



Telephone: (902) 425-3100
Fax: (902) 425-3777
www.bdo.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

**District of Nova Scotia
Division No. 1 - Halifax
Court File No. 45907
Estate No. 51-3134197**

**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 MOTRYX INC.**

**THIRD REPORT OF THE PROPOSAL TRUSTEE
December 16, 2024**

TABLE OF CONTENTS

INTRODUCTION.....	4
PURPOSE	5
TERMS OF REFERENCE	5
PROPOSED SALE PROCESS.....	6
APPROVAL OF STALKING HORSE AGREEMENT	11
PROPOSED ENHANCED POWERS OF THE PROPOSAL TRUSTEE.....	12
PROPOSAL TRUSTEE RECOMMENDATIONS.....	13

LIST OF APPENDICES

Appendix A - First Report of the Proposal Trustee dated October 16, 2024

Appendix B - Initial Order granted by the Court on October 22, 2024

Appendix C - Critical Supplier Order granted by the Court on October 22, 2024

Appendix D - Second Report of the Proposal Trustee dated December 2, 2024

Appendix E - Second Extension Order granted by the Court on December 5, 2024

INTRODUCTION

1. On September 27, 2024, (the “**Filing Date**”), Motryx Inc. (“**Motryx**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited, a Licensed Insolvency Trustee, was named proposal trustee (“**Proposal Trustee**”) in the Company’s proposal proceedings (the “**Proposal Proceedings**”).
2. On October 16, 2024, the Proposal Trustee prepared a report (the “**First Report**”) to the Supreme Court of Nova Scotia (the “**Court**”) in advance of the Company’s motion on October 22, 2024. A copy of the First Report with appendices is attached hereto as **Appendix “A”**. A high-level overview of the Company’s history, operations, its assets, the sole secured creditor involved in these proceedings, and the events giving rise to the Company’s decision to file an NOI pursuant to the provisions of the BIA are included within the First Report.
3. On October 22, 2024, the Court issued an order (the “**Initial Order**”) to grant the following material relief:
 - a. extending the initial stay period from October 27, 2024 up to and including December 6, 2024;
 - b. approving an administration charge (the “**Administration Charge**”) in the amount of \$125,000, in favour of the Company’s counsel, the Proposal Trustee and its counsel against the Company’s assets (the “**Assets**”), as security for their respective fees and disbursements incurred at the standard rates and charges of the professionals involved with the Company’s restructuring; and
 - c. approving the debtor-in-possession financing (the “**DIP Financing**”) to be provided by Aerocom GmbH & Co. (“**Aerocom**” or the “**DIP Lender**”) and the associated DIP Financing charge (the “**DIP Financing Charge**”) against the Company’s Assets.

A copy of the Initial Order granted by the Court is attached hereto as **Appendix “B”**.

4. Also on October 22, 2024, the Court issued an order (the “**Critical Supplier Order**”) authorizing the Company to make certain payments to current employees for pre-filing payroll and related source deductions, an employee expense reimbursement, and to pay certain critical suppliers for pre-filing obligations. A copy of the Critical Supplier Order granted by the Court is attached hereto as **Appendix “C”**.

5. On December 2, 2024, the Proposal Trustee prepared a report (the “**Second Report**”) to the Court in advance of the Company’s motion on December 5, 2024. A copy of the Second Report with appendices is attached hereto as **Appendix “D”**.
6. On December 5, 2024, the Court issued an order (the “**Second Extension Order**”) extending the stay period from December 6, 2024 up to and including January 17, 2024. A copy of the Second Extension Order granted by the Court is attached hereto as **Appendix “E”**.

PURPOSE

7. The purpose of this third report of the Proposal Trustee (the “**Third Report**”) is to:
 - a. provide the Court with information regarding the Company’s motion to seek an order (the “**Proposed Order**”):
 - i. approving the sale and investment solicitation process (“**Sale Process**”), and authorizing the Proposal Trustee to conduct the proposed Sale Process;
 - ii. approving the stalking horse asset purchase agreement dated December 13, 2024 (the “**Stalking Horse Agreement**”), between the Company (as the “**Vendor**”) and Aerocom, or its nominee (as the “**Stalking Horse Purchaser**”); and
 - iii. approving such further and other relief as the Court may deem just and equitable.
 - b. the Proposal Trustee’s recommendations on the relief being sought by the Company.
8. Copies of Court materials filed in these proceedings may be obtained from the Proposal Trustee’s website established in connection with the NOI administration

<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/motryx>

TERMS OF REFERENCE

9. In preparing this Third Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon unaudited financial information, books and records and financial information prepared by the Company, discussions with the management and employees of the Company and other information from various sources (collectively the “**Information**”).
 - a. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness

of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information; and

- b. Some of the Information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accounts Canada Handbook, has not been performed.
- 10. Future-oriented financial information referred to in this Third Report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
 - 11. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Third Report concerning the Company and its business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
 - 12. All references to monetary amounts in this Third Report are in Canadian dollars unless otherwise noted.

PROPOSED SALE PROCESS

- 13. Any terms not expressly defined in this section are otherwise defined in the Sale Process. A copy of the Sale Process is attached as Appendix A to the Proposed Order filed by the Company as part of its motion materials filed with the Court on December 13, 2024.
- 14. The Proposed Order confirms that the Company intends to seek Court approval of the Sale Process. The Company also seeks Court acceptance and approval of the Stalking Horse Agreement for the purpose of the Sale Process, a copy of which is attached as Schedule A to the Sale Process as filed by the Company with the Court. Additionally, the DIP Loan recognized that Aerocom, or its nominee, was in negotiations to become the Stalking Horse Purchaser.
- 15. To reassure Motryx's customer base and its employees that a going-concern company would emerge from the Proposal Proceeding, and that the critical funding would be secured throughout, the Company and the Stalking Horse Purchaser entered into the Stalking Horse Agreement on December 13, 2024. It is proposed that the Stalking Horse Agreement serve as the Stalking Horse Bid (as defined below) in the Sale Process.
- 16. The Company, in consultation with the Proposal Trustee, developed the Sale Process, which is intended to solicit interest in the Assets of the Company (the "Transaction").

17. The Proposal Trustee considers that it is qualified to administer the Sale Process, for the following reasons:
- a. it has experience conducting similar sales processes;
 - b. it is independent of the Company; and
 - c. it will ensure that the Sale Process is thorough and robust, fair, transparent, and efficient for the benefit of the Company's stakeholders.
18. The proposed Sale Process timeline is set out in the following table:

Milestone	Deadline
Deadline to publish notice of Sale Process and deliver Teaser Letter and NDA to Potential Bidders (as defined below)	Monday, December 23, 2024
Bid Deadline (as defined below)	Friday, February 7, 2025
Deadline to top-up Deposit (as defined below)	Wednesday, February 12, 2025
Auction (as defined below)	Friday, February 14, 2025
Hearing of the Approval and Vesting motion (as defined below)	No later than Friday, February 28, 2025, subject to the availability of the Court

19. The Sale Process serves to solicit and identify parties that wish to make a formal offer to purchase the Company's Assets (the "**Opportunity**").
20. The Proposal Trustee is of the view that the proposed Sale Process timeline is reasonable in the circumstances as it allows the Proposal Trustee and the Company adequate time to inform and work with Potential Bidders (as defined below) to ascertain if there is meaningful interest in the Opportunity.
21. The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company, as a going concern or a sale of all, or substantially all, of the Company's Assets.
22. The Proposal Trustee, in conjunction with the Company, will develop a list of potential bidders (the "**Potential Bidders**"). This list will be comprised of those parties that have previously shown interest in transacting with the Company, as well as other potential strategic and financial parties who the Company and the Proposal Trustee believe may be interested in the Opportunity.

23. The Proposal Trustee will also prepare the teaser letter ("**Teaser**"), a process summary describing the Opportunity, and a non-disclosure agreement (the "**NDA**").
24. In addition, the Proposal Trustee will arrange for a notice of the Sale Process to be published in The Globe and Mail newspaper, on the Insolvency Insider website, on the Proposal Trustee's Website, as well as any other newspaper or journal as the Proposal Trustee considers appropriate.
25. Each party that wishes to participate in the Sale Process, other than the Stalking Horse Purchaser, will be required to submit an executed NDA. If it is determined by the Proposal Trustee, in its sole discretion, that a Potential Bidder has a bona fide interest in pursuing a Transaction; and has delivered an executed NDA, then such Potential Bidder will be deemed to be a "**Qualified Bidder**".
26. Once deemed a Qualified Bidder, access to the virtual data room ("**VDR**") will be granted to that party to conduct due diligence. Other due diligence requests by a Potential bidder may be agreed to by the Proposal Trustee in its reasonable professional judgment.
27. The deadline for a Qualified Bidder to submit a formal offer is 5:00 PM (Atlantic Standard Time) on **February 7, 2025** (the "**Bid Deadline**"). A Qualified Bidder that desires to make a bid shall deliver written copies of its bid, in the form of the template asset purchase agreement ("**APA**") located in the VDR, together with a blackline outlining all changes made to the APA (a "**Binding APA**"), to the Proposal Trustee. The Proposal Trustee may extend the Bid Deadline, once or successively, but is not obligated to do so. If the Bid Deadline is extended, the Proposal Trustee will promptly notify all Qualified Bidders.
28. A Binding APA must comply with all of the following:
 - a. the bid must be an offer to purchase all, or substantially all, of the Assets on terms and conditions acceptable to the Proposal Trustee;
 - b. it is duly authorized and executed, and includes a purchase price for the Assets expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits, schedules and all applicable ancillary agreements thereto;
 - c. includes a letter of acknowledgment stating that the Qualified Bidder's offer is irrevocable and open for acceptance until the Successful Bidder is selected by the Proposal Trustee;
 - d. it is accompanied by written evidence of a firm, irrevocable commitment for financing or other evidence satisfactory to the Proposal Trustee, in its sole discretion, of the ability of the Qualified Bidder to consummate the proposed Transaction, and that will allow the Proposal Trustee to make a determination as to the Qualified Bidder's

financial and other capabilities to consummate the proposed sale and pay the Purchase Price;

- e. it fully discloses the identity of each entity that will be bidding for the Assets or otherwise sponsoring, financing, participating or benefiting from such bid;
 - f. it includes an acknowledgement and representation of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Assets and the Company prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid, and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets, the Company or the completeness of any information provided in connection therewith;
 - g. it includes evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Binding APA submitted by the Qualified Bidder;
 - h. provides the Proposal Trustee a deposit in the amount of not less than 10% of the Purchase Price offered by the Qualified Bidder (the "**Deposit**");
 - i. it is received by the Proposal Trustee by the Bid Deadline; and
 - j. the bid contemplates closing the transaction set out therein within five (5) business days of the issuance of an Approval and Vesting Order ("**AVO**") by the Court (the "**Closing Date**").
29. The Proposal Trustee may, in its sole discretion, determine whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein.
30. For greater certainty, the Stalking Horse Agreement shall be deemed to be a Binding APA.
31. Following the Bid Deadline, the Proposal Trustee will assess the Binding APAs received and will designate the most competitive Binding APAs that comply with the foregoing requirements to be a "Qualified Binding APA". No Binding APA received shall be deemed not to be a Qualified Binding without the approval of the Trustee. Only Qualified Bidders whose Binding APAs have been designated as Qualified Binding APAs are eligible to become the Successful Bidder. The Stalking Horse Agreement shall automatically be considered as a Qualified Binding APA for the purposes of the Auction (as defined herein).
32. The Proposal Trustee may only designate a Binding APA as a qualified Binding APA ("**Qualified Binding APA**") where the proposed Purchase Price is equal to or greater than \$435,000, being the

- purchase price as contained in the Stalking Horse Agreement plus \$35,000 to fund reimbursement of the Stalking Horse Purchaser's reasonable fees and disbursements relating to the preparation and execution of the Stalking Horse Agreement (the "**Expense Reimbursement**").
33. The Proposal Trustee may, in its discretion, waive strict compliance with any one or more of the requirements specified above and deem a non-compliant Binding APA to be a Qualified Binding APA.
 34. The Proposal Trustee shall notify each Qualified Bidder in writing as to whether its Binding APA constituted a Qualified Binding APA within two (2) business days of the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate.
 35. If the Proposal Trustee receives at least one (1) additional Qualified Binding APA, in addition to the Court approved Stalking Horse Agreement, the Proposal Trustee will conduct and administer an auction in accordance with the terms of the Sale Process (the "**Auction**"). Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.
 36. Only parties that provided a Qualified Binding APA by the Bid Deadline, as confirmed by the Proposal Trustee, including the Stalking Horse Agreement (collectively, the "**Qualified Parties**" and each a "**Qualified Party**"), shall be eligible to participate in the Auction. By no later than 5:00 p.m. Atlantic Time on February 12, 2025:
 - a. each Qualified Party must inform the Proposal Trustee whether it intends to participate in the Auction; and
 - b. those Qualified Parties intending to participate in the Auction must provide to the Proposal Trustee, a deposit top-up to the Stalking Horse Purchaser's Purchase Price (herein defined), plus the Expense Reimbursement, which aggregate amount is expected to total \$435,000 (the "**Stalking Horse Payout Amount**").
 37. The Proposal Trustee will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid.
 38. The Sale Process outlines procedures governing the Auction. The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Proposal Trustee (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the Proposal Trustee's announcement of the Initial Bid, must proceed in minimum additional cash increments of \$25,000.

39. Before the conclusion of the Auction, the Proposal Trustee will, among other things, identify the highest or otherwise best bid received at the Auction (the “**Successful Bid**” and the Qualified Party making such bid, the “**Successful Party**”).
40. The closing of the transaction contemplated in any successful bid is conditional upon Court approval at a hearing to be scheduled, subject to Court availability, no later than February 28, 2025. This ensures no transaction will proceed without the Court’s express authorization.

APPROVAL OF STALKING HORSE AGREEMENT

41. Any terms not expressly defined in this section are otherwise defined in the Stalking Horse Agreement.
42. As noted above, the DIP Loan recognized that the DIP Lender or its nominee would be negotiating a stalking horse bid with the Company.
43. The Stalking Horse Agreement will act as the minimum bid (the “**Stalking Horse Bid**”) against which all other Binding APA(s) will be evaluated in the Sale Process. Unless other superior Binding APAs are received, it is contemplated that the Stalking Horse Agreement will be selected by the Proposal Trustee as the successful bid in the Sale Process. A copy of the Stalking Horse Agreement is attached as Schedule A to the proposed Sale Process, which is attached as Appendix A to the Proposed Order filed within the Company’s motion materials to the Court on December 13, 2024.
44. The Proposal Trustee provides a summary of certain material terms of the Stalking Horse Agreement below but directs the reader to the Stalking Horse Agreement for the full terms and conditions thereof:
 - a. the Stalking Horse Agreement is structured as an asset purchase transaction and is conditional upon the Court issuing an AVO, together with other customary conditions;
 - b. the Stalking Horse Purchaser is also the DIP Lender. The DIP Loan will enable the implementation of the proposed Sale Process by providing the Company sufficient financing to operate through the Stay Extension Period;
 - c. the purchase price of \$400,000 to be paid by the Stalking Horse Purchaser is \$40,000 cash and a further \$360,000 by way of a credit bid against the DIP Loan debt (together, the “**Stalking Horse Purchase Price**”);
 - d. as set forth in the Stalking Horse Agreement, the Stalking Horse Purchaser anticipates the go-forward retention of the Company’s employees;
 - e. closing is scheduled for five (5) business days, or sooner, after receipt of the Court issuing an AVO;

- f. in the event the Stalking Horse Bid is unsuccessful, the Stalking Horse Purchaser is entitled to an Expense Reimbursement of up to \$35,000. The Stalking Horse Agreement does not include a customary break-fee; and
 - g. if the Stalking Horse Purchaser is the Successful Bidder under the Sale Process, the Expense Reimbursement is not payable, and the DIP Loan will be credited towards the Purchase Price.
- 45. The DIP Loan, executed between Aerocom and the Company, and approved by this Court within the Initial Order on October 22, 2024, was originally intended to be filed by the Company to the Court with the Stalking Horse Agreement. However, the DIP Lender required more time to perform due diligence procedures. Absent the DIP Loan, the Company would be unable to fund on-going operations during the Proposal Proceedings. In the Proposal Trustee's view, absent the Stalking Horse Bid, the Company would be unable to obtain alternative financing to finance the restructuring of its business or conduct the Sales Process.
- 46. The Proposal Trustee understands the Company's only secured creditor, Royal Bank of Canada ("RBC") is supportive of the Sale Process and Stalking Horse Agreement. The Company is indebted to RBC for approximately \$70,000 as of the Filing Date, of which RBC has perfected security in the form of a general security agreement for approximately \$30,000 in relation to the Company's credit card facilities (the "RBC Secured Debt"). Pursuant to the Stalking Horse Agreement, the cash component of the Purchase Price will be sufficient to settle the RBC Secured Debt. The remaining balance owing to RBC is related to a refinanced Canada Emergency Business Account (CEBA) loan which the Proposal Trustee understands is unsecured.
- 47. The Company has previously initiated efforts to refinance the business prior to the commencement of these Proposal Proceedings, but without success. The DIP Lender was the only party that showed credible and timely interest in acquiring the Company's Assets and funding the Sale Process to allow the Company to effectively market and solicit offers for the sale of the Assets for the benefit of the Company's stakeholders. Further, with the Company being insolvent, financing from the DIP Lender was required to avoid a halt in Company operations and a deterioration in Company asset value, and to reassure the customers and channel partners that the restructuring process would result in a transaction, the Stalking Horse Agreement was required to enable the Company's restructuring. For these reasons, the Expense Reimbursement is required to adequately compensate the Stalking Horse Purchaser.

