

COURT FILE NUMBER 25-095558
25-095559

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

Clerk's Stamp

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF ATTABOTICS INC. AND
ATTABOTICS (US) CORP.

APPLICANTS ATTABOTICS INC. AND ATTABOTICS (US) CORP.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE **OSLER, HOSKIN & HARCOURT LLP**
AND CONTACT Suite 2700, Brookfield Place
INFORMATION OF 255 – 6th Avenue SW
PARTY FILING THIS Calgary, AB T2P 1N2
DOCUMENT

Solicitors: Marc Wasserman / Emily Paplawski
Phone: 416.862.4908 / 403.260.7071
Email: mwasserman@osler.com / epaplawski@osler.com
Matter: 1269907

NOTICE TO THE RESPONDENTS

This application is made against you.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: July 4, 2025

Time: 11:00 a.m. MDT

Where: By Webex:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Before Whom: The Honourable Justice J.J. Gill in Commercial Chambers

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. The applicants, ATTAbotics Inc. and ATTAbotics (US) Corp. (together, the “**Applicants**”), seek an Order substantially on the terms attached hereto as **Schedule “A”**, *inter alia*:
 - (a) abridging the time for service of notice of this Application, deeming service of notice of this Application to be good and sufficient, and declaring that there is no other person who ought to have been served with notice of this Application;
 - (b) granting an administration charge to Richter Inc. (“**Richter**”), in its capacity as Trustee under the Notices of Intention to Make a Proposal filed by the Applicants (the “**Proposal Trustee**”), counsel to the Proposal Trustee and Applicants’ counsel, as security for their professional fees and disbursements up to the maximum amount of \$300,000 (the “**Administration Charge**”);
 - (c) granting a charge to the Applicants’ directors and officers as security for any obligations and liabilities they may incur as directors and officers of the Applicants after July 2, 2025, up to the maximum amount of \$200,000 (the “**D&O Charge**”);
 - (d) authorizing and empowering the Applicants to obtain and borrow under a credit facility (the “**Interim Facility**”) from Export Development Canada (“**EDC**”) on the terms and conditions specified in the term sheet between the Applicants and EDC dated July 3, 2025 (the “**Interim Financing Term Sheet**”) up to the maximum amount of \$1.5 million, and granting a charge to EDC as security for all obligations of the Applicants under the Interim Financing Term Sheet (the “**Interim Lender’s Charge**”);
 - (e) approving the key employee retention plan (the “**KERP**”) described below and granting a charge to the KERP recipients as security for payments under the KERP, up to the maximum amount of \$90,000 (the “**KERP Charge**”);
 - (f) declaring that the Administration Charge, the D&O Charge, the Interim Lender’s Charge and the KERP Charge (together, the “**Charges**”) are priority charges that

rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property (as defined in the proposed Order), including liens and trusts created by federal and provincial legislation, and that the Charges rank, as between themselves, in the following order of priority:

- (i) first, the Administration Charge;
 - (ii) second, the D&O Charge;
 - (iii) third, the Interim Lender's Charge; and
 - (iv) fourth, the KERP Charge;
- (g) directing that the proposal proceedings and estates of the Applicants shall be procedurally consolidated and shall continue under a single estate (each individual estate being an “**Estate**”, and the consolidated estate being the “**Consolidated Estate**”), authorizing and directing the Proposal Trustee to administer the Estates making up the Consolidated Estate on a consolidated basis, and granting ancillary relief arising from the procedural consolidation of the Estates; and
- (h) such further and other relief as counsel may request and this Honourable Court may grant.

Grounds for making this application:

Background

2. ATTAbotics is a private corporation incorporated under the laws of Canada. ATTAbotics US is a wholly owned subsidiary of ATTAbotics incorporated under the laws of the State of Delaware. The Applicants have has developed and commercialized the world's first 3D robotics supply chain management system.
3. Notwithstanding its current cash flow issues, ATTAbotics is a true Alberta and, in particular, Calgary, success story. Prior to June 30, 2025, the Applicants employed more than 200 people, almost all of which were based in, and worked out of the Applicants' head office, in Calgary. The Applicants have raised approximately \$220 million in equity

financing, won numerous innovation and technology awards, and were named in Time Magazine's "Best Inventions" list, CNBC's "Disruptor 50" list and Fast Company's list of the Most Innovative Logistics Companies.

