) Pinchin (Environmental Consultant)		
24-Jul-25 1666145	5,250	
27-Aug-25 1668972	47,880	
07-Oct-25 1672987	23,520	76,650
(4) The JHanson HVAC Group		
26-Sep-25 5304-1	754	
12-Oct-25 5857-1	5,357	
07-Dec-25 7963-1	2,521	8,632
(5) Miller Environmental		
08-Aug-25 SI015198		13,492
(6) Alpha Masonry (Scaffolding)		
28-Nov-25 10860	300	
28-Dec-25 10893	300	601
(7) Protelec		
02-Jan-26 184744		70
(8) R. Cohen (onsite attendance)		
TBD		500
Subtotal		105,477
Surplus / (Shortfall)	\$	-

31. At all material times between the November 26, 2025 Hearing and January 9, 2026, the Receiver managed the receivership proceedings in good faith in an effort to culminate the Transaction with Nawoc in such a manner that would be supported by BDC. As detailed

in the table above, as the quantum of the Additional BDC Advance is insufficient to satisfy all the unpaid creditors and the fees and disbursements of the Receiver and its legal counsel subsequent to January 12, 2026, both the Receiver and its counsel have agreed to limit further recoveries of their respective outstanding accounts to ensure that the known invoiced and unpaid creditors in the receivership proceedings have been paid in full.

APPROVALS SOUGHT

32. For the reasons outlined above, the Receiver respectfully requests that the Court provide an Order:
- (a) approving the Fourth Report and the reported actions of the Receiver detailed therein in respect of administering these receivership proceedings, including approving the Proposed Payments;
 - (b) approving that the Additional BDC Advance shall be for the exclusive purpose of the Proposed Payments and shall be added to the Receiver's Borrowings Charge which was continued under the Order granted on January 15, 2026;
 - (c) that upon the Receiver filing with this Honourable Court its discharge certificate (the "**Receiver's Discharge Certificate**") confirming that the Receiver has completed the Proposed Payments, that BDO be discharged from any and all liability, save and except for any liability arising out of gross negligence or willful misconduct on the part of the Receiver, provided that notwithstanding such discharge:
 - (i) the Receiver shall remain Receiver for the performance of such routine administrative tasks as may be required to complete the administration of these proceedings; and
 - (ii) the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections, and stays of proceedings in favor of BDO in its capacity as Receiver; and
 - (d) granting such further and other relief that the Court considers just and warranted in

the circumstances.

All of which is respectfully submitted at Winnipeg, Manitoba, this 3rd day of February 2026.

BDO CANADA LIMITED

In its capacity as Receiver of
Kromar Printing Ltd.
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT
Senior Vice-President