PROPOSED ENHANCED POWERS OF THE PROPOSAL TRUSTEE

- 48. Within the proposed Sale Process, the Company is seeking to enhance the Trustee's powers so as to enable the Proposal Trustee to conduct the Sale Process without consultation with the

Company, and to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Sale Process.

49. The Proposal Trustee is of the view that the proposed enhanced powers are appropriate given the following:

- a. the Stalking Horse Purchaser is a related party to the Vendor. Aerocom is a shareholder of the Company, and Roland Pfitzer, a Managing Director of Aerocom, is also a director of Motryx. Aerocom is also the DIP Lender; and
- b. It is anticipated that the two (2) remaining employees of Motryx, being the CEO and the VP of Business Development, will be offered employment or contract positions by the Successful Bidder following the close of a transaction. Therefore, the agency of the only remaining employees of Motryx is subject to change during the Proposal Proceedings.

PROPOSAL TRUSTEE RECOMMENDATIONS

50. In the Proposal Trustee's view, no creditor will be materially prejudiced by the Court's approval of the Sale Process, and the acceptance and approval of the Stalking Horse Agreement for the purposes of the Sale Process. The Proposal Trustee also considers that the proposed enhanced powers of the Proposal Trustee to effectively conduct the Sale Process independently of the Company will serve to protect the integrity of the process and the interests of all stakeholders.

51. Based on the foregoing, the Proposal Trustee recommends that this Court grant the Proposed Order in the form submitted, thereby approving the Sale Process, the Stalking Horse Agreement and the enhanced powers of the Proposal Trustee.

All of which is submitted to this Court on this 16th day of December 2024.

BDO CANADA LIMITED

Acting in its capacity as

Licensed Insolvency Trustee under the

Notice of Intention to Make a Proposal of Motryx Inc.

and not in its personal capacity.

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President



Telephone: (902) 425-3100
Fax: (902) 425-3777
www.bdo.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

Appendix A

**District of Nova Scotia
Division No. 1 - Halifax
Court File No. 45907
Estate No. 51-3134197**

**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 MOTRYX INC.**

**FIRST REPORT OF THE PROPOSAL TRUSTEE
October 16, 2024**

TABLE OF CONTENTS

INTRODUCTION.....	4
PURPOSE	4
TERMS OF REFERENCE	5
OVERVIEW OF THE COMPANY	6
CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS	7
ACTIVITIES OF THE COMPANY	9
ACTIVITIES OF THE PROPOSAL TRUSTEE	9
CASH FLOW FORECAST AND PRELIMINARY RESULTS	10
PROPOSED STAY PERIOD EXTENSION.....	11
PROPOSED PRIORITY CHARGES.....	12
ADMINISTRATION CHARGE.....	12
DIP FINANCING CHARGE	12
PROPOSED PRE-FILING PAYMENTS.....	14
PROPOSAL TRUSTEE RECOMMENDATIONS.....	14

LIST OF APPENDICES

- Appendix A - Certificate of Filing of a Notice of Intention to Make a Proposal
- Appendix B - PPRS Search Result Report dated August 19, 2024
- Appendix C - Affidavit of Mailing and Creditor's Package
- Appendix D - Company's Cash Flow Forecast for the period ended December 27, 2024
- Appendix E - Proposal Trustee's Report on Cash Flow Statement

INTRODUCTION

1. On September 27, 2024, (the **"Filing Date"**), Motryx Inc. (**"Motryx"** or the **"Company"**) filed a Notice of Intention to Make a Proposal (**"NOI"**) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the **"BIA"**). BDO Canada Limited (**"BDO"**), a Licensed Insolvency Trustee, was named proposal trustee (**"Proposal Trustee"**) in the Company's proposal proceedings (the **"Proposal Proceedings"**). A copy of the certificate of filing of a Notice of Intention to Make a Proposal (the **"Certificate of Filing"**) issued by the Office to the Superintendent of Bankruptcy (the **"OSB"**) is attached hereto as **Appendix "A"**.

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the **"First Report"**) is to advise the Court with respect to:
 - a. an overview of the Company;
 - b. the background on the circumstances leading to the Company's decision to commence the Proposal Proceedings;
 - c. the Company's operations and communications with stakeholders since the commencement of these Proposal Proceedings;
 - d. the Proposal Trustee's activities since its appointment;
 - e. an overview of the Company's 13-week cash flow forecast (the **"Cash Flow Forecast"**), for the period September 28, 2024 to December 27, 2024 (the **"Cash Flow Period"**), variances arising to date, and the Proposal Trustee's comments regarding the reasonableness thereof;
 - f. the Company's motion to seek an order (the **"Proposed Order"**):
 - i. extending the time for the Company to file a proposal under section 50.4(9) of the BIA by 45 days up to and including December 11, 2024;
 - ii. granting the super-priority Administration Charge (herein defined) against the Company's property, business, assets, shares and/or undertakings (the **"Assets"**);
 - iii. authorizing the Company to enter into a financing term sheet dated September 17, 2024 (the **"DIP Agreement"**) with Aerocom GmbH & Co. (**"Aerocom"**), as lender (the **"DIP Lender"**), and granting the associated debtor-in-possession financing charge (the **"DIP Financing Charge"**) against the Company's Assets;

- iv. authorizing the Company, with the consent of the Proposal Trustee and the DIP Lender, to make certain payments to current employees for pre-filing payroll and related source deductions owing to the Canada Revenue Agency (“CRA”), an employee expense reimbursement for a Company expense incurred prior to the Filing Date, and to pay certain critical suppliers for pre-filing obligations which are necessary to facilitate the Company’s ongoing operations and preserve value during the Proposal Proceedings; and
 - v. approving such further and other relief as the Court may deem just and equitable.
- g. The Proposal Trustee’s recommendations on the relief being sought by the Company.
- 3. The Proposal Trustee understands that the Company will be relying on the Affidavit of Ms. Niva Sabeshan, Chief Executive Officer (“CEO”) of Motryx, sworn October 15, 2024 (the “**Sabeshan Affidavit**”) in support of the relief sought in the Proposed Order.
 - 4. The Sabeshan Affidavit and all other material filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s website at:
<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/motryx> (the “**Proposal Trustee’s Website**”).

TERMS OF REFERENCE

- 5. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon unaudited financial information, books and records and financial information prepared by the Company, discussions with the management and employees of the Company and other information from various sources (collectively the “**Information**”). Except as otherwise described in this First Report in respect of the Company’s Cash Flow Forecast:
 - a. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information; and
 - b. Some of the Information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accounts Canada Handbook, has not been performed.

6. Future-oriented financial information referred to in this First Report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this First Report concerning the Company and its business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
8. All references to monetary amounts in this First Report are in Canadian dollars unless otherwise noted.

OVERVIEW OF THE COMPANY

9. This First Report should be read in conjunction with the Sabeshan Affidavit for additional background and financial information with respect to the Company. Any terms not expressly defined herein are otherwise defined in the Sabeshan Affidavit.
10. Motryx is a privately held corporation, registered in Nova Scotia on January 12, 2015, as an extra-provincial corporation federal (Canada) company pursuant to the *Companies Act* of Nova Scotia. Originally incorporated as Maritime Biologgers Inc, the Company officially changed its business name to Motryx Inc. on April 1, 2019.
11. Founded and incorporated by Dr. Franziska Broell and Andre Bezanson as a tech startup, the Company entered the market as a disruptive technology providing an improved method to ensure the safety of blood samples transported in hospitals via pneumatic tube systems. The Company's patented technology, VitalQC, allows for blood sample transport in a manner that ensures quality diagnostics and accurate testing, and is supported by clinical research proving to be a unique solution to an existing problem in the pre-analytical stage of diagnostic laboratory testing.
12. By late 2021, Motryx's founders had decided to separate from the Company's day-to-day operations. Aerocom, a manufacturer of pneumatic tube systems based in Germany and with operations in 85 countries, purchased 49.9% of the outstanding shares of Motryx. The acquisition by Aerocom resulted in issues with the Company's capitalization table which still included Mortyx's founders and did not provide for the issuance of a meaningful number of shares to the Company's leadership team. The following is the ownership structure of Motryx as at the Filing Date:

Owner	Shares Outstanding	Ownership Percentage
Andre Bezanson	738,154	9.6%
Franziska Broell	3,094,496	40.5%
Aerocom GmbH & Co.	3,817,350	49.9%
	<hr/> 7,650,000	<hr/> 100.0%

13. The Company has one (1) secured lender being Royal Bank of Canada (“RBC”) which provided the Company multiple credit card facilities. The Proposal Trustee has not completed a security opinion in respect of RBC’s security as at the date of the First Report. Attached hereto as **Appendix “B”** is a PPRS Search Result Report identifying the specific registration by RBC of a general security agreement, being the sole security registration against the Company.
14. The Company’s unsecured creditors primarily consist of privately held convertible debentures and notes payable, a term loan from the Atlantic Canada Opportunities Agency, and a refinanced Canada Emergency Business Account (CEBA) loan with RBC.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

15. The Company attributes the causes of its financial difficulty to:
 - a. the Covid-19 pandemic’s impact on the priorities, in terms of time and resources, of Motryx’s potential customers, including hospitals and laboratory diagnostic providers, as regards to the importance of blood sample quality control within said facilities;
 - b. issues with the Company’s capitalization table created a significant obstacle and along with issued convertible notes maturing, made it challenging to raise new capital as the Company grew. This ultimately led to cash flow issues as the Company was unable to meet supplier and payroll obligations as they became due; and
 - c. although the Company’s patented technology entered the market, sales were slow to materialize due to:
 - i. the negative effect of the pneumatic tube systems on blood samples is largely unrecognized, unknown or understood by hospital laboratory clinicians;
 - ii. VitalQC is a new technology that is largely unknown in the Canadian and US markets and only recently is being referred by a limited number of early adopters in Europe; and
 - iii. a lack of urgency for hospitals to purchase VitalQC with globally recognized ISO certification requirements for blood sample transport stated in general terms, allowing only minimal efforts for validation.

16. As a result of the financial challenges faced by the Company, management started exploring options to restructure its operations, including a sale of the business or its assets.
17. Motryx does not own significant capital assets other than intellectual property (“IP”) and any interruption to the business is likely to impact supply and services to its customers and its partners. Preliminary discussions were held with parties thought to be potentially interested in Motryx’s assets prior to the Filing Date.
18. On September 27, 2024, the Company commenced the Proposal Proceedings under the BIA for the purpose of, among other things, creating stability for the Company’s operations and to permit the Proposal Trustee to conduct a sale and investment solicitation process (“**Sale Process**”) for the marketing and sale of the business as a going-concern, in whole or in part. The Proposal Proceedings were initiated to restructure the Company while maintaining the going concern operations to preserve employment, maximize recovery for creditors and stakeholders, and to avoid bankruptcy.
19. The Company’s draft financial statements for the year-ended December 31, 2023, report the following assets and liabilities at book values (the Company is in the process of updating its internal financials - noting limited operations in 2024):

Assets	
Cash	4,253
Accounts Receivable	73,847
Other Receivable	26,726
Inventory	23,382
Prepaid Expenses	6,574
Intangible Asset	500
Fixed Asset	14,097
	<hr/>
	149,379
Liabilities	
Accounts Payable & Accrued Liabilities	33,844
Shareholder Loans	47,637
Convertible Debentures	999,433
Notes Payable	520,066
Long Term Debt	496,229
	<hr/>
	2,097,209
Equity	
Capital Stock	17
Contributed Surplus	15,648
Retained Earnings	-1,963,495
	<hr/>
	-1,947,830
Liabilities and Equity	
	149,379

20. The Company's draft financial statements indicate limited operations as at the end of fiscal 2023 (approximately \$150,000 in assets) and a significantly undercapitalized balance sheet with debt and negative retained earnings of approximately \$2 million, respectively.

ACTIVITIES OF THE COMPANY

21. Since the Filing Date, the Company has been taking steps focusing on stabilizing operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, and customers. As of the date of this First Report, the Company has maintained its business operations without significant disruption or issues. Of note, the Company has:
- a. consulted with the Proposal Trustee in respect of operations, cash management, and vendor and supplier payments;
 - b. engaged with RBC, with the assistance of the Proposal Trustee, to discuss and develop next steps contemplated in the Proposal Proceedings;
 - c. engaged with employees to address any questions and concerns about the Proposal Proceedings;
 - d. engaged with suppliers to ensure the supply of goods and services to Motryx are not interrupted;
 - e. negotiated financing to fund Motryx's working capital needs during the restructuring process and to pay critical suppliers such as employees, IP service providers, and restructuring professionals;
 - f. assisted the Proposal Trustee in the development of a Sale Process, including the development of materials required to conduct such a process, namely a prospective purchaser list, the population of a virtual data room and a teaser document; and
 - g. held discussions with the Proposal Trustee and a potential purchaser regarding a potential purchase of the Assets of the Company.

ACTIVITIES OF THE PROPOSAL TRUSTEE

22. The Proposal Trustee's Website has been established for the Proposal Proceedings. All court documents and certain other relevant documents have and will continue to be posted as they are made available.
23. In accordance with its obligations under the BIA, the Proposal Trustee prepared and sent a notice on October 2, 2024, which includes information about the Proposal Proceedings, to all known creditors, based on the contact information of such known creditors who have a claim against the

Company of more than \$250, by prepaid ordinary mail. Attached hereto as **Appendix “C”** is an Affidavit of Mailing with respect to the mailing of the NOI notice along with the creditor package.

24. In accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Company in the preparation of its Cash Flow Forecast. The Cash Flow Forecast, together with the aforementioned reports, is attached hereto as **Appendix “D”**.
25. In accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Cash Flow Forecast and assessed its reasonableness.
26. Furthermore, since the Filing Date, the Proposal Trustee, among other things, has:
 - a. completed statutory forms and e-filed such reports with the OSB;
 - b. participated in various meetings with the Company’ CEO and Vice President (“**VP**”) of Business Development to understand business operations, assets including IP, financials, payroll cycles, etc.;
 - c. assisted the Company with stakeholder communications;
 - d. responded to calls and e-mails received from creditors and other parties with respect to the Proposal Proceedings;
 - e. assisted in the formulation of a Sale Process, including related procedures and timelines;
 - f. participated in various meetings with the Company’s CEO and VP Business Development to gather information requirements for a virtual data room, to develop a teaser document and other promotional information, and to develop a prospective purchaser list to market the sales opportunity;
 - g. participated in discussions with Company representatives and its counsel, and a potential purchaser regarding a potential purchase of the Company’s Assets;
 - h. created a weekly monitoring protocol with the Company to allow the Proposal Trustee to review and report on the Company’s weekly cash receipts and disbursements; and
 - i. reviewed the Company’s actual receipts and disbursements.
27. Prepared this First Report, including reviewing the Company’s assets and operations, various financial reports and other related analysis.

CASH FLOW FORECAST AND PRELIMINARY RESULTS

28. Based on the Proposal Trustee’s review of the Cash Flow Forecast, there were no material assumptions which seem unreasonable in the present circumstances. The Proposal Trustee’s report on the Cash Flow Forecast is attached hereto as **Appendix “E”**.