4. As an early-stage technology company, ATTAbotics require significant capital to fund its research and development program. Following a tumultuous year in 2024 resulting from increasing interest rates, constrained consumer spending, lower demands for eCommerce, global uncertainty, supply chain disruptions and other factors, ATTAbotics business began to stabilize in late 2024/early 2025 with approximately \$30 million of new business secured to be delivered over the 2025 and 2026 fiscal years.
5. However, capital was needed to fund such ongoing business. While the Applicants undertook preparation for a Class D preferred share financing in late 2024, the Applicants' cash flow challenges posed a concern for certain investors who elected not to participate further. Such concerns had a ripple effect across the investor community. The Class D preferred share financing was shelved and ATTAbotics was not able to access planned capital. As a result, the secured and anticipated new business was not able to proceed on the planned schedule.
6. On June 18, 2025, EDC served the Applicants with a Demand for Payment and Notice of Intention to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("BIA").
7. In order to preserve the value of the business and the value of the security for the benefit of all stakeholders, the Applicants filed Notices of Intention to Make a Proposal under the BIA on July 2, 2025.

Procedural Consolidation

8. The Applicants are related entities whose business and operations are wholly intertwined. An Order procedurally consolidating the Estates will allow the Estates to be managed more efficiently and economically, particularly in light of the very limited resources (both financial and human) available to the Applicants during these proceedings. Procedural consolidation is necessary and appropriate to: (a) enable the Court to efficiently determine

common questions of fact and law between the parties; and (b) facilitate the efficient and economic resolution of the Applicants' NOI proceedings.

Administration Charge

9. The Applicants request that this Honourable Court grant of a first-ranking Administration Charge in an amount not to exceed \$300,000.
10. The Applicants require the services of their counsel, the Proposal Trustee and the Proposal Trustee's counsel in these NOI proceedings to develop a strategic plan and solicit proposals for the sale of the Applicants' assets or business or a refinancing of the Applicants. In order to ensure the continued participation of these professionals in the proceedings, the Administration Charge should be granted to secure their fees and disbursements. The proposed Administration Charge is reasonable and appropriate in the circumstances.

The D&O Charge

11. The Applicants request that this Honourable Court grant of a second-ranking D&O Charge in an amount not exceed \$200,000. The quantum of the D&O Charge was developed in consultation with, and with the assistance of, the Proposal Trustee and is supported by the Interim Lender.
12. The D&O Charge is reasonable and appropriate in the circumstances as the continued participation of the Applicants' directors is critical to the success of these proceedings as: (a) the Applicants' workforce has been reduced from 203 people to 11 people; (b) at the time of the NOI filing, only two executives remained employed by ATTAbotics (one of which is on medical leave); (c) the directors have significant institutional knowledge regarding the business of the Applicants; and (d) the current directors elected to waive their contractual compensation in order to support the Applicants' ongoing efforts. The directors have expressed their desire for certainty with respect to potential liability if they continue in their current capacities within these NOI proceedings.

Interim Facility Approval and Interim Lender's Charge

13. As a result of their current liquidity challenges, as demonstrated in the cash flow forecast, the Applicants require interim financing to provide stability, to continue going concern operations (on a significantly scaled backed basis) and to develop and implement a strategic plan. EDC has agreed to provide the Interim Facility on the basis and terms specified in the Interim Financing Term Sheet.
14. The Interim Facility Term Sheet includes the following key terms:
 - (a) **Interim Facility:** A non-revolving credit facility to be available in multiple advances up to the maximum aggregate principal amount \$1.5 million;
 - (b) **Term:** 30 days from the date of the NOI filings (i.e. August 1, 2025); and
 - (c) **Interest:** Royal Bank of Canada prime rate from time to time plus 10% per annum;
 - (d) **Fees:** 3% of \$1.5 million (i.e. \$45,000).
15. The Interim Facility is proposed to be secured by the Interim Lender's Charge on all of the Applicants' Property. The Interim Lender's Charge will not secure any obligations that existed before the NOI proceedings (i.e. before July 2, 2025). The Interim Lender's Charge is proposed to have priority over all other security interests, charges and liens, except the Administration Charge and the D&O Charge.

Approval of KERP and KERP Charge

16. The Applicants are seeking approval of a KERP and the granting of a Court-ordered KERP Charge as security for payments under the KERP in an amount not to exceed \$90,000.
17. On June 30, 2025, the Applicants terminated 192 of their 203 employees in order to minimize cash outflow. The 11 individuals who remain employed with the Applicants have all been identified as business critical and necessary to the Applicants' restructuring efforts. The Applicants are concerned that if the KERP and the KERP Charge are not approved by this Court, the remaining non-executive employees (9 of the 11 remaining employees) may depart and seek employment elsewhere.

