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

COURT FILE NO. CV-23-00700033-00CL

IN THE MATTER OF THE RECEIVERSHIP OF
7132221 CANADA INC. O/A HAWKTREE SOLUTIONS
IN THE CITY OF OTTAWA
IN THE PROVINCE OF ONTARIO

RECEIVER'S FIRST INTERIM REPORT - S. 246(2)

1. Introduction

On July 11, 2023, the undersigned, BDO Canada Limited, was appointed as receiver (the "Receiver") without security, of all of the assets, undertakings, and property of 7132221 Canada Inc. o/a Hawktree Solutions (the "Company").

In accordance with section 246(2) of the *Bankruptcy and Insolvency Act*, the Receiver provides the following interim report on the receivership. Additional information on the receivership can be found on the Receiver's website: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/hawktreesolutions>

2. Statement of Receipts and Disbursements

Attached as Schedule "A" is the Interim Statement of Receipts and Disbursements for the Company for the period of July 11, 2023 to December 31, 2023.

3. Realization of Assets

On September 21, 2023, the Court issued an order approving a sale transaction between the Receiver and Acme United Limited (the "Purchaser"). On September 27, 2023, the Receiver and the Purchaser closed on the transaction. The transaction consisted of substantially all of the Company's inventory, contracts, and intellectual property.

The Receiver is of the view that the Company's assets that were not included in the transaction do not have any realizable value for the receivership estate.

4. Anticipated Completion of the Receivership

The administration of the receivership will be completed once the Receiver has completed various remaining duties, including Canada Revenue Agency's payroll trust examination, and has disbursed all of the funds in the estate.



DATED at Halifax, Nova Scotia, this 8th day of January, 2024.

BDO Canada Limited
in its capacity as Court appointed Receiver of
7132221 Canada Inc. o/a Hawktree Solutions
and not in its personal or corporate capacity
Per:

A handwritten signature in black ink, appearing to read 'Neil Jones', written in a cursive style.

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



SCHEDULE "A"

| 7132221 Canada Inc. (o/a Hawktree Solutions) | | |
|---|-----------|---------------------|
| Interim Statement of Receipts and Disbursements | | |
| For the Period of July 11, 2023 to December 31, 2023 | | |
| Receipts: | | |
| Sale of assets | \$ | 900,000.00 |
| Funding from Receiver's certificates | | 150,000.00 |
| Accounts receivable collections | | 20,513.32 |
| Interest earned | | 10,133.27 |
| Total Receipts | | 1,080,646.59 |
| Disbursements: | | |
| Receiver's fees | | 94,430.80 |
| HST/GST/QST paid | | 13,268.30 |
| Independent contractors | | 12,647.50 |
| Insurance | | 6,099.34 |
| Computer services | | 5,704.00 |
| Medical device establishment licence | | 4,797.54 |
| Occupation rent | | 4,262.85 |
| Travel | | 3,813.80 |
| Private investigator service | | 1,674.66 |
| Filing fees | | 75.30 |
| Total Disbursements | | 146,774.09 |
| Excess Receipts over Disbursements | \$ | 933,872.50 |