29. The Cash Flow Forecast was prepared based on the following assumptions:
- a. the restructuring process is intended to be funded primarily by the DIP Loan; and
 - b. disbursements consist of forecast expenses based on management estimates for on-going operations and for restructuring professional fees.
30. The Proposal Trustee has reviewed the Cash Flow Forecast, including its assumptions, through inquiries, analytical procedures and review of documents related to the information supplied by employees of the Company. Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe, as at the date of the First Report, the assumptions are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow Forecast.
31. The Cash Flow Forecast illustrates that during the Cash Flow Period, the Company will be cash flow neutral with obligations for operations and restructuring professionals to be funded by the DIP Loan.
32. The Proposal Trustee has monitored the actual cash flows since the Filing Date, which have not differed materially from the Cash Flow Forecast primarily due to the Company not having access to financing as the DIP Loan, and the associated DIP Financing Charge, is subject to Court approval.

PROPOSED STAY PERIOD EXTENSION

33. Under the BIA, the initial stay of proceedings will expire on October 27, 2024 (the **"Initial Stay Period"**).
34. The Company seeks an extension of time to file a proposal for an additional 45 days to and including December 11, 2024 (the **"Proposed Stay Extension"**). The Proposed Stay Extension should permit the Proposal Trustee to commence and advance a Sale Process. Without the Proposed Stay Extension, the Company will not be in a position to make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders.
35. It is the Proposal Trustee's view, based on the Cash Flow Forecast, including the required funding of the DIP Loan, that the Company will have sufficient liquidity to commence and advance a Sale Process and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
36. In the Proposal Trustee's view, Motryx has acted and continues to act in good faith and with due diligence. The Proposal Trustee respectfully submits that the Company will likely be able to make a viable proposal if the Proposed Stay Extension is granted.
37. Based on the information presently available, the Proposal Trustee believes that the Company's creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the

Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

PROPOSED PRIORITY CHARGES

38. The Company seeks approval of two (2) priority charges on all of the current and future assets, undertakings, and properties of the Company, wherever located, including all proceeds thereof, ranking in the following order:
- a. first, the Administration Charge; and
 - b. second, the DIP Financing Charge.
39. The Proposal Trustee understands that the Company is providing its sole secured creditor, RBC, with notice of the relief being sought, including the proposed priority charges.

ADMINISTRATION CHARGE

40. The Company seeks approval of an Administration Charge up to a maximum amount of \$125,000 in favour of counsel to the Company, and the Proposal Trustee and its independent counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the Proposal Proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the DIP Loan.
41. The Proposal Trustee is of the view that given the current liquidity constraints of the Company, the proposed Administration Charge is required and reasonable in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the professionals in the Proposal Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

DIP FINANCING CHARGE

42. The Company is seeking approval of the DIP Loan pursuant to which Aerocom, in its capacity as the proposed lender under the DIP Loan, has offered to make available to the Company a debtor-in possession loan of \$360,000 in order provide sufficient liquidity for Company operations and for the Proposal Trustee to complete a Sale Process.
43. A copy of the DIP Loan is attached as Exhibit C in the Sabeshan Affidavit. The material items, terms and conditions of the DIP Loan include the following:
- a. principal amount: \$360,000 (the “**Maximum Amount**”);
 - b. purpose of the loan: to fund the cash flow requirements of the Company on a going concern basis, unless otherwise approved by the DIP Lender and the Proposal Trustee,

in accordance with the Cash Flow Forecast, which primarily includes (i) the working capital requirements of the Company; (ii) professional fees and expenses incurred by the Company's counsel, the Proposal Trustee and its legal counsel, in respect to the Proposal Proceedings; and (iii) the costs associated with a Sale Process.

- c. interest rate: 10% per annum, payable on the Termination Date (defined herein);
- d. DIP Financing Charge and Court approval: the DIP Loan is to be secured by a Court-ordered priority charge over all of the Company's present and after-acquired property, assets and undertakings subject only to the Administration Charge;
- e. payment of Pre-Filing obligations: the Borrower shall not make or permit to be made any payment on account of obligations owing as of the date of the filing of the NOI by the Borrower without the prior consent of the Proposal Trustee and the DIP Lender, or pursuant to an Order of the Court; and
- f. repayment: the DIP Loan is to be repaid on the termination date, which is defined as the earlier of:
 - i. six (6) months following the initial advance under the DIP Loan or such other date agreed to by the DIP Lender in its sole discretion;
 - ii. the date upon which a transaction for the sale of all or substantially all of the business and assets of the Company is complete;
 - iii. the date of which the stay of proceedings provided for in the Proposal Proceedings is dismissed or terminated; and
 - iv. the occurrence of an event of default;

(the "Termination Date").

- 44. The Proposal Trustee believes the terms offered by the DIP Lender are reasonable and competitive in the circumstances.
- 45. The Proposal Trustee is of the view that the Company's request for approval of the DIP Loan and the DIP Financing Charge is required and reasonable in order to provide the Company necessary financing to maintain ongoing operations and conduct a Sale Process. Absent approval of this financing, the Company would be unable to obtain alternative financing to finance the restructuring of its business and would thus be forced to shut down operations and commence a liquidation of its assets, resulting in a termination of the Company's employees and lost value for the Company's creditors and stakeholders.
- 46. The Proposal Trustee understands the Company will seek approval from the Court to utilize the DIP Loan to finance pay pre-filing payments related to current employee payroll, an employee

expense reimbursement and certain critical suppliers which are necessary to facilitate the Company's on-going operations and to preserve value during the Proposal Proceedings. More detail on the relief being sought is provided below.

PROPOSED PRE-FILING PAYMENTS

47. The Company is seeking authorization to pay the following pre-filing obligations:
- a. payroll to current employees, and related source deductions owing to CRA, to compensate for time worked prior to the Proposal Proceedings, in the aggregate amount of \$52,500. The Cash Flow Forecast contemplates payment of pre-filing payroll and related remittances in four (4) weekly instalments commencing on the week ending October 18, 2024, however it is anticipated the payments will be delayed due to the timing of the Company's motion;
 - b. an employee expense reimbursement for a Company related expense incurred prior to the Filing Date in the amount of \$1,500; and
 - c. general subscriptions and dues owing to critical suppliers, namely, internet service providers for key applications and related services required by the Company to maintain its software applications and adequately service its customers and channel partners. The Cash Flow Forecast contemplates payment of said critical suppliers, the aggregate amount of which is not expected to exceed \$2,500.
48. Payment of the above noted pre-filing obligations will be made with the consent of the Proposal Trustee and the DIP Lender, and in the Proposal Trustee's view, are necessary to facilitate the Company's ongoing operations and preserve value during the Proposal Proceedings.

PROPOSAL TRUSTEE RECOMMENDATIONS

49. In the Proposal Trustee's view, Motryx has acted and continues to act in good faith and with due diligence. The Proposal Trustee respectfully submits that the Company will likely be able to make a viable proposal if the Proposed Stay Extension is granted and that no creditor will be materially prejudiced by the granting of the extension.
50. Based on the foregoing, the Proposal Trustee recommends that this Court grant the Proposed Order:
- a. extending the Initial Stay Period from October 27, 2024 up to and including December 11, 2024;
 - b. approving an Administration Charge in the amount of \$125,000, in favour of the Company's counsel, the Proposal Trustee and its counsel against the Company's Assets,

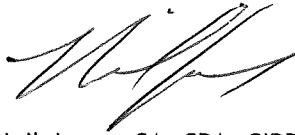
as security for their respective fees and disbursements incurred at the standard rates and charges of the professionals involved with the Company's restructuring;

- c. approving the DIP Loan to be provided by Aerocom and the associated DIP Financing Charge against the Company's Assets; and
- d. authorizing the Company to make certain payments to current employees for pre-filing payroll and related source deductions, an employee expense reimbursement, and to pay certain critical suppliers for pre-filing obligations, which are necessary to facilitate the Company's ongoing operations and preserve value during the Proposal Proceedings.

All of which is submitted to this Court on this 16th day of October 2024.

BDO CANADA LIMITED
Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity.

Per:

A handwritten signature in black ink, appearing to read 'Neil Jones', written over a horizontal line.

Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

APPENDIX A

District of Nova Scotia
Division No. 01 - Halifax
Court No. 45907
Estate No. 51-3134197

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

Motryx Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

September 27, 2024

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 aforementioned 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 aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 27, 2024, 14:17

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Nova Scotia
Type of Search: Debtors (Enterprise)
Search Criteria: Motryx Inc.
Date and Time of Search (YYYY-MM-DD hh:mm): 2024-08-19 13:15 (Atlantic)
Transaction Number: 26025737
Searched By: M194462

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	32356222	MOTRYX INC.	HALIFAX

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 1 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 32356222

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	32356222	2020-01-28 15:58	2025-01-28	1837467-RB10

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
MOTRYX INC.
1505 BARRINGTON ST, UNIT 100

HALIFAX NS B3J 3K5
Canada

Secured Parties

Type: Enterprise
Royal Bank Of Canada
7101 PARC AVENUE, 5TH FLOOR
MONTREAL QC H3N 1X9
Canada

General Collateral

All of the Debtor's present and after-acquired personal property except for consumer goods and all proceeds thereof, including, without limitation, all of the Debtor's personal and after-acquired personal property.

END OF REPORT

District of Ontario
Division No. 01 - Halifax
Court No.: 51-3134197
Estate No.: 51-3134197

IN THE MATTER OF THE PROPOSAL OF

Motryx Inc.

OF THE CITY OF HALIFAX
IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF SERVICE

I, Tony Montresano of the City of Pickering, in the Province of Ontario, hereby make oath and say:

That on the 2nd day of October 2024, I did cause to be mailed to the known creditors of the above named debtor, whose names and addresses appear on the paper-writing marked as Exhibit "A" annexed hereto, a copy of each of a letter to the creditors, the Notice of Intention to File a Proposal with the list of known creditors with claims of \$250, Certificate of Filing of the Notice of Intention to Make a Proposal and Proposal Consent marked as Exhibit "B" annexed hereto.

And, a copy of this said Notice was sent to the debtor via mail.

SWORN before me in the
City of Toronto, Province of
Ontario, on the 3rd day of
October, 2024

A Commissioner for Taking Affidavits, etc

Jessie Hue, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associated companies, and affiliates.
Expires August 26, 2026

)
)
)
)

)



Tony Montresano

COURT NO. 51-3134197

ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF

**MOTRYX INC.
OF THE CITY OF HALIFAX
IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF MAILING
NOTICE OF INTENTION TO MAKE A
PROPOSAL

BDO CANADA LIMITED
20 Wellington Street E.
Suite 500
Toronto, ON, M5E 1C5

Phone: 416-865-0210
Fax: 416-865-0904

Niva Sabeshan
1505 Barrington Street, Unit 100
Halifax NS B3J 3K5

ATLANTIC CANADA
OPPORTUNITIES AGENCY (ACOA)
Julia Pelton
PO Box 2284, Station Central
Halifax NS B3J 3C8

BURCOT PARK HOLDINGS
INCORPORATED
Bruce MacDougall
11131 Studley Avenue
Halifax NS B3H 3R7

CRA - Tax - Atlantic
Shawinigan-Sud National Verification
and Collection Centre
4695 Shawinigan-Sud Blvd
Shawinigan-sud QC G9P 5H9

Employees
255 Lacewood Drive Suite 201
Halifax NS B3M 4G2

JCOVE HOLDINGS LIMITED
William Adams
526 Purcell's Cove Rd.
Halifax NS B3P 2G3

Medavie Blue Cross
Tresury: Medavie Blue Cross
Moncton NB E1C 8L3

RBC
Aly Khalaf
5855 SPRING GARDEN RD
Halifax NS B3H 4S2

AEROCOM GmbH & Co.
Roland Pfitzer
Adam-Riese-Straße 16
D-73529

BAKERTILLY
Alida Mitchell
130 Eileen Stubbs Ave Suite 201
Dartmouth NS B3B 2C4

CAMERON AND CO. INVESTMENTS
LIMITED
5632 Morris St.
Halifax NS B3J 1C2

DCW HOLDINGS LIMITED
2160 Newton Ave
Halifax NS B3L 3B9

Former Employees
255 Lacewood Drive Suite 201
Halifax NB B3M 4G2

KILLICK VENTURE FUND LP
Joe MacKenna
95 Water Street, 2nd Floor, P.O. Box
5383, Stn C
St. John's NL A1C 5W2

N/A
Chris Huskilon
230 Church St.
Wellington NS B2T 1A2

RBC
5855 SPRING GARDEN RD
Halifax NS B3H 4S2

ATLANTIC CANADA
OPPORTUNITIES AGENCY (ACOA)
Julia Pelton
1801 Hollis St., Suite 700
Halifax NS B3J 3N4

BENNETT GROUP OF COMPANIES
INC.
Cathy Bennett
510 Topsail Road
St. Johns NL A1E 0G5

CONCRETE VENTURES LIMITED
PARTNERSHIP
Patrick Hankinson
244-1505 Barrington St.
Halifax NS B3J 3K5

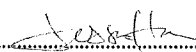
EAST PORT HOLDINGS LIMITED
John W. Lindsay Jr.
130 Eileen Stubbs Ave., Suite 25 North
Dartmouth NS B3B 2C4

G2S2 CAPITAL INC.
Mark Power
400-145 Hobsons Lake Drive
Halifax NS B3S 0H9

McInnes Cooper
Robert Cowan
1300-1969 Upper Water Street, PO Box
730
Halifax NS B3J 3R7

RANDOM HOLDINGS LTD.
6130 Jubilee Road
Halifax NS B3H 2E8

This is Exhibit " A " referred to in the
Affidavit/declaration of Tony Montesano sworn
Before me at the City of Toronto in the
Province of Ontario 3rd day of October 2024


.....
A Commissioner in and for the Province of Ontario

Jessie Hue, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associated companies, and affiliates.
Expires August 26, 2025



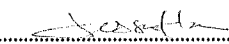
Telephone: (902) 425-3100
Fax: (902) 425-3777
Toll Free: (800) 337-5764
www.bdo.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

October 2, 2024

This is Exhibit " B " referred to in the
Affidavit/declaration of Tony Montesano sworn
Before me at the City of Toronto in the
Province of Ontario 3rd day of October 2024

Jessie Hue, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associated companies, and affiliates.
Expires August 26, 2025


A Commissioner in and for the Province of Ontario

TO THE CREDITORS OF MOTRYX INC.

Please be advised that Motryx Inc. ("Motryx" or the "Company") has filed a Notice of Intention to Make a Proposal (the "NOI Filing") under subsection 50.4(1) of the Bankruptcy and Insolvency Act ("BIA") on September 27, 2024 (the "Effective Date"). BDO Canada Limited ("BDO") has been appointed as the Licensed Insolvency Trustee (the "Trustee") under the NOI Filing.

The effect of the NOI Filing is an automatic stay of proceedings against all creditors from commencing any judicial actions or realizations on security against the Company without first obtaining the leave of the Supreme Court of Nova Scotia (the "Court").

By filing the NOI, Motryx is utilizing a creditor protection process. The Company continues to operate during the NOI Filing and intends to restructure through this process. To be clear, the Company has not filed an assignment in bankruptcy.

As required by Section 50.4(6) of the BIA, we enclose the following documents with respect to the NOI Filing for your inspection and file:

- Notice of Intention to Make a Proposal
- List of Creditors
- Consent of the Trustee to Act
- Certificate of Filing of Notice of Intention to Make a Proposal

Motryx has 30 days from the Effective Date to either make a Proposal to its creditors or to seek an extension from the Court. Until a definitive Proposal is filed with the Trustee, creditors need not file Proofs of Claim or concern themselves with voting. The Trustee will provide additional information related to the NOI Filing as it becomes available for review on the following website:

www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/motryx

Management of Motryx stresses that it is their intent to restructure. If you have any questions for Company management, please contact them directly using your existing contact information.

If you have any questions relative to the NOI Filing, please contact the BDO Halifax office.

Yours very truly

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

Enclosures

District of: Nova Scotia
Division No. 01 - Halifax
Court No.
Estate No.

- FORM 33 -

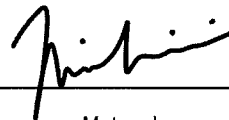
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Motryx Inc.
of the City of Halifax, in the Province of Nova Scotia

Take notice that:

1. I, Motryx Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of Suite 201, 255 Lacewood Drive, Halifax, NS, B3M 4G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Halifax in the Province of Nova Scotia, this 26th day of September 2024.