18. The resignation of any of these employees could (depending on the individual) significantly hamper the efforts of the Applicants in these NOI proceedings. The Applicants expect that it will be difficult, if not impossible, to replace certain individuals should they resign in light of the expected short duration of these NOI proceedings and the Applicants' current financial circumstances. In addition, it is expected that the remaining employees will face increased workloads as they will be required to maintain the Applicants' business operations, while also meeting the demands of the Strategic Process and these NOI proceedings.
19. The KERP was developed in consultation with both EDC and the Proposal Trustee. The Applicants believe that the amounts payable to the employees under the KERP are reasonable and appropriate in the circumstances.
20. The Applicants propose a KERP Charge to secure their obligations under the KERP in an amount not to exceed \$90,000. The proposed KERP Charge would rank subordinate to all other Charges.

Material or evidence to be relied on:

21. The Affidavit of Edna Conway, sworn July 3, 2025;
22. The First Report of the Proposal Trustee, to be filed; and
23. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

24. Rules 1.2, 1.3, 3.2(2)(d), 3.8, 11.27 and 13.5 of the *Alberta Rules of Court*, Alta Reg 124/2010;
25. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
26. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

27. None.

How the application is proposed to be heard or considered:

28. Before the Honourable Justice Gill in Commercial Chambers via Webex.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule “A”

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DOCUMENT **ORDER**

ADDRESS FOR SERVICE **OSLER, HOSKIN & HARCOURT LLP**

AND CONTACT Suite 2700, Brookfield Place

INFORMATION OF 255 – 6th Avenue SW

PARTY FILING THIS Calgary, AB T2P 1N2

DOCUMENT

Solicitors: Marc Wasserman / Emily Paplawski

Phone: 416.862.4908 / 403.260.7071

Email: mwasserman@osler.com / epaplawski@osler.com

Matter: 1269907

DATE ON WHICH ORDER WAS PRONOUNCED: July 4, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice J.J. Gill

UPON THE APPLICATION of ATTAbotics Inc. (“**ATTAbotics**”) and ATTAbotics (US), Corp. (“**ATTAbotics US**” and together with ATTAbotics, the “**Applicants**”); **AND UPON** reviewing the Affidavit of Edna Conway, sworn July 3, 2025 (the “**Conway Affidavit**”); **AND UPON** reviewing the First Report of Richter Inc. in its capacity as proposal trustee of the Applicants (in such capacity, the “**Proposal Trustee**”); **AND UPON** noting that each of the Applicants filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the

Bankruptcy and Insolvency Act, RSC 1985, c. B-3 (the “**BIA**”) on July 2, 2025 (the “**Filing Date**”); **AND UPON** hearing submissions by counsel for the Applicants, counsel for the Proposal Trustee and any other counsel or other interested parties present; **IT IS HEREBY ORDERED THAT:**

SERVICE

1. The time for service of the application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no person other than those persons served is entitled to service of the application.

PROCEDURAL CONSOLIDATION

2. The bankruptcy estates of the Applicants (each individually an “**Estate**”) shall, subject to further order of the Court, be procedurally consolidated into one estate (the “**Consolidated Estate**”) and shall continue under Estate No. 25-095559 (with the proceeding in respect thereof being the “**Consolidated Proposal Proceeding**”).
3. Without limiting the generality of the foregoing, the Proposal Trustee is hereby authorized and directed to administer the Consolidated Estates on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as proposal trustee under the BIA as if the Consolidated Estate were a single estate and the Consolidated Proposal Proceeding were a single proceeding under the BIA, including without limitation:
 - a. the Proposal Trustee is authorized to issue consolidated reports in respect of the Applicants; and
 - b. the Proposal Trustee is authorized to deal with all filings and notices relating to the proposal proceedings of the Applicants, each as required under the BIA, on a consolidated basis.
4. Any pleadings or other documents served or filed in the Consolidated Proposal Proceeding by any party shall be deemed to have been served or filed in each of the proceedings comprising the Consolidated Proposal Proceeding.

5. A copy of this Order shall be filed by the Applicants in the Court file for each of the Estates but any subsequent document required to be filed will only be required to be filed in the Consolidated Estate (Estate No. 25-095559).
6. The procedural consolidation of the Estates pursuant to this Order shall not:
 - a. affect the legal status or corporate structure of the Applicants; or
 - b. cause any Applicant to be liable for any claim for which it is otherwise not liable or cause any Applicant to have an interest in an asset to which it otherwise would not have.
7. The Estates are not substantively consolidated, and nothing in this Order shall be construed to that effect.
8. The Proposal Trustee may apply to this Court for advice and directions with respect to the implementation of this Order or with respect to any other matter relating to the procedural consolidation of the Consolidated Estate.

ADMINISTRATION CHARGE

9. Legal counsel for the Applicants, the Proposal Trustee and legal counsel for the Proposal Trustee, as security for their respective professional fees and disbursements incurred in preparing for and during these Consolidated Proposal Proceedings, and both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a security and charge (the “**Administration Charge**”) on all of the Applicants’ present and after-acquired assets, property and undertakings (the “**Property**”), which charge shall not exceed \$300,000.