Motryx Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Nova Scotia
 Division No. 01 - Halifax
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Motryx Inc.
 of the City of Halifax, in the Province of Nova Scotia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
AEROCOM GmbH & Co. Roland Pfitzer	Adam-Riese-Straße 16 D-73529 Schabisch Gmund -- Germany		325,000.00
ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA) Julia Pelton	1801 Hollis St., Suite 700 Halifax NS B3J 3N4		233,352.45
ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA) Julia Pelton	PO Box 2284, Station Central Halifax NS B3J 3C8		420,681.27
BAKERTILLY Alida Mitchell	130 Eileen Stubbs Ave Suite 201 Dartmouth NS B3B 2C4		10,925.00
BENNETT GROUP OF COMPANIES INC. Cathy Bennett	510 Topsail Road St. Johns NL A1E 0G5		25,000.00
BURCOT PARK HOLDINGS INCORPORATED Bruce MacDougall	11131 Studley Avenue Halifax NS B3H 3R7		35,000.00
CAMERON AND CO. INVESTMENTS LIMITED	5632 Morris St. Halifax NS B3J 1C2		50,000.00
CONCRETE VENTURES LIMITED PARTNERSHIP Patrick Hankinson	244-1505 Barrington St. Halifax NS B3J 3K5		350,000.00
CRA - Tax - Atlantic	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9		250.00
DCW HOLDINGS LIMITED	2160 Newton Ave Halifax NS B3L 3B9		50,000.00

District of: Nova Scotia
Division No. 01 - Halifax
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Motryx Inc.
of the City of Halifax, in the Province of Nova Scotia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
EAST PORT HOLDINGS LIMITED John W. Lindsay Jr.	130 Eileen Stubbs Ave., Suite 25 North Dartmouth NS B3B 2C4		314,999.00
Employees	255 Lacewood Drive Suite 201 Halifax NS B3M 4G2		39,375.00
Former Employees	255 Lacewood Drive Suite 201 Halifax NB B3M 4G2		21,748.00
G2S2 CAPITAL INC. Mark Power	400-145 Hobsons Lake Drive Halifax NS B3S 0H9		75,000.00
JCOVE HOLDINGS LIMITED William Adams	526 Purcell's Cove Rd. Halifax NS B3P 2G3		25,000.00
KILLICK VENTURE FUND LP Joe MacKenna	95 Water Street, 2nd Floor, P.O. Box 5383, Stn C St. John's NL A1C 5W2		100,000.00
McInnes Cooper Robert Cowan	1300-1969 Upper Water Street, PO Box 730 Halifax NS B3J 3R7		10,724.00
Medavie Blue Cross	Tresury: Medavie Blue Cross Moncton NB E1C 8L3	78600015	2,904.96
N/A Chris Huskilson	230 Church St. Wellington NS B2T 1A2		25,000.00
RANDOM HOLDINGS LTD.	6130 Jubilee Road Halifax NS B3H 2E8		50,000.00
RBC	5855 SPRING GARDEN RD Halifax NS B3H 4S2	Credit Card	30,000.00
RBC Aly Khalaf	5855 SPRING GARDEN RD Halifax NS B3H 4S2	CEBA	38,000.00
Total			2,232,959.68



Motryx Inc.
Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Nova Scotia
Division No. 01 - Halifax
Court No. 45907
Estate No. 51-3134197

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

Motryx Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

September 27, 2024

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 aforementioned 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 aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 27, 2024, 14:17

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

- Proposal Consent -
In the Matter of the Proposal of
Motryx Inc.
of the City of Halifax, in the Province of Nova Scotia

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Motryx Inc..

Dated at the City of Halifax in the Province of Nova Scotia, this 26th day of September 2024.

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

Per:





Neil Jones - Licensed Insolvency Trustee
Suite 201, 255 Lacewood Drive
Halifax NS B3M 4G2
Phone: (902) 425-3100 Fax: (902) 425-3777

Appendix D

Motryx Inc.														
Statement of projected weekly cash flows														
For the weekly period ending October 4, 2024 to December 27, 2024														
Prepared on October 4, 2024														
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
04-Oct-24	11-Oct-24	18-Oct-24	25-Oct-24	01-Nov-24	08-Nov-24	15-Nov-24	22-Nov-24	29-Nov-24	06-Dec-24	13-Dec-24	20-Dec-24	27-Dec-24		
1,007	500	(0)	52,250	36,675	97,125	78,200	152,225	149,500	100,575	98,275	52,700	45,975	1,007	
Opening cash position														
Inflows														
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP fundings	-	-	120,000	-	120,000	-	120,000	-	-	-	-	-	-	360,000
Total inflows	-	-	120,000	-	120,000	-	120,000	-	-	-	-	-	-	360,000
Outflows														
Direct costs														
Cost of sales	-	-	1,400	-	1,000	-	400	-	-	-	-	-	-	2,800
General and administrative expenses														
General subscriptions and dues	501	500	800	300	500	800	500	300	500	800	500	800	500	7,301
Freight	-	-	400	-	250	-	400	-	250	-	400	-	250	1,950
Professional and restructuring fees	-	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	180,000
Office rent	-	-	375	-	-	-	-	375	-	-	-	375	-	1,125
Payroll - Pre-filing	-	-	8,846	8,846	8,846	8,846	-	-	-	-	-	-	-	35,384
Payroll remittances - Pre-filing	-	-	4,279	4,279	4,279	4,279	-	-	-	-	-	-	-	17,116
Pre-filing employee expense reimbursement	-	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Payroll - Post-filing	-	-	-	-	8,846	-	8,846	-	8,846	-	8,846	-	8,846	44,230
Payroll remittances - Post-filing	-	-	-	-	4,229	-	4,229	-	4,229	-	4,229	-	4,229	21,145
Technical consultants	-	-	3,500	-	-	3,500	-	-	3,500	-	-	3,500	-	14,000
Legal fees	-	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Miscellaneous	-	-	1,650	1,600	1,600	1,500	1,600	1,500	1,600	1,500	1,600	1,500	1,600	17,250
Bank charges and fees	-	-	-	550	-	-	-	550	-	-	-	550	-	1,656
Debt servicing														
Loan payments - Revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RBC loan payments - Non revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST (payable) receivable	507	500	67,750	15,575	59,550	18,925	45,975	2,725	48,925	2,300	45,575	6,725	45,425	360,457
Net cash flow	(507)	(500)	52,250	(15,575)	60,450	(18,925)	74,025	(2,725)	(48,925)	(2,300)	(45,575)	(6,725)	(45,425)	(457)
Projected cash position	500	(0)	52,250	36,675	97,125	78,200	152,225	149,500	100,575	98,275	52,700	45,975	550	550

Dated at Halifax, Nova Scotia this 4th day of October, 2024.


Niva Sabeshan, Chief Executive Officer of Motryx Inc.


BDO Canada Limited
Trustee under the Notice of Intention to file a Proposal for Motryx Inc.
and not in its personal capacity.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 51-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

INSOLVENT'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(c) and 50.4(2)(c))

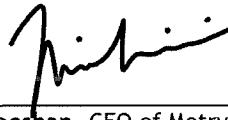
I, Niva Sabeshan, Chief Executive Officer of Motryx Inc., an insolvent, have developed the assumptions and reviewed the attached statement of projected cash-flow of the insolvent as of the week ending October 4, 2024, consisting of the cash-flow statement and cash-flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent and provide a reasonable basis for the projection. All such assumptions have been disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia, this 4th day of October, 2024.



Niva Sabeshan, CEO of Motryx Inc.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 41-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

NOTES TO THE STATEMENT OF PROJECTED CASH FLOW
(Section 50(6)(a) and 50.4(2)(a))

Note A: The statement of projected cash flow is being filed pursuant to the Bankruptcy and Insolvency Act s.50(6)(a) and s.50.(6) in association with the Notice of Intention to file a Proposal for Motryx Inc., an insolvent.

Note B: The following assumptions were used by management of the insolvent in the preparation of the statement of projected cash flow of the Insolvent:

General

The statement of projected cash flow covers a period of 13 weeks from the week ending October 4, 2024 through December 27, 2024. This period is expected to cover the time required to conduct a sales process for the insolvent's assets and obtain a sale and vesting order from the Supreme Court of Nova Scotia, In Bankruptcy.

Receipts

- The restructuring process for the insolvent is intended to be funded primarily by debtor-in-possession financing.

Disbursements

- Disbursements consist of forecast expenses based on management estimates for on-going operations and for restructuring professional fees.

**DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 51-3134197**

**IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.**

AN INSOLVENT

**TRUSTEE'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(b) and 50.4(2)(b))**

The attached statement of projected cash-flow of Motryx Inc., an insolvent, as of the week ending October 4, 2024, consisting of the cash-flow statement and cash-flow assumptions, has been prepared by the management of the insolvent for the purpose described in the notes attached, using probable and hypothetical assumptions as set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection.
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent debtor or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 4th day of October, 2024.

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity.

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

Form 78.05

District of: Nova Scotia
Division of: 01-Halifax
Court No. 45907
Estate No. 51-3134197

Bankruptcy Court

OCT 22 2024

Halifax, N.S.

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency



In the matter of the Notice of Intention to make a proposal of Motryx Inc. pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

ORDER

Before the Registrar in Bankruptcy, Raffi A. Balmanoukian, in chambers

THIS APPLICATION made by Motryx Inc. (the “Applicant” or the “Company”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, (the “BIA”) for an order (i) approving the interim financing facility term sheet; (ii) granting a charge in favour of Aerocom GBMH & Co.; (iii) granting an Administrative Charge (as defined herein); and (iv) extending the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including December 11, 2024,

ON READING the affidavit of Niva Sabeshan sworn on October 15, 2024, and the exhibits thereto, and the First Report of BDO Canada Limited dated October 16, 2024, in its capacity as Proposal Trustee of the Applicant (the “Proposal Trustee”)

ON HEARING the submission of counsel for the Applicant and the Proposal Trustee, and such other counsel that were present, and no one else appearing for any party although duly served;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of application and the materials filed as set out in the affidavit of service is hereby deemed adequate notice so that this application is properly returnable on October 22, 2024, and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that pursuant to s. 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to December 6, 2024 (the “Stay Period”)

ADMINISTRATION CHARGE

3. **THIS COURT ORDERS** that, pursuant to Section 64.2 of the BIA, the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on all the company's current and future assets, undertakings and properties of every nature and kind whatsoever including any principal, interest and fees arising under the DIP Agreement (as defined below), and wherever situate including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate amount of \$125,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 9 and 11 hereof.

INTERIM FINANCING

4. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute, enter into and deliver an amended interim financing term sheet executed by the Company and Aerocom GBMH & Co. ("**DIP Lender**") dated as of September, 17, 2024 (the "**DIP Agreement**") and to borrow, in accordance with the terms and conditions of the DIP Agreement, interim financing in the principal amount of \$360,000.00 to, among other things, fund the Company's working capital, capital expenses and restructuring costs during the Stay Period.
5. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
6. **THIS COURT ORDERS** that pursuant to Section 50.6 of the BIA, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before September 27, 2024. The DIP Lender's Charge shall have the priority set out in paragraphs 9 and 11 hereof.
7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, or Section 69 of the BIA:
 - a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - b) upon the occurrence of an event of default under the Definitive Documents or the DIP Agreement, the DIP Lender may exercise any and all of its rights and remedies against the Company or the Property under or pursuant to the DIP Agreement,

Definitive Documents and the DIP Lender's Charge, including without limitation, to 4 cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

- c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property.
8. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Company under the BIA or any plan of arrangement or compromise filed by the Company in any proceeding under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, with respect to any advances made under the Definitive Documents or the DIP Agreement.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

9. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge, as between them, shall be as follows:
- a) First — the Administration Charge (to the maximum amount of \$125,000); and
 - b) Second — the DIP Lender's Charge (to the maximum principal amount of \$360,000).
10. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
11. **THIS COURT ORDERS** that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**").
12. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge or the DIP Lender's Charge, unless the Company obtains the prior written consent of the

Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

13. **THIS COURT ORDERS** that the Administration Charge, the DIP Agreement, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which they are a party;
- b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- c) the payments made by the Company pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

14. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Company's interest in such real property leases.

GENERAL

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Time on the date of this Order.

Issued at Halifax this 22 day of October 2024.


Deputy Prothonotary
SHYLA FURLONG
Deputy Registrar of
Bankruptcy

**IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.**

I hereby certify that the foregoing is a
true copy of the original order on file
herein.

Dated the 22 day of October
A.D., 20 24.

DEPUTY REGISTRAR

SHYLA FURLONG
Deputy Registrar of
Bankruptcy

Bankruptcy Court

OCT 22 2024

Halifax, N.S.

Form 78.05

District of: Nova Scotia
 Division of: 01-Halifax
 Court No.: 45907
 Estate No.: 51-3134197

Supreme Court of Nova Scotia
 In Bankruptcy and Insolvency



In the matter of the Notice of Intention to make a proposal of Motryx Inc. pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

ORDER

Before the Registrar in Bankruptcy, Raffi A. Balmanoukian, in chambers

THIS APPLICATION made by Motryx Inc. (the "**Applicant**" or the "**Company**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, (the "**BIA**") seeking an Order granting leave to the Applicant to pay certain critical suppliers as identified in the First Report of BDO Canada Limited in its capacity as the Proposal Trustee for the Applicant (the "**Proposal Trustee**") in an amount not to exceed \$56,500.00;

ON READING the affidavit of Niva Sabeshan sworn on October 15, 2024, and the exhibits thereto, and the First Report of the Proposal Trustee dated October 2024 (the "**First Report**");

ON HEARING the submission of counsel for the Applicant and the Proposal Trustee, and such other counsel that were present, and no one else appearing for any party although duly served;

THIS COURT ORDERS that leave is granted to the Applicant to pay those critical suppliers as identified in the First Report, in an amount not to exceed \$56,500.00.

THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:00 a.m. Atlantic Time on the date of this Order.

Issued at Halifax this 22 day of October 2024.

Deputy Prothonotary

SHYLA FURLONG
 Deputy Registrar of
 Bankruptcy



Telephone: (902) 425-3100
Fax: (902) 425-3777
www.bdo.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

Appendix D

**District of Nova Scotia
Division No. 1 - Halifax
Court File No. 45907
Estate No. 51-3134197**

**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 MOTRYX INC.**

**SECOND REPORT OF THE PROPOSAL TRUSTEE
December 2, 2024**

TABLE OF CONTENTS

INTRODUCTION	4
PURPOSE	5
TERMS OF REFERENCE	5
ACTIVITIES OF THE COMPANY	6
ACTIVITIES OF THE PROPOSAL TRUSTEE	7
CASH FLOW FORECASTS AND ACTUAL RESULTS	8
PROPOSED STAY PERIOD EXTENSION.....	9
PROPOSAL TRUSTEE RECOMMENDATIONS.....	10

LIST OF APPENDICES

Appendix A - First Report of the Proposal Trustee dated October 16, 2024

Appendix B - Initial Order granted by the Court on October 22, 2024

Appendix C - Critical Supplier Order granted by the Court on October 22, 2024

Appendix D - Company's Cash Flow Variance Report for the period ended November 29, 2024

Appendix E - Company's Revised Cash Flow Forecast for the period ended February 28, 2025

Appendix F - Proposal Trustee's Report on Cash Flow Statement dated December 2, 2024

INTRODUCTION

1. On September 27, 2024, (the “**Filing Date**”), Motryx Inc. (“**Motryx**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited, a Licensed Insolvency Trustee, was named proposal trustee (“**Proposal Trustee**”) in the Company’s proposal proceedings (the “**Proposal Proceedings**”).
2. On October 16, 2024, the Proposal Trustee prepared a report (the “**First Report**”) to the Supreme Court of Nova Scotia (the “**Court**”) in advance of the Company’s motion on October 22, 2024. A copy of the First Report with appendices is attached hereto as **Appendix “A”**. A high-level overview of the Company’s history, operations, its assets, the sole secured creditor involved in these proceedings, and the events giving rise to the Company’s decision to file an NOI pursuant to the provisions of the BIA are included within the First Report.
3. On October 22, 2024, the Court issued an order (the “**Initial Order**”) to grant the following material relief:
 - a. extending the initial stay period from October 27, 2024 up to and including December 6, 2024;
 - b. approving an administration charge (the “**Administration Charge**”) in the amount of \$125,000, in favour of the Company’s counsel, the Proposal Trustee and its counsel against the Company’s assets, as security for their respective fees and disbursements incurred at the standard rates and charges of the professionals involved with the Company’s restructuring; and
 - c. approving the debtor-in-possession financing (the “**DIP Financing**”) to be provided by Aerocom GmbH & Co. (“**Aerocom**” or the “**DIP Lender**”) and the associated DIP Financing charge (the “**DIP Financing Charge**”) against the Company’s assets.
4. Also on October 22, 2024, the Court issued an order (the “**Critical Supplier Order**”) authorizing the Company to make certain payments to current employees for pre-filing payroll and related source deductions, an employee expense reimbursement, and to pay certain critical suppliers for pre-filing obligations.
5. Copies of the Initial Order and the Critical Supplier Order granted by the Court are attached hereto as **Appendix “B”** and **Appendix “C”**, respectively.

PURPOSE

6. The purpose of this second report of the Proposal Trustee (the “**Second Report**”) is to:
 - a. provide the Court with updates on the activities of the Company and the Proposal Trustee in relation to the Proposal Proceedings;
 - b. discuss cash flow variances arising to date with respect to the Company’s 13-week cash flow forecast (the “**Initial Cash Flow Forecast**”) covering the period September 30, 2024, to December 27, 2024 (the “**Initial Cash Flow Period**”), and the Proposal Trustee’s comments regarding the reasonableness thereof;
 - c. provide the Court with information regarding the Company’s motion to seek an order (the “**Proposed Order**”):
 - i. extending the time for the Company to file a proposal under section 50.4(9) of the BIA by 43 days up to and including January 17, 2025; and
 - ii. approving such further and other relief as the Court may deem just and equitable.
 - d. the Proposal Trustee’s recommendations on the relief being sought by the Company.
7. The Proposal Trustee understands that the Company will be relying on the Affidavit of Ms. Niva Sabeshan, Chief Executive Officer (“**CEO**”) of Motryx, sworn November 28, 2024 (the “**Second Sabeshan Affidavit**”) in support of the relief sought in the Proposed Order.
8. Copies of Court materials filed in these proceedings may be obtained from the Proposal Trustee’s website established in connection with the NOI administration

<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/motryx>

TERMS OF REFERENCE

9. In preparing this Second Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon unaudited financial information, books and records and financial information prepared by the Company, discussions with the management and employees of the Company and other information from various sources (collectively the “**Information**”).
 - a. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants

Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information; and

- b. Some of the Information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accounts Canada Handbook, has not been performed.
10. Future-oriented financial information referred to in this Second Report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
11. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this Second Report concerning the Company and its business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
12. All references to monetary amounts in this Second Report are in Canadian dollars unless otherwise noted.

ACTIVITIES OF THE COMPANY

13. Since the first extension of the Proposal Proceedings was granted on October 22, 2024, the Company, among other things, has:
- a. successfully negotiated and arranged for the post filing support of its customers and channel partners as the Company continued to operate;
 - b. continued to service existing customer contracts, progress business leads to generate new sales, and monitor and collect accounts receivable;
 - c. consulted with the Proposal Trustee in respect of operations, cash management, and vendor and supplier payments;
 - d. engaged with the Royal Bank of Canada ("**RBC**"), with the assistance of the Proposal Trustee, to discuss and develop next steps contemplated in the restructuring proceeding;
 - e. prepared and populated a virtual the data room, and assisted the Proposal Trustee in the drafting of a comprehensive prospective purchaser's list, a confidential information memorandum and a teaser document, in contemplation of a Court approved sale and investment solicitation process (the "**Sale Process**");

- f. monitored and reported to the Proposal Trustee the actual weekly cash flows as compared to the Initial Cash Flow Forecast filed at the onset of the Proposal Proceedings;
- g. reported weekly to the DIP Lender on the Company's actual cash flow results and the variances as compared to the Initial Cash Flow Forecast to ensure the continued receipt of the DIP Financing that is to be paid in three (3) separate tranches;
- h. with the assistance of the Proposal Trustee, drafted a revised 13-week cash flow forecast for the period December 2, 2024, to February 28, 2025 (the "**Revised Cash Flow Forecast**");
- i. engaged with counsel for Aerocom and the Proposal Trustee to provide all information required with respect to the prospective purchaser's advance due diligence procedures and the preparation of a potential stalking-horse asset purchase agreement (the "**Proposed Stalking-Horse Agreement**"); and
- j. paid critical suppliers pursuant to the Critical Supplier Order.

ACTIVITIES OF THE PROPOSAL TRUSTEE

- 14. The Proposal Trustee's Website has been established for the Proposal Proceedings. All Court documents and certain other relevant documents have and will continue to be posted as they are made available.
- 15. Since the first extension to the Proposal Proceedings, the Proposal Trustee, among other things, has:
 - a. completed statutory forms and e-filed such reports with the Office of the Superintendent of Bankruptcy;
 - b. participated in various meetings with the Company's CEO and Vice President ("**VP**") of Business Development with respect to the Company's business operations, assets including intellectual property, cash management, and vendor and supplier management;
 - c. assisted the Company with stakeholder communications;
 - d. responded to calls and e-mails received from creditors, including Motryx's primary secured creditor RBC, and former employees, and other parties with respect to the Proposal Proceedings;
 - e. assisted in the formulation of the Sale Process, including related procedures and timelines;

- f. participated in various meetings with the Company's CEO and VP to gather information requirements to develop a virtual data room, to develop a confidential information memorandum, a teaser document and other promotional information, and to develop a prospective purchaser list to market the sales opportunity;
- g. assisted management in its engagement with Aerocom and its counsel to help facilitate the prospective purchasers advanced due diligence procedures, including providing access to the virtual data room with detailed information required with respect to the preparation of the Proposed Stalking-Horse Agreement;
- h. reviewed weekly Company reporting on actual cash flows as compared to the Initial Cash Flow Forecast,
- i. assisted management in reporting weekly to the DIP Lender on cash flow variances as compared to the 13-week cash flow forecast to ensure the receipt of DIP Financing paid in three (3) separate tranches;
- j. in accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Company in the preparation of a Revised Cash flow Forecast;
- k. in accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Revised Cash Flow Forecast and assessed its reasonableness; and
- l. prepared this Second Report.

CASH FLOW FORECASTS AND ACTUAL RESULTS

- 16. The Proposal Trustee has reviewed the actual cash flow from operations for the nine-week period ending November 29, 2024, through monitoring the banking activities of the Company.
- 17. The Company's actual cash flow from operations for the nine-week period ending November 29, 2024, was lower than the corresponding Initial Cash Flow Forecast for that same period by approximately \$38,000. This negative variance is largely due to the late receipt of the third tranche of DIP Financing of \$120,000 which was received by the Company's counsel by week ending November 29, 2024. Due to the delay in collection of the third DIP Financing tranche, the Company delayed payment of certain direct and indirect operational expenses in order to manage cash flow. The variances in cash inflows and outflows are primarily timing differences that are expected to reverse in the coming weeks. A summary of the variance analysis regarding the same is attached hereto as **Appendix "D"**.
- 18. The Company, with the assistance of the Proposal Trustee, has prepared a Revised Cash Flow Forecast incorporating actual results for the Initial Cash Flow Period and projected results for the

13-week period ending February 28, 2025 (the “**Revised Cash Flow Period**”). A copy of the Revised Cash Flow Forecast with supporting notes is attached as **Appendix “E”**.

19. Based on the Proposal Trustee’s review of the Second Cash Flow Forecast, there were no material assumptions which seem unreasonable in the present circumstances. The Proposal Trustee’s report on the Revised Cash Flow Forecast is attached as **Appendix “F”**.
20. The Revised Cash Flow Forecast was prepared based on the following assumptions:
 - a. the restructuring process is intended to be funded primarily by the DIP Loan. The Revised Cash Flow Forecast projects the Company will receive additional financing through an amendment to the DIP Loan. In discussions held with the Company and the Proposal Trustee, the DIP Lender has expressed willingness to negotiate an amendment to the DIP Loan in order to allow additional time for the prospective purchaser’s due diligence procedures; and
 - b. disbursements consist of forecast expenses based on management estimates for on-going operations and for restructuring professional fees.
21. The Proposal Trustee has reviewed the Reviewed Cash Flow Forecast, including its assumptions, through inquiries, analytical procedures and review of documents related to the information supplied by employees of the Company. Based on the Proposal Trustee’s review, nothing has come to its attention that causes it to believe, as at the date of the Second Report, the assumptions are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Revised Cash Flow Forecast.
22. The Revised Cash Flow Forecast illustrates that during the Revised Cash Flow Period, the Company will be cash flow neutral with obligations for operations and restructuring professionals to be funded by the DIP Loan.

PROPOSED STAY PERIOD EXTENSION

23. Pursuant to Section 69(1) of the BIA, the effect of the filing of the NOI is an automatic stay of proceedings (the “**Stay Period**”) against the Company for an initial period of 30 days. The Stay Period was subsequently extended through December 6, 2024 by order of the Court dated October 22, 2024.
24. The Company now seeks an extension of time to file a proposal for an additional 43 days to and including January 17, 2025 (the “**Proposed Stay Extension**”). The Proposed Stay Extension should permit the Proposal Trustee to commence and advance a Sale Process. Without the Proposed Stay Extension, the Company will not be in a position to make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders.

25. The Company is in advanced discussions with the prospective purchaser as regards to the execution of the Proposed Stalking-Horse Agreement. The Proposal Trustee understands the Company has made good progress with respect to the prospective purchaser's due diligence process, providing all the information requested to date and access to a virtual data room. A draft of the Proposed Stalking-Horse Agreement has been circulated to Aerocom and its legal counsel, who have responded with comments and suggested revisions that appear agreeable to the Company.
26. Pursuant to the Second Sabeshan Affidavit, the Company is expecting that the Proposed Stalking-Horse Agreement will be executed in the near future, following which the Company intends to apply to this Court seeking approval of a Sale Process with the Proposed Stalking-Horse Agreement being a stalking-horse bid.
27. It is the Proposal Trustee's view, based on the Second Cash Flow Forecast, including the additional funding anticipated under an amendment to the DIP Loan, the Company will have sufficient liquidity to commence and advance a Sale Process and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
28. In the Proposal Trustee's view, Motryx has acted and continues to act in good faith and with due diligence. The Proposal Trustee respectfully submits that the Company will likely be able to make a viable proposal if the Proposed Stay Extension is granted.
29. Based on the information presently available, the Proposal Trustee believes that the Company's creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

PROPOSAL TRUSTEE RECOMMENDATIONS

30. In the Proposal Trustee's view, Motryx has acted and continues to act in good faith and with due diligence. The Proposal Trustee respectfully submits that the Company will likely be able to make a viable proposal if the Proposed Stay Extension is granted and that no creditor will be materially prejudiced by the granting of the extension.
31. Based on the foregoing, the Proposal Trustee recommends that this Court grant the Proposed Order extending the Stay Period from December 6, 2024 up to and including January 17, 2025.

All of which is submitted to this Court on this 2nd day of December 2024.

BDO CANADA LIMITED

Acting in its capacity as

Licensed Insolvency Trustee under the

Notice of Intention to Make a Proposal of Motryx Inc.

and not in its personal capacity.

Per:

A handwritten signature in black ink, appearing to read 'Neil Jones', with a stylized flourish at the end.

Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President



Telephone: (902) 425-3100
Fax: (902) 425-3777
www.bdo.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

Appendix A

**District of Nova Scotia
Division No. 1 - Halifax
Court File No. 45907
Estate No. 51-3134197**

**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 MOTRYX INC.**

**FIRST REPORT OF THE PROPOSAL TRUSTEE
October 16, 2024**

TABLE OF CONTENTS

INTRODUCTION.....	4
PURPOSE	4
TERMS OF REFERENCE	5
OVERVIEW OF THE COMPANY	6
CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS	7
ACTIVITIES OF THE COMPANY	9
ACTIVITIES OF THE PROPOSAL TRUSTEE	9
CASH FLOW FORECAST AND PRELIMINARY RESULTS	10
PROPOSED STAY PERIOD EXTENSION.....	11
PROPOSED PRIORITY CHARGES.....	12
ADMINISTRATION CHARGE.....	12
DIP FINANCING CHARGE	12
PROPOSED PRE-FILING PAYMENTS.....	14
PROPOSAL TRUSTEE RECOMMENDATIONS.....	14

LIST OF APPENDICES

- Appendix A - Certificate of Filing of a Notice of Intention to Make a Proposal
- Appendix B - PPRS Search Result Report dated August 19, 2024
- Appendix C - Affidavit of Mailing and Creditor's Package
- Appendix D - Company's Cash Flow Forecast for the period ended December 27, 2024
- Appendix E - Proposal Trustee's Report on Cash Flow Statement

INTRODUCTION

1. On September 27, 2024, (the “**Filing Date**”), Motryx Inc. (“**Motryx**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (“**Proposal Trustee**”) in the Company’s proposal proceedings (the “**Proposal Proceedings**”). A copy of the certificate of filing of a Notice of Intention to Make a Proposal (the “**Certificate of Filing**”) issued by the Office to the Superintendent of Bankruptcy (the “**OSB**”) is attached hereto as **Appendix “A”**.

PURPOSE

2. The purpose of this first report of the Proposal Trustee (the “**First Report**”) is to advise the Court with respect to:
 - a. an overview of the Company;
 - b. the background on the circumstances leading to the Company’s decision to commence the Proposal Proceedings;
 - c. the Company’s operations and communications with stakeholders since the commencement of these Proposal Proceedings;
 - d. the Proposal Trustee’s activities since its appointment;
 - e. an overview of the Company’s 13-week cash flow forecast (the “**Cash Flow Forecast**”), for the period September 28, 2024 to December 27, 2024 (the “**Cash Flow Period**”), variances arising to date, and the Proposal Trustee’s comments regarding the reasonableness thereof;
 - f. the Company’s motion to seek an order (the “**Proposed Order**”):
 - i. extending the time for the Company to file a proposal under section 50.4(9) of the BIA by 45 days up to and including December 11, 2024;
 - ii. granting the super-priority Administration Charge (herein defined) against the Company’s property, business, assets, shares and/or undertakings (the “**Assets**”);
 - iii. authorizing the Company to enter into a financing term sheet dated September 17, 2024 (the “**DIP Agreement**”) with Aerocom GmbH & Co. (“**Aerocom**”), as lender (the “**DIP Lender**”), and granting the associated debtor-in-possession financing charge (the “**DIP Financing Charge**”) against the Company’s Assets;

- iv. authorizing the Company, with the consent of the Proposal Trustee and the DIP Lender, to make certain payments to current employees for pre-filing payroll and related source deductions owing to the Canada Revenue Agency (“CRA”), an employee expense reimbursement for a Company expense incurred prior to the Filing Date, and to pay certain critical suppliers for pre-filing obligations which are necessary to facilitate the Company’s ongoing operations and preserve value during the Proposal Proceedings; and
 - v. approving such further and other relief as the Court may deem just and equitable.
- g. The Proposal Trustee’s recommendations on the relief being sought by the Company.
- 3. The Proposal Trustee understands that the Company will be relying on the Affidavit of Ms. Niva Sabeshan, Chief Executive Officer (“CEO”) of Motryx, sworn October 15, 2024 (the “**Sabeshan Affidavit**”) in support of the relief sought in the Proposed Order.
 - 4. The Sabeshan Affidavit and all other material filed with the Court in these Proposal Proceedings are accessible on the Proposal Trustee’s website at:
<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/motryx> (the “**Proposal Trustee’s Website**”).

TERMS OF REFERENCE

- 5. In preparing this First Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon unaudited financial information, books and records and financial information prepared by the Company, discussions with the management and employees of the Company and other information from various sources (collectively the “**Information**”). Except as otherwise described in this First Report in respect of the Company’s Cash Flow Forecast:
 - a. The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information; and
 - b. Some of the Information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Chartered Professional Accounts Canada Handbook, has not been performed.

6. Future-oriented financial information referred to in this First Report was prepared based on management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise indicated, the Proposal Trustee's understanding of factual matters expressed in this First Report concerning the Company and its business is based on the Information, and not independent factual determinations made by the Proposal Trustee.
8. All references to monetary amounts in this First Report are in Canadian dollars unless otherwise noted.

OVERVIEW OF THE COMPANY

9. This First Report should be read in conjunction with the Sabeshan Affidavit for additional background and financial information with respect to the Company. Any terms not expressly defined herein are otherwise defined in the Sabeshan Affidavit.
10. Motryx is a privately held corporation, registered in Nova Scotia on January 12, 2015, as an extra-provincial corporation federal (Canada) company pursuant to the *Companies Act* of Nova Scotia. Originally incorporated as Maritime Biologgers Inc, the Company officially changed its business name to Motryx Inc. on April 1, 2019.
11. Founded and incorporated by Dr. Franziska Broell and Andre Bezanson as a tech startup, the Company entered the market as a disruptive technology providing an improved method to ensure the safety of blood samples transported in hospitals via pneumatic tube systems. The Company's patented technology, VitalQC, allows for blood sample transport in a manner that ensures quality diagnostics and accurate testing, and is supported by clinical research proving to be a unique solution to an existing problem in the pre-analytical stage of diagnostic laboratory testing.
12. By late 2021, Motryx's founders had decided to separate from the Company's day-to-day operations. Aerocom, a manufacturer of pneumatic tube systems based in Germany and with operations in 85 countries, purchased 49.9% of the outstanding shares of Motryx. The acquisition by Aerocom resulted in issues with the Company's capitalization table which still included Mortyx's founders and did not provide for the issuance of a meaningful number of shares to the Company's leadership team. The following is the ownership structure of Motryx as at the Filing Date:

Owner	Shares Outstanding	Ownership Percentage
Andre Bezanson	738,154	9.6%
Franziska Broell	3,094,496	40.5%
Aerocom GmbH & Co.	3,817,350	49.9%
	<hr/> 7,650,000	<hr/> 100.0%

13. The Company has one (1) secured lender being Royal Bank of Canada (“RBC”) which provided the Company multiple credit card facilities. The Proposal Trustee has not completed a security opinion in respect of RBC’s security as at the date of the First Report. Attached hereto as **Appendix “B”** is a PPRS Search Result Report identifying the specific registration by RBC of a general security agreement, being the sole security registration against the Company.
14. The Company’s unsecured creditors primarily consist of privately held convertible debentures and notes payable, a term loan from the Atlantic Canada Opportunities Agency, and a refinanced Canada Emergency Business Account (CEBA) loan with RBC.

CIRCUMSTANCES LEADING UP TO THE PROPOSAL PROCEEDINGS

15. The Company attributes the causes of its financial difficulty to:
 - a. the Covid-19 pandemic’s impact on the priorities, in terms of time and resources, of Motryx’s potential customers, including hospitals and laboratory diagnostic providers, as regards to the importance of blood sample quality control within said facilities;
 - b. issues with the Company’s capitalization table created a significant obstacle and along with issued convertible notes maturing, made it challenging to raise new capital as the Company grew. This ultimately led to cash flow issues as the Company was unable to meet supplier and payroll obligations as they became due; and
 - c. although the Company’s patented technology entered the market, sales were slow to materialize due to:
 - i. the negative effect of the pneumatic tube systems on blood samples is largely unrecognized, unknown or understood by hospital laboratory clinicians;
 - ii. VitalQC is a new technology that is largely unknown in the Canadian and US markets and only recently is being referred by a limited number of early adopters in Europe; and
 - iii. a lack of urgency for hospitals to purchase VitalQC with globally recognized ISO certification requirements for blood sample transport stated in general terms, allowing only minimal efforts for validation.

16. As a result of the financial challenges faced by the Company, management started exploring options to restructure its operations, including a sale of the business or its assets.
17. Motryx does not own significant capital assets other than intellectual property (“IP”) and any interruption to the business is likely to impact supply and services to its customers and its partners. Preliminary discussions were held with parties thought to be potentially interested in Motryx’s assets prior to the Filing Date.
18. On September 27, 2024, the Company commenced the Proposal Proceedings under the BIA for the purpose of, among other things, creating stability for the Company’s operations and to permit the Proposal Trustee to conduct a sale and investment solicitation process (“**Sale Process**”) for the marketing and sale of the business as a going-concern, in whole or in part. The Proposal Proceedings were initiated to restructure the Company while maintaining the going concern operations to preserve employment, maximize recovery for creditors and stakeholders, and to avoid bankruptcy.
19. The Company’s draft financial statements for the year-ended December 31, 2023, report the following assets and liabilities at book values (the Company is in the process of updating its internal financials - noting limited operations in 2024):

Assets	
Cash	4,253
Accounts Receivable	73,847
Other Receivable	26,726
Inventory	23,382
Prepaid Expenses	6,574
Intangible Asset	500
Fixed Asset	14,097
	<hr/>
	149,379
Liabilities	
Accounts Payable & Accrued Liabilities	33,844
Shareholder Loans	47,637
Convertible Debentures	999,433
Notes Payable	520,066
Long Term Debt	496,229
	<hr/>
	2,097,209
Equity	
Capital Stock	17
Contributed Surplus	15,648
Retained Earnings	-1,963,495
	<hr/>
	-1,947,830
Liabilities and Equity	<hr/>
	149,379

20. The Company's draft financial statements indicate limited operations as at the end of fiscal 2023 (approximately \$150,000 in assets) and a significantly undercapitalized balance sheet with debt and negative retained earnings of approximately \$2 million, respectively.

ACTIVITIES OF THE COMPANY

21. Since the Filing Date, the Company has been taking steps focusing on stabilizing operations. Management, with the assistance of the Proposal Trustee, has engaged in various discussions with stakeholders, suppliers, and customers. As of the date of this First Report, the Company has maintained its business operations without significant disruption or issues. Of note, the Company has:
- a. consulted with the Proposal Trustee in respect of operations, cash management, and vendor and supplier payments;
 - b. engaged with RBC, with the assistance of the Proposal Trustee, to discuss and develop next steps contemplated in the Proposal Proceedings;
 - c. engaged with employees to address any questions and concerns about the Proposal Proceedings;
 - d. engaged with suppliers to ensure the supply of goods and services to Motryx are not interrupted;
 - e. negotiated financing to fund Motryx's working capital needs during the restructuring process and to pay critical suppliers such as employees, IP service providers, and restructuring professionals;
 - f. assisted the Proposal Trustee in the development of a Sale Process, including the development of materials required to conduct such a process, namely a prospective purchaser list, the population of a virtual data room and a teaser document; and
 - g. held discussions with the Proposal Trustee and a potential purchaser regarding a potential purchase of the Assets of the Company.

ACTIVITIES OF THE PROPOSAL TRUSTEE

22. The Proposal Trustee's Website has been established for the Proposal Proceedings. All court documents and certain other relevant documents have and will continue to be posted as they are made available.
23. In accordance with its obligations under the BIA, the Proposal Trustee prepared and sent a notice on October 2, 2024, which includes information about the Proposal Proceedings, to all known creditors, based on the contact information of such known creditors who have a claim against the

Company of more than \$250, by prepaid ordinary mail. Attached hereto as **Appendix “C”** is an Affidavit of Mailing with respect to the mailing of the NOI notice along with the creditor package.

24. In accordance with subsection 50.4(2)(c) of the BIA, the Proposal Trustee assisted the Company in the preparation of its Cash Flow Forecast. The Cash Flow Forecast, together with the aforementioned reports, is attached hereto as **Appendix “D”**.
25. In accordance with subsection 50.4(2)(b) of the BIA, the Proposal Trustee reviewed the Cash Flow Forecast and assessed its reasonableness.
26. Furthermore, since the Filing Date, the Proposal Trustee, among other things, has:
 - a. completed statutory forms and e-filed such reports with the OSB;
 - b. participated in various meetings with the Company’ CEO and Vice President (“VP”) of Business Development to understand business operations, assets including IP, financials, payroll cycles, etc.;
 - c. assisted the Company with stakeholder communications;
 - d. responded to calls and e-mails received from creditors and other parties with respect to the Proposal Proceedings;
 - e. assisted in the formulation of a Sale Process, including related procedures and timelines;
 - f. participated in various meetings with the Company’s CEO and VP Business Development to gather information requirements for a virtual data room, to develop a teaser document and other promotional information, and to develop a prospective purchaser list to market the sales opportunity;
 - g. participated in discussions with Company representatives and its counsel, and a potential purchaser regarding a potential purchase of the Company’s Assets;
 - h. created a weekly monitoring protocol with the Company to allow the Proposal Trustee to review and report on the Company’s weekly cash receipts and disbursements; and
 - i. reviewed the Company’s actual receipts and disbursements.
27. Prepared this First Report, including reviewing the Company’s assets and operations, various financial reports and other related analysis.

CASH FLOW FORECAST AND PRELIMINARY RESULTS

28. Based on the Proposal Trustee’s review of the Cash Flow Forecast, there were no material assumptions which seem unreasonable in the present circumstances. The Proposal Trustee’s report on the Cash Flow Forecast is attached hereto as **Appendix “E”**.

29. The Cash Flow Forecast was prepared based on the following assumptions:
- a. the restructuring process is intended to be funded primarily by the DIP Loan; and
 - b. disbursements consist of forecast expenses based on management estimates for on-going operations and for restructuring professional fees.
30. The Proposal Trustee has reviewed the Cash Flow Forecast, including its assumptions, through inquiries, analytical procedures and review of documents related to the information supplied by employees of the Company. Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe, as at the date of the First Report, the assumptions are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow Forecast.
31. The Cash Flow Forecast illustrates that during the Cash Flow Period, the Company will be cash flow neutral with obligations for operations and restructuring professionals to be funded by the DIP Loan.
32. The Proposal Trustee has monitored the actual cash flows since the Filing Date, which have not differed materially from the Cash Flow Forecast primarily due to the Company not having access to financing as the DIP Loan, and the associated DIP Financing Charge, is subject to Court approval.

PROPOSED STAY PERIOD EXTENSION

33. Under the BIA, the initial stay of proceedings will expire on October 27, 2024 (the **"Initial Stay Period"**).
34. The Company seeks an extension of time to file a proposal for an additional 45 days to and including December 11, 2024 (the **"Proposed Stay Extension"**). The Proposed Stay Extension should permit the Proposal Trustee to commence and advance a Sale Process. Without the Proposed Stay Extension, the Company will not be in a position to make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders.
35. It is the Proposal Trustee's view, based on the Cash Flow Forecast, including the required funding of the DIP Loan, that the Company will have sufficient liquidity to commence and advance a Sale Process and to satisfy post filing obligations as they come due during the Proposed Stay Extension.
36. In the Proposal Trustee's view, Motryx has acted and continues to act in good faith and with due diligence. The Proposal Trustee respectfully submits that the Company will likely be able to make a viable proposal if the Proposed Stay Extension is granted.
37. Based on the information presently available, the Proposal Trustee believes that the Company's creditors will not be materially prejudiced by the Proposed Stay Extension. Furthermore, the

Proposal Trustee is not aware of any creditor who opposes the requested extension of the Stay Period.

PROPOSED PRIORITY CHARGES

38. The Company seeks approval of two (2) priority charges on all of the current and future assets, undertakings, and properties of the Company, wherever located, including all proceeds thereof, ranking in the following order:
- a. first, the Administration Charge; and
 - b. second, the DIP Financing Charge.
39. The Proposal Trustee understands that the Company is providing its sole secured creditor, RBC, with notice of the relief being sought, including the proposed priority charges.

ADMINISTRATION CHARGE

40. The Company seeks approval of an Administration Charge up to a maximum amount of \$125,000 in favour of counsel to the Company, and the Proposal Trustee and its independent counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the Proposal Proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the DIP Loan.
41. The Proposal Trustee is of the view that given the current liquidity constraints of the Company, the proposed Administration Charge is required and reasonable in the circumstances. The Proposal Trustee is of the view that the Administration Charge is necessary for the effective participation of the professionals in the Proposal Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

DIP FINANCING CHARGE

42. The Company is seeking approval of the DIP Loan pursuant to which Aerocom, in its capacity as the proposed lender under the DIP Loan, has offered to make available to the Company a debtor-in possession loan of \$360,000 in order provide sufficient liquidity for Company operations and for the Proposal Trustee to complete a Sale Process.
43. A copy of the DIP Loan is attached as Exhibit C in the Sabeshan Affidavit. The material items, terms and conditions of the DIP Loan include the following:
- a. principal amount: \$360,000 (the “**Maximum Amount**”);
 - b. purpose of the loan: to fund the cash flow requirements of the Company on a going concern basis, unless otherwise approved by the DIP Lender and the Proposal Trustee,

in accordance with the Cash Flow Forecast, which primarily includes (i) the working capital requirements of the Company; (ii) professional fees and expenses incurred by the Company's counsel, the Proposal Trustee and its legal counsel, in respect to the Proposal Proceedings; and (iii) the costs associated with a Sale Process.

- c. interest rate: 10% per annum, payable on the Termination Date (defined herein);
- d. DIP Financing Charge and Court approval: the DIP Loan is to be secured by a Court-ordered priority charge over all of the Company's present and after-acquired property, assets and undertakings subject only to the Administration Charge;
- e. payment of Pre-Filing obligations: the Borrower shall not make or permit to be made any payment on account of obligations owing as of the date of the filing of the NOI by the Borrower without the prior consent of the Proposal Trustee and the DIP Lender, or pursuant to an Order of the Court; and
- f. repayment: the DIP Loan is to be repaid on the termination date, which is defined as the earlier of:
 - i. six (6) months following the initial advance under the DIP Loan or such other date agreed to by the DIP Lender in its sole discretion;
 - ii. the date upon which a transaction for the sale of all or substantially all of the business and assets of the Company is complete;
 - iii. the date of which the stay of proceedings provided for in the Proposal Proceedings is dismissed or terminated; and
 - iv. the occurrence of an event of default;

(the "Termination Date").

- 44. The Proposal Trustee believes the terms offered by the DIP Lender are reasonable and competitive in the circumstances.
- 45. The Proposal Trustee is of the view that the Company's request for approval of the DIP Loan and the DIP Financing Charge is required and reasonable in order to provide the Company necessary financing to maintain ongoing operations and conduct a Sale Process. Absent approval of this financing, the Company would be unable to obtain alternative financing to finance the restructuring of its business and would thus be forced to shut down operations and commence a liquidation of its assets, resulting in a termination of the Company's employees and lost value for the Company's creditors and stakeholders.
- 46. The Proposal Trustee understands the Company will seek approval from the Court to utilize the DIP Loan to finance pay pre-filing payments related to current employee payroll, an employee

expense reimbursement and certain critical suppliers which are necessary to facilitate the Company's on-going operations and to preserve value during the Proposal Proceedings. More detail on the relief being sought is provided below.

PROPOSED PRE-FILING PAYMENTS

47. The Company is seeking authorization to pay the following pre-filing obligations:
- a. payroll to current employees, and related source deductions owing to CRA, to compensate for time worked prior to the Proposal Proceedings, in the aggregate amount of \$52,500. The Cash Flow Forecast contemplates payment of pre-filing payroll and related remittances in four (4) weekly instalments commencing on the week ending October 18, 2024, however it is anticipated the payments will be delayed due to the timing of the Company's motion;
 - b. an employee expense reimbursement for a Company related expense incurred prior to the Filing Date in the amount of \$1,500; and
 - c. general subscriptions and dues owing to critical suppliers, namely, internet service providers for key applications and related services required by the Company to maintain its software applications and adequately service its customers and channel partners. The Cash Flow Forecast contemplates payment of said critical suppliers, the aggregate amount of which is not expected to exceed \$2,500.
48. Payment of the above noted pre-filing obligations will be made with the consent of the Proposal Trustee and the DIP Lender, and in the Proposal Trustee's view, are necessary to facilitate the Company's ongoing operations and preserve value during the Proposal Proceedings.

PROPOSAL TRUSTEE RECOMMENDATIONS

49. In the Proposal Trustee's view, Motryx has acted and continues to act in good faith and with due diligence. The Proposal Trustee respectfully submits that the Company will likely be able to make a viable proposal if the Proposed Stay Extension is granted and that no creditor will be materially prejudiced by the granting of the extension.
50. Based on the foregoing, the Proposal Trustee recommends that this Court grant the Proposed Order:
- a. extending the Initial Stay Period from October 27, 2024 up to and including December 11, 2024;
 - b. approving an Administration Charge in the amount of \$125,000, in favour of the Company's counsel, the Proposal Trustee and its counsel against the Company's Assets,

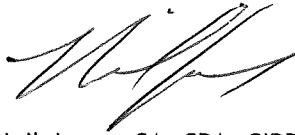
as security for their respective fees and disbursements incurred at the standard rates and charges of the professionals involved with the Company's restructuring;

- c. approving the DIP Loan to be provided by Aerocom and the associated DIP Financing Charge against the Company's Assets; and
- d. authorizing the Company to make certain payments to current employees for pre-filing payroll and related source deductions, an employee expense reimbursement, and to pay certain critical suppliers for pre-filing obligations, which are necessary to facilitate the Company's ongoing operations and preserve value during the Proposal Proceedings.

All of which is submitted to this Court on this 16th day of October 2024.

BDO CANADA LIMITED
Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity.

Per:

A handwritten signature in black ink, appearing to read 'Neil Jones', written over a horizontal line.

Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

APPENDIX A

District of Nova Scotia
Division No. 01 - Halifax
Court No. 45907
Estate No. 51-3134197

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

Motryx Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

September 27, 2024

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 aforementioned 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 aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 27, 2024, 14:17

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Nova Scotia
Type of Search: Debtors (Enterprise)
Search Criteria: Motryx Inc.
Date and Time of Search (YYYY-MM-DD hh:mm): 2024-08-19 13:15 (Atlantic)
Transaction Number: 26025737
Searched By: M194462

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	32356222	MOTRYX INC.	HALIFAX

An '*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

Included Column Legend

- An asterisk (*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

Registration Counts

- 1 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to www.acol.ca

Registration Details for Registration Number: 32356222

Province or Territory: Nova Scotia
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	32356222	2020-01-28 15:58	2025-01-28	1837467-RB10

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
MOTRYX INC.
1505 BARRINGTON ST, UNIT 100

HALIFAX NS B3J 3K5
Canada

Secured Parties

Type: Enterprise
Royal Bank Of Canada
7101 PARC AVENUE, 5TH FLOOR
MONTREAL QC H3N 1X9
Canada

General Collateral

All of the Debtor's present and after-acquired personal property except for consumer goods and all proceeds thereof, including, without limitation, all of the Debtor's personal and after-acquired personal property.

END OF REPORT

District of Ontario
Division No. 01 - Halifax
Court No.: 51-3134197
Estate No.: 51-3134197

IN THE MATTER OF THE PROPOSAL OF

Motryx Inc.

OF THE CITY OF HALIFAX
IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF SERVICE

I, Tony Montresano of the City of Pickering, in the Province of Ontario, hereby make oath and say:

That on the 2nd day of October 2024, I did cause to be mailed to the known creditors of the above named debtor, whose names and addresses appear on the paper-writing marked as Exhibit "A" annexed hereto, a copy of each of a letter to the creditors, the Notice of Intention to File a Proposal with the list of known creditors with claims of \$250, Certificate of Filing of the Notice of Intention to Make a Proposal and Proposal Consent marked as Exhibit "B" annexed hereto.

And, a copy of this said Notice was sent to the debtor via mail.

SWORN before me in the
City of Toronto, Province of
Ontario, on the 3rd day of
October, 2024

A Commissioner for Taking Affidavits, etc

Jessie Hue, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associated companies, and affiliates.
Expires August 26, 2026

)
)
)
)

)



Tony Montresano

COURT NO. 51-3134197

ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF

**MOTRYX INC.
OF THE CITY OF HALIFAX
IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF MAILING
NOTICE OF INTENTION TO MAKE A
PROPOSAL

BDO CANADA LIMITED
20 Wellington Street E.
Suite 500
Toronto, ON, M5E 1C5

Phone: 416-865-0210
Fax: 416-865-0904

Niva Sabeshan
1505 Barrington Street, Unit 100
Halifax NS B3J 3K5

ATLANTIC CANADA
OPPORTUNITIES AGENCY (ACOA)
Julia Pelton
PO Box 2284, Station Central
Halifax NS B3J 3C8

BURCOT PARK HOLDINGS
INCORPORATED
Bruce MacDougall
11131 Studley Avenue
Halifax NS B3H 3R7

CRA - Tax - Atlantic
Shawinigan-Sud National Verification
and Collection Centre
4695 Shawinigan-Sud Blvd
Shawinigan-sud QC G9P 5H9

Employees
255 Lacewood Drive Suite 201
Halifax NS B3M 4G2

JCOVE HOLDINGS LIMITED
William Adams
526 Purcell's Cove Rd.
Halifax NS B3P 2G3

Medavie Blue Cross
Tresury: Medavie Blue Cross
Moncton NB E1C 8L3

RBC
Aly Khalaf
5855 SPRING GARDEN RD
Halifax NS B3H 4S2

AEROCOM GmbH & Co.
Roland Pfitzer
Adam-Riese-Straße 16
D-73529

BAKERTILLY
Alida Mitchell
130 Eileen Stubbs Ave Suite 201
Dartmouth NS B3B 2C4

CAMERON AND CO. INVESTMENTS
LIMITED
5632 Morris St.
Halifax NS B3J 1C2

DCW HOLDINGS LIMITED
2160 Newton Ave
Halifax NS B3L 3B9

Former Employees
255 Lacewood Drive Suite 201
Halifax NB B3M 4G2

KILLICK VENTURE FUND LP
Joe MacKenna
95 Water Street, 2nd Floor, P.O. Box
5383, Stn C
St. John's NL A1C 5W2

N/A
Chris Huskison
230 Church St.
Wellington NS B2T 1A2

RBC
5855 SPRING GARDEN RD
Halifax NS B3H 4S2

ATLANTIC CANADA
OPPORTUNITIES AGENCY (ACOA)
Julia Pelton
1801 Hollis St., Suite 700
Halifax NS B3J 3N4

BENNETT GROUP OF COMPANIES
INC.
Cathy Bennett
510 Topsail Road
St. Johns NL A1E 0G5

CONCRETE VENTURES LIMITED
PARTNERSHIP
Patrick Hankinson
244-1505 Barrington St.
Halifax NS B3J 3K5

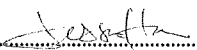
EAST PORT HOLDINGS LIMITED
John W. Lindsay Jr.
130 Eileen Stubbs Ave., Suite 25 North
Dartmouth NS B3B 2C4

G2S2 CAPITAL INC.
Mark Power
400-145 Hobsons Lake Drive
Halifax NS B3S 0H9

McInnes Cooper
Robert Cowan
1300-1969 Upper Water Street, PO Box
730
Halifax NS B3J 3R7

RANDOM HOLDINGS LTD.
6130 Jubilee Road
Halifax NS B3H 2E8

This is Exhibit " A " referred to in the
Affidavit/declaration of Tony Montesano sworn
Before me at the City of Toronto in the
Province of Ontario 3rd day of October 2024


A Commissioner in and for the Province of Ontario

Jessie Hue, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associated companies, and affiliates.
Expires August 26, 2025



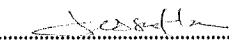
Telephone: (902) 425-3100
Fax: (902) 425-3777
Toll Free: (800) 337-5764
www.bdo.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

October 2, 2024

This is Exhibit " B " referred to in the
Affidavit/declaration of Tony Montesano sworn
Before me at the City of Toronto in the
Province of Ontario 3rd day of October 2024

Jessie Hue, a Commissioner, etc.,
Province of Ontario, for BDO Canada LLP
and BDO Canada Limited and their subsidiaries,
associated companies, and affiliates.
Expires August 26, 2025


A Commissioner in and for the Province of Ontario

TO THE CREDITORS OF MOTRYX INC.

Please be advised that Motryx Inc. ("Motryx" or the "Company") has filed a Notice of Intention to Make a Proposal (the "NOI Filing") under subsection 50.4(1) of the Bankruptcy and Insolvency Act ("BIA") on September 27, 2024 (the "Effective Date"). BDO Canada Limited ("BDO") has been appointed as the Licensed Insolvency Trustee (the "Trustee") under the NOI Filing.

The effect of the NOI Filing is an automatic stay of proceedings against all creditors from commencing any judicial actions or realizations on security against the Company without first obtaining the leave of the Supreme Court of Nova Scotia (the "Court").

By filing the NOI, Motryx is utilizing a creditor protection process. The Company continues to operate during the NOI Filing and intends to restructure through this process. To be clear, the Company has not filed an assignment in bankruptcy.

As required by Section 50.4(6) of the BIA, we enclose the following documents with respect to the NOI Filing for your inspection and file:

- Notice of Intention to Make a Proposal
- List of Creditors
- Consent of the Trustee to Act
- Certificate of Filing of Notice of Intention to Make a Proposal

Motryx has 30 days from the Effective Date to either make a Proposal to its creditors or to seek an extension from the Court. Until a definitive Proposal is filed with the Trustee, creditors need not file Proofs of Claim or concern themselves with voting. The Trustee will provide additional information related to the NOI Filing as it becomes available for review on the following website:

www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/motryx

Management of Motryx stresses that it is their intent to restructure. If you have any questions for Company management, please contact them directly using your existing contact information.

If you have any questions relative to the NOI Filing, please contact the BDO Halifax office.

Yours very truly

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

Enclosures

District of: Nova Scotia
Division No. 01 - Halifax
Court No.
Estate No.

- FORM 33 -

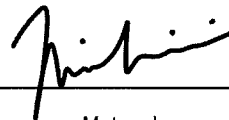
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Motryx Inc.
of the City of Halifax, in the Province of Nova Scotia

Take notice that:

1. I, Motryx Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of Suite 201, 255 Lacewood Drive, Halifax, NS, B3M 4G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Halifax in the Province of Nova Scotia, this 26th day of September 2024.



Motryx Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Nova Scotia
 Division No. 01 - Halifax
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal

(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of

Motryx Inc.

of the City of Halifax, in the Province of Nova Scotia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
AEROCOM GmbH & Co. Roland Pfitzer	Adam-Riese-Straße 16 D-73529 Schabisch Gmund -- Germany		325,000.00
ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA) Julia Pelton	1801 Hollis St., Suite 700 Halifax NS B3J 3N4		233,352.45
ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA) Julia Pelton	PO Box 2284, Station Central Halifax NS B3J 3C8		420,681.27
BAKERTILLY Alida Mitchell	130 Eileen Stubbs Ave Suite 201 Dartmouth NS B3B 2C4		10,925.00
BENNETT GROUP OF COMPANIES INC. Cathy Bennett	510 Topsail Road St. Johns NL A1E 0G5		25,000.00
BURCOT PARK HOLDINGS INCORPORATED Bruce MacDougall	11131 Studley Avenue Halifax NS B3H 3R7		35,000.00
CAMERON AND CO. INVESTMENTS LIMITED	5632 Morris St. Halifax NS B3J 1C2		50,000.00
CONCRETE VENTURES LIMITED PARTNERSHIP Patrick Hankinson	244-1505 Barrington St. Halifax NS B3J 3K5		350,000.00
CRA - Tax - Atlantic	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9		250.00
DCW HOLDINGS LIMITED	2160 Newton Ave Halifax NS B3L 3B9		50,000.00

District of: Nova Scotia
Division No. 01 - Halifax
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Motryx Inc.
of the City of Halifax, in the Province of Nova Scotia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
EAST PORT HOLDINGS LIMITED John W. Lindsay Jr.	130 Eileen Stubbs Ave., Suite 25 North Dartmouth NS B3B 2C4		314,999.00
Employees	255 Lacewood Drive Suite 201 Halifax NS B3M 4G2		39,375.00
Former Employees	255 Lacewood Drive Suite 201 Halifax NB B3M 4G2		21,748.00
G2S2 CAPITAL INC. Mark Power	400-145 Hobsons Lake Drive Halifax NS B3S 0H9		75,000.00
JCOVE HOLDINGS LIMITED William Adams	526 Purcell's Cove Rd. Halifax NS B3P 2G3		25,000.00
KILLICK VENTURE FUND LP Joe MacKenna	95 Water Street, 2nd Floor, P.O. Box 5383, Stn C St. John's NL A1C 5W2		100,000.00
McInnes Cooper Robert Cowan	1300-1969 Upper Water Street, PO Box 730 Halifax NS B3J 3R7		10,724.00
Medavie Blue Cross	Tresury: Medavie Blue Cross Moncton NB E1C 8L3	78600015	2,904.96
N/A Chris Huskilson	230 Church St. Wellington NS B2T 1A2		25,000.00
RANDOM HOLDINGS LTD.	6130 Jubilee Road Halifax NS B3H 2E8		50,000.00
RBC	5855 SPRING GARDEN RD Halifax NS B3H 4S2	Credit Card	30,000.00
RBC Aly Khalaf	5855 SPRING GARDEN RD Halifax NS B3H 4S2	CEBA	38,000.00
Total			2,232,959.68



Motryx Inc.
Insolvent Person



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Nova Scotia
Division No. 01 - Halifax
Court No. 45907
Estate No. 51-3134197

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

Motryx Inc.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

September 27, 2024

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 aforementioned 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 aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 27, 2024, 14:17

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

- Proposal Consent -
In the Matter of the Proposal of
Motryx Inc.
of the City of Halifax, in the Province of Nova Scotia

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Motryx Inc..

Dated at the City of Halifax in the Province of Nova Scotia, this 26th day of September 2024.

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee


Per:



Neil Jones - Licensed Insolvency Trustee
Suite 201, 255 Lacewood Drive
Halifax NS B3M 4G2
Phone: (902) 425-3100 Fax: (902) 425-3777

Motryx Inc.														
Statement of projected weekly cash flows														
For the weekly period ending October 4, 2024 to December 27, 2024														
Prepared on October 4, 2024														
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
	04-Oct-24	11-Oct-24	18-Oct-24	25-Oct-24	01-Nov-24	08-Nov-24	15-Nov-24	22-Nov-24	29-Nov-24	06-Dec-24	13-Dec-24	20-Dec-24	27-Dec-24	
Opening cash position	1,007	500	(0)	52,250	36,675	97,125	78,200	152,225	149,500	100,575	98,275	52,700	45,975	1,007
Inflows														
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP fundings	-	-	120,000	-	120,000	-	120,000	-	-	-	-	-	-	-
Total inflows	-	-	120,000	-	120,000	-	120,000	-	-	-	-	-	-	360,000
Outflows														
Direct costs														
Cost of sales	-	-	1,400	-	1,000	-	400	-	-	-	-	-	-	2,800
General and administrative expenses														
General subscriptions and dues	501	500	800	300	500	800	500	300	500	800	500	800	500	7,301
Freight	-	-	400	-	250	-	400	-	250	-	400	-	250	1,950
Professional and restructuring fees	-	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	180,000
Office rent	-	-	375	-	-	-	-	375	-	-	-	375	-	1,125
Payroll - Pre-filing	-	-	8,846	8,846	8,846	8,846	-	-	-	-	-	-	-	35,384
Payroll remittances - Pre-filing	-	-	4,279	4,279	4,279	4,279	-	-	-	-	-	-	-	17,116
Pre-filing employee expense reimbursement	-	-	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Payroll - Post-filing	-	-	-	-	8,846	-	8,846	-	8,846	-	8,846	-	8,846	44,230
Payroll remittances - Post-filing	-	-	-	-	4,229	-	4,229	-	4,229	-	4,229	-	4,229	21,145
Technical consultants	-	-	3,500	-	-	3,500	-	-	3,500	-	-	3,500	-	14,000
Legal fees	-	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Miscellaneous	-	-	1,650	1,600	1,600	1,500	1,600	1,500	1,600	1,500	1,600	1,500	1,600	17,250
Bank charges and fees	-	-	-	550	-	-	-	550	-	-	-	550	-	1,656
Debt servicing														
Loan payments - Revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RBC loan payments - Non revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST (payable) receivable	507	500	67,750	15,575	59,550	18,925	45,975	2,725	48,925	2,300	45,575	6,725	45,425	360,457
Net cash flow	(507)	(500)	52,250	(15,575)	60,450	(18,925)	74,025	(2,725)	(48,925)	(2,300)	(45,575)	(6,725)	(45,425)	(457)
Projected cash position	500	(0)	52,250	36,675	97,125	78,200	152,225	149,500	100,575	98,275	52,700	45,975	550	550

Dated at Halifax, Nova Scotia this 4th day of October, 2024.


 Niva Sabeshan, Chief Executive Officer of Motryx Inc.

BDO Canada Limited
 Trustee under the Notice of Intention to file a Proposal for Motryx Inc.
 and not in its personal capacity.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 51-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

INSOLVENT'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(c) and 50.4(2)(c))

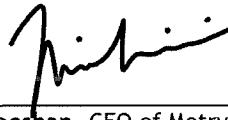
I, Niva Sabeshan, Chief Executive Officer of Motryx Inc., an insolvent, have developed the assumptions and reviewed the attached statement of projected cash-flow of the insolvent as of the week ending October 4, 2024, consisting of the cash-flow statement and cash-flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent and provide a reasonable basis for the projection. All such assumptions have been disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia, this 4th day of October, 2024.



Niva Sabeshan, CEO of Motryx Inc.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 41-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

NOTES TO THE STATEMENT OF PROJECTED CASH FLOW
(Section 50(6)(a) and 50.4(2)(a))

Note A: The statement of projected cash flow is being filed pursuant to the Bankruptcy and Insolvency Act s.50(6)(a) and s.50.(6) in association with the Notice of Intention to file a Proposal for Motryx Inc., an insolvent.

Note B: The following assumptions were used by management of the insolvent in the preparation of the statement of projected cash flow of the Insolvent:

General

The statement of projected cash flow covers a period of 13 weeks from the week ending October 4, 2024 through December 27, 2024. This period is expected to cover the time required to conduct a sales process for the insolvent's assets and obtain a sale and vesting order from the Supreme Court of Nova Scotia, In Bankruptcy.

Receipts

- The restructuring process for the insolvent is intended to be funded primarily by debtor-in-possession financing.

Disbursements

- Disbursements consist of forecast expenses based on management estimates for on-going operations and for restructuring professional fees.

**DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 51-3134197**

**IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.**

AN INSOLVENT

**TRUSTEE'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(b) and 50.4(2)(b))**

The attached statement of projected cash-flow of Motryx Inc., an insolvent, as of the week ending October 4, 2024, consisting of the cash-flow statement and cash-flow assumptions, has been prepared by the management of the insolvent for the purpose described in the notes attached, using probable and hypothetical assumptions as set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection.
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent debtor or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 4th day of October, 2024.

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity.

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

Form 78.05

District of: Nova Scotia
Division of: 01-Halifax
Court No. 45907
Estate No. 51-3134197

Bankruptcy Court

OCT 22 2024

Halifax, N.S.

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency



In the matter of the Notice of Intention to make a proposal of Motryx Inc. pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

ORDER

Before the Registrar in Bankruptcy, Raffi A. Balmanoukian, in chambers

THIS APPLICATION made by Motryx Inc. (the “Applicant” or the “Company”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, (the “BIA”) for an order (i) approving the interim financing facility term sheet; (ii) granting a charge in favour of Aerocom GBMH & Co.; (iii) granting an Administrative Charge (as defined herein); and (iv) extending the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including December 11, 2024,

ON READING the affidavit of Niva Sabeshan sworn on October 15, 2024, and the exhibits thereto, and the First Report of BDO Canada Limited dated October 16, 2024, in its capacity as Proposal Trustee of the Applicant (the “Proposal Trustee”)

ON HEARING the submission of counsel for the Applicant and the Proposal Trustee, and such other counsel that were present, and no one else appearing for any party although duly served;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of application and the materials filed as set out in the affidavit of service is hereby deemed adequate notice so that this application is properly returnable on October 22, 2024, and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that pursuant to s. 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to December 6, 2024 (the “Stay Period”)

ADMINISTRATION CHARGE

3. **THIS COURT ORDERS** that, pursuant to Section 64.2 of the BIA, the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on all the company's current and future assets, undertakings and properties of every nature and kind whatsoever including any principal, interest and fees arising under the DIP Agreement (as defined below), and wherever situate including all proceeds thereof (the "Property"), which charge shall not exceed an aggregate amount of \$125,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 9 and 11 hereof.

INTERIM FINANCING

4. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute, enter into and deliver an amended interim financing term sheet executed by the Company and Aerocom GBMH & Co. ("**DIP Lender**") dated as of September, 17, 2024 (the "**DIP Agreement**") and to borrow, in accordance with the terms and conditions of the DIP Agreement, interim financing in the principal amount of \$360,000.00 to, among other things, fund the Company's working capital, capital expenses and restructuring costs during the Stay Period.
5. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Company is hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
6. **THIS COURT ORDERS** that pursuant to Section 50.6 of the BIA, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before September 27, 2024. The DIP Lender's Charge shall have the priority set out in paragraphs 9 and 11 hereof.
7. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, or Section 69 of the BIA:
- a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - b) upon the occurrence of an event of default under the Definitive Documents or the DIP Agreement, the DIP Lender may exercise any and all of its rights and remedies against the Company or the Property under or pursuant to the DIP Agreement,

Definitive Documents and the DIP Lender's Charge, including without limitation, to 4 cease making advances to the Company and set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

- c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Property.
8. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any proposal filed by the Company under the BIA or any plan of arrangement or compromise filed by the Company in any proceeding under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, with respect to any advances made under the Definitive Documents or the DIP Agreement.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

9. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge, as between them, shall be as follows:
- a) First — the Administration Charge (to the maximum amount of \$125,000); and
 - b) Second — the DIP Lender's Charge (to the maximum principal amount of \$360,000).
10. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
11. **THIS COURT ORDERS** that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**").
12. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge or the DIP Lender's Charge, unless the Company obtains the prior written consent of the

Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

13. **THIS COURT ORDERS** that the Administration Charge, the DIP Agreement, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Company of any Agreement to which they are a party;
- b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- c) the payments made by the Company pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

14. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Company's interest in such real property leases.

GENERAL

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Time on the date of this Order.

Issued at Halifax this 22 day of October 2024.


Deputy Prothonotary
SHYLA FURLONG
Deputy Registrar of
Bankruptcy

**IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.**

I hereby certify that the foregoing is a
true copy of the original order on file
herein.

Dated the 22 day of October
A.D., 20 24.

DEPUTY REGISTRAR

SHYLA FURLONG
Deputy Registrar of
Bankruptcy

Bankruptcy Court

OCT 22 2024

Halifax, N.S.

Form 78.05

District of: Nova Scotia
 Division of: 01-Halifax
 Court No.: 45907
 Estate No.: 51-3134197

Supreme Court of Nova Scotia
 In Bankruptcy and Insolvency



In the matter of the Notice of Intention to make a proposal of Motryx Inc. pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

ORDER

Before the Registrar in Bankruptcy, Raffi A. Balmanoukian, in chambers

THIS APPLICATION made by Motryx Inc. (the "**Applicant**" or the "**Company**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, (the "**BIA**") seeking an Order granting leave to the Applicant to pay certain critical suppliers as identified in the First Report of BDO Canada Limited in its capacity as the Proposal Trustee for the Applicant (the "**Proposal Trustee**") in an amount not to exceed \$56,500.00;

ON READING the affidavit of Niva Sabeshan sworn on October 15, 2024, and the exhibits thereto, and the First Report of the Proposal Trustee dated October 2024 (the "**First Report**");

ON HEARING the submission of counsel for the Applicant and the Proposal Trustee, and such other counsel that were present, and no one else appearing for any party although duly served;

THIS COURT ORDERS that leave is granted to the Applicant to pay those critical suppliers as identified in the First Report, in an amount not to exceed \$56,500.00.

THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:00 a.m. Atlantic Time on the date of this Order.

Issued at Halifax this 22 day of October 2024.

Deputy Prothonotary

SHYLA FURLONG
 Deputy Registrar of
 Bankruptcy

In the matter of the Notice of Intention ("NOI") to file a Proposal
Motryx Inc.
Cash Flow Forecast to Actual Comparison
For the 9-week period from September 27, 2024 to November 29, 2024

Period	Forecast to 29-Nov	Actual to 29-Nov	Variance to 29-Nov	Note
Inflows				
Accounts receivable	-	-	-	
DIP fundings	360,000	239,966	(120,035)	1
Total inflows	360,000	239,966	(120,035)	
Outflows				
Direct costs				
Cost of sales	2,800	-	2,800	2
General and administrative expenses				
General subscriptions and dues	4,701	2,774	1,927	
Freight	1,300	-	1,300	2
Professional and restructuring fees	120,000	78,728	41,272	
Office rent	750	-	750	
Payroll - Pre-filing	35,384	35,466	(83)	
Payroll remittances - Pre-filing	17,116	17,116	-	
Pre-filing employee expense reimbursement	1,500	1,678	(178)	
Payroll - Post-filing	26,538	26,600	(62)	
Payroll remittances - Post-filing	12,687	12,837	(150)	
Technical consultants	10,500	1,009	9,491	
Legal fees	15,000	-	15,000	2
Miscellaneous	11,050	1,362	9,688	
Bank charges and fees	1,106	37	1,069	
Debt servicing	-	-	-	
Loan payments - Revolving	-	500	(500)	3
RBC loan payments - Non revolving	-	1,067	(1,067)	4
	260,432	179,174	81,258	
HST (payable) receivable	-	-	-	
Net cash flow	99,568	60,792	(38,777)	
Opening Cash Position	1,007	1,513	506	
Closing Cash Position	100,575	62,304	(38,271)	

Notes:

1 - The Company's Cash Flow Forecast projected collection of the first, second and third tranches of DIP Financing of \$120,000 each by the week ending November 15, 2024, however only the first and second tranches have been collected. The Company understands the DIP Lender processed payment of the third tranche which has been collected by the Company's counsel as of the week ending November 29, 2024.

2 - Due to delay in collection of the third DIP Financing tranche, the Company has delayed payment of certain direct and indirect operational expenses in order to manage cash flow. Said variances in operational expenses are expected to primarily be timing differences.

3 - A preauthorized payment towards the Company's term loan with the Atlantic Canada Opportunities Agency (ACOA) was processed shortly after the NOI filing. The Company is working with ACOA representatives in attempt to have this payment reversed.

4 - The Company incurred preauthorized payments on its credit card facilities held with RBC, however post-filing pre-authorized payments charged to said credit card facilities related to general subscriptions to various on-line platforms resulted in a net payment on the credit card facilities of less than \$400.

Motryx Inc. Statement of projected weekly cash flows For the weekly period ending December 6, 2024 to February 28, 2025 Prepared on December 2, 2024															
Week	Actuals Weeks 1-9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	Forecast Week 14	Forecast Week 15	Forecast Week 16	Forecast Week 17	Forecast Week 18	Forecast Week 19	Forecast Week 20	Forecast Week 21	Forecast Week 22	
Week Ending	29-Nov-24	06-Dec-24	13-Dec-24	20-Dec-24	27-Dec-24	03-Jan-25	10-Jan-25	17-Jan-25	24-Jan-25	31-Jan-25	07-Feb-25	14-Feb-25	21-Feb-25	28-Feb-25	Total
Opening cash position	1,513	62,305	180,505	120,130	153,905	139,080	137,580	102,755	100,480	100,605	99,105	54,280	52,405	37,430	62,305
Inflows															
Accounts receivable	-	-	-	-	-	-	10,000	-	19,000	-	-	-	-	19,000	48,000
DIP fundings	239,966	120,000	-	40,000	-	-	-	-	-	-	-	-	-	-	160,000
Total inflows	239,966	120,000	-	40,000	-	-	10,000	-	19,000	-	-	-	-	19,000	208,000
Outflows															
Direct costs															
Cost of sales	-	-	400	-	-	-	-	400	-	-	-	-	400	-	1,200
General and administrative expenses															
General subscriptions and dues	2,774	800	500	800	500	500	500	500	500	500	500	500	500	500	7,100
Freight	-	-	400	-	250	-	250	-	250	-	250	-	-	-	1,400
Professional and restructuring fees	78,728	-	30,000	-	-	-	30,000	-	-	-	30,000	-	-	25,000	115,000
Office rent	-	-	-	375	-	-	-	375	-	-	-	375	-	-	1,125
Payroll - Pre-filing	35,466	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll remittances - Pre-filing	17,116	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-filing employee expense reimbursement	1,678	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll - Post-filing	26,600	-	8,846	-	8,846	-	8,846	-	8,846	-	8,846	-	8,846	-	53,075
Payroll remittances - Post-filing	12,837	-	4,229	-	4,229	-	4,229	-	4,229	-	4,229	-	4,229	-	25,374
Technical consultants	1,009	-	-	3,500	-	-	-	-	3,500	-	-	-	-	3,500	10,500
Legal fees	-	-	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Miscellaneous	1,362	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,000
Bank charges and fees	37	-	-	550	-	-	-	-	550	-	-	-	-	550	1,650
Debt servicing															
Loan payments - Revolving	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RBC loan payments - Non revolving	1,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	179,174	1,800	60,375	6,225	14,825	1,500	44,825	2,275	18,875	1,500	44,825	1,875	14,975	30,550	244,424
HST (payable) receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash flow	60,792	118,200	(60,375)	33,775	(14,825)	(1,500)	(34,825)	(2,275)	125	(1,500)	(44,825)	(1,875)	(14,975)	(11,550)	(36,424)
Projected cash position	62,305	180,505	120,130	153,905	139,080	137,580	102,755	100,480	100,605	99,105	54,280	52,405	37,430	25,880	25,880

Dated at Halifax, Nova Scotia this 2nd day of December, 2024.



Niva Sabeshan, Chief Executive Officer of Motryx Inc.



BDO Canada Limited
Trustee under the Notice of Intention to file a Proposal for Motryx Inc.
and not in its personal capacity.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 51-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

INSOLVENT'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(c) and 50.4(2)(c))

I, Niva Sabeshan, Chief Executive Officer of Motryx Inc., an insolvent, have developed the assumptions and reviewed the attached statement of projected cash-flow of the insolvent covering the period December 2, 2024, to February 28, 2025, consisting of the cash-flow statement and cash-flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent and provide a reasonable basis for the projection. All such assumptions have been disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia, this 2nd day of December, 2024.



Niva Sabeshan, CEO of Motryx Inc.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 41-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

NOTES TO THE STATEMENT OF PROJECTED CASH FLOW
(Section 50(6)(a) and 50.4(2)(a))

Note A: The statement of projected cash flow is being filed pursuant to the Bankruptcy and Insolvency Act s.50(6)(a) and s.50.(6) in association with the Notice of Intention to file a Proposal for Motryx Inc., an insolvent.

Note B: The following assumptions were used by management of the insolvent in the preparation of the statement of projected cash flow of the Insolvent:

General

The statement of projected cash flow covers a period of 13 weeks from December 2, 2024, to February 28, 2025. This period is expected to cover the time required to conduct a sales process for the insolvent's assets and obtain a sale and vesting order from the Supreme Court of Nova Scotia, In Bankruptcy.

Receipts

- The restructuring process for the insolvent is intended to be funded primarily by debtor-in-possession financing.

Disbursements

- Disbursements consist of forecast expenses based on management estimates for on-going operations and for restructuring professional fees.

DISTRICT OF NOVA SCOTIA
DIVISION No. 01 - Halifax
COURT No. - 45907
ESTATE No. - 51-3134197

IN THE MATTER OF THE PROPOSAL OF
MOTRYX INC.

AN INSOLVENT

TRUSTEE'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(b) and 50.4(2)(b))

The attached statement of projected cash-flow of Motryx Inc., an insolvent, covering the period December 2, 2024, to February 28, 2025, consisting of the cash-flow statement and cash-flow assumptions, has been prepared by the management of the insolvent for the purpose described in the notes attached, using probable and hypothetical assumptions as set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the management for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection.
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent debtor or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 2nd day of December, 2024.

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Notice of Intention to Make a Proposal of Motryx Inc.
and not in its personal capacity.

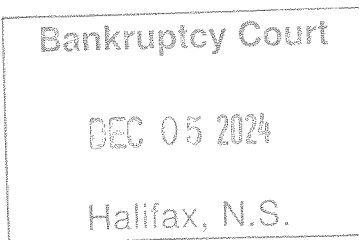
Per:



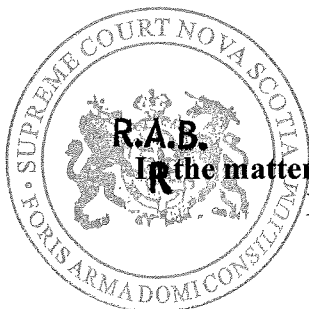
Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

Form 78.05

District of: Nova Scotia
 Division of: 01-Halifax
 Court No. 45907
 Estate No. 51-3134197



**Supreme Court of Nova Scotia
 In Bankruptcy and Insolvency**



In the matter of the Notice of Intention to make a proposal of Motryx Inc. pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

ORDER

Before the Registrar in Bankruptcy, Raffi A. Balmanoukian, in chambers

THIS MOTION made by Motryx Inc. (the "**Applicant**" or the "**Company**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended, (the "**BIA**") for an order abridging the time to hear this motion, if required, and extending the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including January 17, 2025;

ON READING the affidavit of Niva Sabeshan sworn on November 28, 2024, and the exhibits thereto, and the Second Report of BDO Canada Limited, in its capacity as Proposal Trustee of the Applicant (the "**Proposal Trustee**")

ON HEARING the submission of counsel for the Applicant and the Proposal Trustee, and such other counsel that were present, and no one else appearing for any party although duly served;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of application and the materials filed as set out in the affidavit of service is hereby deemed adequate notice so that this application is properly returnable on December 5, 2024, and hereby dispenses with further service thereof.

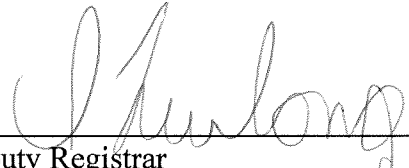
STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that pursuant to s. 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to January 17, 2025 (the "**Stay Period**")

GENERAL

3. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Time on December 5, 2024.

Issued December 5, 2024


Deputy Registrar

SHYLA FURLONG
Deputy Registrar of
Bankruptcy

**IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.**

I hereby certify that the foregoing is a true copy of the original order on file herein.

Dated the 5 day of December
A.D., 2024


DEPUTY REGISTRAR

SHYLA FURLONG
Deputy Registrar of
Bankruptcy