D&O INDEMNIFICATION AND CHARGE

10. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers after the Filing Date, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director or officer’s gross negligence or willful misconduct.

11. Each of the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**D&O Charge**”) on all of the Property, which shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in this Order.

INTERIM FINANCING APPROVAL AND CHARGE

12. The Applicants are hereby authorized and empowered to obtain and borrow or guarantee, as applicable, pursuant to a credit facility (the “**Interim Facility**”) from Export Development Canada (the “**Interim Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate purposes, all in accordance with the Cash Flow Projections (as defined in the term sheet between the Applicants and the Interim Lender dated as of June 30, 2025 and attached as Exhibit J to the Conway Affidavit (as may be amended or amended and restated from time to time, the “**Interim Financing Term Sheet**”)) and Definitive Documents (as defined below), provided that borrowings under the Interim Facility shall not exceed \$1.5 million unless permitted by further order of this Court, and execution of the Interim Financing Term Sheet is hereby approved and ratified and no other shareholder, unitholder, member, partner, director or other similar approval shall be required in connection therewith or in performing its obligations thereunder.
13. The Interim Facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet.
14. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively with the Interim Financing Term Sheet and the Cash Flow Projections, the “**Definitive Documents**”), as are contemplated by the Interim Financing Term Sheet or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

15. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the **“Interim Lender’s Charge”**) on the Property to secure all obligations under the Definitive Documents incurred on or after the date of this Order. The Interim Lender’s Charge shall not secure any obligation existing before the date of this Order.

16. Notwithstanding any other provision of this Order:

- a. the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender’s Charge or any of the Definitive Documents;
- b. upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender’s Charge, the Interim Lender may (i) immediately cease making advances or providing credit to the Applicants, (ii) shall be permitted to set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Definitive Documents or the Interim Lender’s Charge, (iii) may make demand, accelerate payment and give other notices with respect to the obligations of the Applicants under the Definitive Documents or the Interim Lender’s Charge, or (iv) apply to the Court on five (5) days’ written notice to the Applicants and the Proposal Trustee to seek the Court’s authorization to exercise any and all of its other rights and remedies under or pursuant to the Definitive Documents or the Interim Lender’s Charge including, without limitation, for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- c. the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and managed of the Applicants or the Property.

17. The Interim Lender shall be treated as unaffected in any proposal filed by the Applicants under the BIA or any plan of arrangement or compromise filed by the Applicants under the

Companies' Creditors Arrangement Act, RSC 1985, c. C-36, with respect to any advances under the Definitive Documents.

KEY EMPLOYEE RETENTION PLAN

18. The Key Employee Retention Plan (the “**KERP**”), as described in the Conway Affidavit, is hereby approved and the Applicants are authorized to make payments contemplated thereunder in accordance with the terms and conditions of the KERP.
19. The key employees referred to in the KERP (the “**Key Employees**”) shall be entitled to the benefit of and are hereby granted a charge on the Property (the “**KERP Charge**”), which charge shall not exceed the aggregate amount of \$90,000, to secure any payments to the Key Employees under the KERP.

PRIORITY OF CHARGES

20. The filing, registration or perfection of the Administration Charge, the D&O Charge, the Interim Lender's Charge and the KERP Charge (collectively, the “**Charges**”) shall not be required, and the Charges shall be 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.
21. The Charges shall constitute a security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person (collectively, the “**Encumbrances**”). The ranking as between the Charges shall be as follows:
 - a. first, the Administration Charge;
 - b. second, the D&O Charge;
 - c. third, the Interim Lender's Charge; and
 - d. fourth, the KERP Charge.

22. Except as otherwise provided herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants obtain the prior written consent of the beneficiaries of the Charges (the “**Chargees**”) or further order of this Court.
23. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
- a. the pendency of these proceedings and the declarations of insolvency made in this Order;
 - b. any application(s) for bankruptcy order(s) issued pursuant to the 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**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
 - i. neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which they, or any one of them, is a party;
 - ii. 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 creation of the Charges; and

- iii. the payments made by the Applicants pursuant to this Order 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.

FOREIGN PROCEEDINGS

24. ATTAbotics is hereby authorized and empowered, but not required, to act as foreign representative (in such capacity, the “Foreign Representative”) in respect of the within proceedings for purposes of having these proceedings recognized and approved in a jurisdiction outside Canada.
25. The Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings, as necessary, in any jurisdiction outside of Canada, including in the United States pursuant to chapter 15 of title 11 of the United States Bankruptcy Code.
26. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body or agency having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies and agencies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to ATTAbotics, in any foreign proceeding, or to assist the Applicants and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

MISCELLANEOUS

27. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta