



No. B-250186
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ECOATION INNOVATIVE SOLUTIONS INC.**

**FIRST REPORT OF KPMG INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE**

April 11, 2025

TABLE OF CONTENTS

I. INTRODUCTION 2
II. PURPOSE OF REPORT 2
III. TERMS OF REFERENCE..... 3
IV. BACKGROUND 4
V. OBJECTIVES OF THE NOI PROCEEDINGS 6
VI. DIP FACILITY 6
VII. CASH FLOW FORECAST..... 8
VIII. PROPOSED PRIORITY CHARGES..... 9
IX. ACTIVITIES OF THE PROPOSAL TRUSTEE 11
X. CONCLUSIONS AND RECOMMENDATIONS 11

APPENDICES

APPENDIX “A” – CERTIFICATE OF FILING ISSUED BY THE SUPERINTENDENT OF BANKRUPTCY

APPENDIX “B” – CREDITOR LIST FOR THE COMPANY

APPENDIX “C” – CASH FLOW FORECAST FOR THE PERIOD APRIL 6, 2025 TO JUNE 28, 2025

I. INTRODUCTION

1. On April 8, 2025 (the “**Filing Date**”), Ecoation Innovative Solutions Inc (“**Ecoation**” or the “**Company**”), filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). Attached hereto as **Appendix “A”** is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal issued by the Office of the Superintendent of Bankruptcy for the Company.
2. KPMG Inc. (“**KPMG**”) consented to act as proposal trustee (in such capacity, the “**Proposal Trustee**”) in the NOI proceedings of the Company. The Company’s NOI proceedings are referred to herein as the “**NOI Proceedings**”.
3. KPMG LLP, an affiliate of the Proposal Trustee, historically has provided tax services to both Ecoation and an affiliate of the DIP Lender (as defined herein). KPMG LLP has not acted as auditor of Ecoation.
4. The principal purpose of the NOI Proceedings is to create a stabilized environment to provide the Company with the opportunity to carry out a stalking horse sale process for its business and assets, or to restructure its business, so that the Company can present a viable proposal to its creditors.
5. This report (the “**First Report**”) is being filed by the Proposal Trustee in connection with the Company’s motion returnable on April 15, 2025 for certain relief described in more detail below, including approval of the Charges (as defined herein).

II. PURPOSE OF REPORT

6. The purpose of the First Report is to provide the Supreme Court of British Columbia (the “**Court**”) with information pertaining to:
 - (a) the Company’s operations, creditors and causes of financial difficulties;
 - (b) the Company’s cash flow projections (the “**Cash Flow Forecast**”) for the period from April 6, 2025 to and including June 28, 2025 (the “**Forecast Period**”);
 - (c) the terms of an interim senior secured, super-priority financing facility (the “**DIP Facility**”) provided by 1001199137 Ontario Limited (the “**DIP Lender**”) to Ecoation in order to finance the Company’s working capital requirements and other general corporate purposes and

restructuring costs, pursuant to a DIP facility term sheet dated April 7, 2025 (the “**DIP Term Sheet**”);

- (d) the proposed Administration Charge and DIP Lender’s Charge (each as defined herein);
- (e) the recommendation by the Proposal Trustee that the Court make an order (the “**DIP Approval Order**”), among other things:
 - A. approving the terms of the DIP Facility, including the priority charge in favour of the DIP Lender to secure the obligations owing by the Company under the DIP Term Sheet (the “**DIP Lender’s Charge**”); and
 - B. granting the Administration Charge (as defined herein) and the DIP Lender’s Charge, and the priority ranking of such charges.

III. TERMS OF REFERENCE

- 7. In preparing this First Report, KPMG has relied on information and documents provided by the Company and its advisors, including unaudited financial information, the Company’s books and records, and discussions with the Company’s representatives and its legal counsel (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the First Report, KPMG has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, KPMG has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, KPMG expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 8. Future orientated financial information contained in the Cash Flow Forecast is based on the Company’s estimates and assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved.
- 9. Capitalized terms not otherwise defined herein are as defined in the affidavit of Saber Miresmailli, the Chief Executive Officer and Director of the Company, sworn April 9, 2025 (the “**Miresmailli Affidavit**”) and filed in support of the Company’s motion returnable April 15, 2025. This First

Report should be read in conjunction with the Miresmailli Affidavit, as certain information contained in the Miresmailli Affidavit has not been included herein in order to avoid unnecessary duplication.

10. Materials filed in these NOI Proceedings will be made available by KPMG on its website for this case at: kpmg.com/ca/ecoation (the “**Case Website**”).
11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

IV. BACKGROUND

12. Information with respect to the Company’s business, operations and causes of insolvency are detailed in the Miresmailli Affidavit. The information contained herein is not intended to be an exhaustive review of all matters relating to the business of the Company and accordingly, the Proposal Trustee recommends that readers review the materials filed by the Company in respect of its motion.

Corporate Overview

13. Ecoation is an industry-leading forecast platform for greenhouse growers. Through the real-time collection of data, Ecoation’s customers can assess risk and make informed decisions about their crops, supported by the findings of Ecoation’s expert agri-analysis team. Ecoation’s platform services include integrated pest management (IPM), yield assessment and harvest planning, crop quality check, remote consultation, 3D climate, task management, and remote viewing of crops.
14. Ecoation was formed in 2010 under the laws of the Province of British Columbia. The Company’s head office is located at leased premises in West Vancouver, British Columbia, and the Company has another sales office in Kingsville, Ontario.
15. Ecoation sells both direct to customers and through its sales channel partners. The Company’s customers are located in Canada, the United States, Mexico, Europe, and Morocco.
16. As noted in the Miresmailli Affidavit, the Company had approximately 17 employees and 9 independent contractors prior to the Filing Date. The Company’s workforce was comprised of salaried employees, primarily working in software engineering and other administrative functions, and independent contractors, primarily working in customer support functions. Following the Filing Date, Management provided termination notice to a total of 11 employees and contractors in order to reduce its cash burn during these NOI Proceedings.

Causes of Insolvency

17. As noted in the Miresmailli Affidavit, the COVID-19 pandemic and the Russian invasion of Ukraine resulted in many of Ecoation's customers facing financial hardships and uncertainty. Further, Ecoation's customers began prioritizing spending their available capital on stockpiling fertilizers and agricultural materials due to the global shortage, leaving less capital for investments in technology.
18. In response, the Company moved to selling simpler, lower cost products. These products saw increased demand, but did not generate sufficient revenue to meet company expenses.
19. The Company also undertook restructuring efforts in 2024 and attempted to complete a transaction for the sale of substantially all of its assets and business. The Company shortlisted 16 interested parties for further negotiations and ultimately selected an entity related to the DIP Lender.
20. In January 2025, Ecoation's largest creditor, His Majesty the King in Right of Canada, as represented by the Minister of Agriculture and Agri-Food (the "**AAF**"), required a 1-year lump-sum payment on an unsecured loan advanced to Ecoation on March 31, 2021 (the "**AAF Loan**"). Ecoation made this payment and had limited available liquidity.
21. As a result of the foregoing, the Company exhausted its liquidity before it was able to close the transaction and elected to file the NOI to restructure its business.

Creditors

22. A copy of the Company's list of creditors (the "**Creditor List**") as filed with the NOI is attached hereto as **Appendix "B"**. As reflected in Appendix "B", the Company estimates it had total liabilities of approximately \$3.4 million as at the Filing Date, primarily all of which was owed to AAF in respect of the AAF Loan as further described in the Miresmailli Affidavit.
23. As noted in the Miresmailli Affidavit, Ecoation has no material secured creditors. The Royal Bank of Canada ("**RBC**") registered a security interest in the Company in the British Columbia Personal Property Registry to secure the outstanding balances under Ecoation's credit cards with RBC. The Proposal Trustee understands the outstanding balance as at the Filing Date was approximately \$30k and that RBC received notice of the within motion.

V. OBJECTIVES OF THE NOI PROCEEDINGS

24. Ecoation entered into a term sheet on April 1, 2025 with an entity (the “**Stalking Horse Bidder**”) related to the DIP Lender, pursuant to which the Stalking Horse Bidder agreed to act a “stalking horse bidder” in a sale process to be commenced by the Company during these NOI Proceedings.
25. Accordingly, the Proposal Trustee understands that the primary objectives of these NOI Proceedings are to:
 - (a) implement a sale process to provide a forum for prospective purchasers to present a bid superior to that contemplated by the Stalking Horse Bidder on a timeline to meet the financial and timing exigencies of these circumstances; and
 - (b) effect a sale of the Company, either to the Stalking Horse Bidder or other party/parties as a result of a sale process, with a view to maximizing value for the benefit its stakeholders, including, among others, creditors, employees, and trade suppliers.
26. The Proposal Trustee notes the Company is not seeking approval of a sale process on the within motion. The Proposal Trustee will provide a further report in relation to any application to approve a sale process.

VI. DIP FACILITY

27. Based on the Cash Flow Forecast, Ecoation will require DIP financing immediately in order to maintain sufficient liquidity during the NOI Proceedings to implement its restructuring plan.
28. As noted above, the DIP Lender has agreed to provide Ecoation with interim financing to fund the Company’s ongoing working capital requirements during these NOI Proceedings, pursuant to a proposed senior secured, super-priority DIP Facility. The DIP Lender informed Ecoation that its willingness to provide such financing was predicated on entering into the Stalking Horse Term Sheet.
29. The terms of the proposed DIP Facility were negotiated by Ecoation, the DIP Lender and their respective advisors, in consultation with the Proposal Trustee.

30. Principal terms of the DIP Facility, include, without limitation, the following:

Basic Provisions	Description
Principal Amount	\$1,000,000
Borrower	Ecoation
Interest rate	12% per annum, calculated daily and due and paid or otherwise satisfied on the Maturity Date.
Commitment Fee	\$20,000, representing 2% of the Principal Amount under the DIP Facility, paid or otherwise satisfied on the Maturity Date.
Recoverable Expenses	Reasonable and documented expenses and disbursements of the DIP Lender incurred in connection with, among other things, the DIP Term Sheet and ongoing administration of the DIP Facility, the NOI Proceedings, and the DIP Charge.
Conditions Precedent for Initial Advance	The first advance (the “ First Advance ”) under the DIP Facility shall be subject to the satisfaction of, among other things, the following conditions: (i) commencement of insolvency proceedings; (ii) approval of the Cash Flow Forecast; (iii) approval of the Company’s Operational Rationalization Plan (as defined in the DIP Term Sheet); and (iv) issuance of the DIP Approval Order.
Conditions Precedent for Subsequent Advances	Subsequent advances under the DIP Facility shall be subject to the satisfaction of, among other things, the following conditions: (i) execution of the Purchase Agreement (as defined in the DIP Term Sheet); and (ii) issuance of an order by the Court approving the Sale Process (as defined in the DIP Term Sheet), including the Purchase Agreement (as defined in the DIP Term Sheet) to act as the stalking horse bid therein.
Security	The DIP Facility will be secured by a super priority charge over the Purchased Assets granted in favour of the DIP Lender, which charge shall rank subordinate only to the Administration Charge.
Maturity Date	The indebtedness under the DIP Facility, including accrued fees and expenses, is to be repaid to the DIP Lender on the earliest of: (i) the closing of any superior transaction under the Sale Process; (ii) the occurrence of an Event of Default (as defined in the DIP Term Sheet); (iii) the date on which the Purchase Agreement (as defined in the DIP Term Sheet) is terminated in accordance with its terms; (iv) the date on which these proposal proceedings are converted into a bankruptcy; and (v) July 31, 2025.

31. Upon the issuance of the proposed DIP Approval Order, all conditions precedent for the First Advance will have been satisfied, or waived by the DIP Lender, and a \$500,000 advance will be made available to Ecoation to fund its working capital in accordance with the Cash Flow Forecast.

32. The Proposal Trustee supports the Company's request for approval of the DIP Facility on the terms proposed and the priority of the DIP Lender's Charge contemplated therein particularly given Ecoation's urgent need for liquidity resulting from these NOI Proceedings and the nature of the Company's assets and business. In particular, the Company's business and assets primarily consist of intangible assets such as patents, trademarks and other intellectual property, assets which are not easily financeable by traditional lenders. In light of the cash needs of the Company, reasonability of the DIP Term Sheet and its terms, and the lack of time needed to seek alternative financing to advance these NOI Proceedings, the Proposal Trustee is of the view that the proposed DIP Facility are the best terms available to the Company in the circumstances.

VII. CASH FLOW FORECAST

33. The Company, in consultation with the Proposal Trustee, has prepared the Cash Flow Forecast for the purpose of projecting its estimated liquidity needs during the Forecast Period. A copy of the Cash Flow Forecast, notes and a report containing prescribed representations of the Company regarding the preparation of the Cash Flow Forecast are attached hereto as **Appendix "C"**.
34. The Cash Flow Forecast assumes that the Company continues to operate and generate monthly recurring sales associated with their software platforms after the Filing Date.
35. The Cash Flow Forecast has been prepared by the Company on a conservative basis using probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast. The Cash Flow Forecast reflects the Company's estimates of receipts and disbursements on a weekly basis over the Forecast Period.
36. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Company. Since the hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee also reviewed the support provided by management of the Company for the probable and hypothetical assumptions, and the preparation and presentation of the Cash Flow Forecast.

37. Based on the Proposal Trustee’s review, nothing has come to its attention that causes it to believe that, in any material respects:
- (a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - (b) as at the date of this First Report, the probable assumptions developed by the Company are not suitably supported and consistent with the restructuring plan of the Company or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - (c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
38. As at the date of the First Report, the Company had \$0.2 million of cash on hand. The Cash Flow Forecast projects that the company will generate cash receipts of approximately \$0.1 million (monthly recurring sales) and cash disbursements of approximately \$1.3 million during the Forecast Period. Cash disbursements are primarily related to payroll and professional fees. As such, the Company is projected to utilize substantially all of the funds made available under the DIP Facility by the end of the Forecast Period.
39. In view of the foregoing, to fund the NOI Proceedings and advance the Company’s restructuring plan, the Company is entirely dependent on being able to immediately draw on the DIP Facility.
40. The Proposal Trustee notes that the Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.
41. The Cash Flow Forecast includes payment in the ordinary course of accrued wages owing to the Company’s employees and contractors for the stub period prior to the Filing Date, including those that were terminated after the Filing Date.

VIII. PROPOSED PRIORITY CHARGES

42. The proposed DIP Approval Order provides for two (2) priority charges (collectively the “**Charges**”) over all of the current and future assets, undertakings and properties of the Company wherever located, including all proceeds thereof (the “**Property**”), that rank in the following order:
- (a) First, the Administration Charge (to the maximum amount of \$150,000, plus taxes and disbursements); and

- (b) Second, the DIP Lender's Charge (to the maximum principal amount of \$1,000,000 plus interest, fees and expenses).

Administration Charge

43. The Company is seeking a priority charge up to a maximum of \$150,000 (the "**Administration Charge**") over the Property in favour of KPMG as the Proposal Trustee, McCarthy Tétrault LLP as counsel to the Proposal Trustee, and Osler, Hoskin & Harcourt LLP as counsel to Eocation (collectively, the "**Professionals Group**"), as security for the professional fees and disbursements incurred prior to and after the commencement of the NOI Proceedings.
44. Eocation was not able to provide the Professionals Group with retainers for their services as the Company lacked liquidity and needs to fund its operations during these NOI Proceedings through the DIP Facility. The Administration Charge provides security to the Professionals Group should any unanticipated events occur, and allows them to proceed acting in this restructuring..
45. The amount of the Administration Charge sought by the Company was determined in consultation with the Proposal Trustee and meets the terms of the DIP Term Sheet.
46. Given the foregoing, the Proposal Trustee is of the view that the proposed Administration Charge is reasonable in the circumstances.

DIP Lender's Charge

47. As noted above, Eocation has limited liquidity to fund operations during these NOI Proceedings and requires DIP financing to advance its restructuring plan.
48. As per the DIP Term Sheet, the DIP Lender will receive the benefit of the DIP Lender's Charge over the Property to a maximum principal amount of \$1,000,000 plus interest, fees and expenses to cover any and all advances made to Eocation from the DIP Facility.
49. The DIP Facility will provide Eocation with access to the liquidity needed to finance its operations and working capital requirements and to advance its restructuring plan. The Proposal Trustee recommends that the Court approve the DIP Facility and, as such, the Proposal Trustee also supports granting the DIP Lender's Charge. The only secured creditor is RBC for a relatively small amount, and as such no party is materially prejudiced from the granting of the DIP Facility

IX. ACTIVITIES OF THE PROPOSAL TRUSTEE

50. To date, the Proposal Trustee's activities have included, among other things:
- (a) assisting the Company with the preparation of the Cash Flow Forecast, including a review of the underlying assumptions;
 - (b) corresponding and communicating with the DIP Lender and its counsel in connection with the DIP Term Sheet;
 - (c) corresponding and communicating with the Company and its legal counsel;
 - (d) reviewing the Company's materials filed in connection with the within motion;
 - (e) attending to administrative matters, including preparing the Case Website; and
 - (f) preparing the First Report.

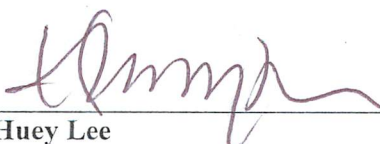
X. CONCLUSIONS AND RECOMMENDATIONS

51. For the reasons set out in the First Report, the Proposal Trustee is of the view that the relief requested by the Company is both appropriate and reasonable in the circumstances and the Proposal Trustee recommends that this Court make the DIP Approval Order which, among other things: (i) approves the DIP Facility pursuant to the DIP Term Sheet; and (ii) grants the Administration Charge and the DIP Lender's Charge, and proposed priority ranking of the Charges;

All of which is respectfully submitted on this 11th day of April 2025.

KPMG Inc.
in its capacity as Proposal Trustee of
Ecoation Innovative Solutions Inc.
and not in its personal capacity

Per



Huey Lee
CIRP, LIT
Senior Vice President

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: British Columbia
Division No.: 03 - Vancouver
Court No.: 11-3209217
Estate No.: 11-3209217

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

Ecoation Innovative Solutions Inc.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 08, 2025

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

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the 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: April 08, 2025, 18:05

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

Appendix “B”

District of:
 Division No. -
 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
 Ecoation Innovative Solutions Inc.
 of the City of West Vancouver, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Agriculture and Agri-Food Canada	1341 Baseline Road Ottawa ON K1A 0C5		3,297,529.00
Daedalus Tech	43 - Av nacoes unidas Bauru SP 170 13-035 Brazil		8,608.00
Royal Bank of Canada	1789 Lonsdale Ave North Vancouver BC V7M 2J6		30,394.00
Saber Miresmailli	1209 Haywood Ave. West Vancouver BC V7T 1V2		17,625.00
Snowflake	P.O. BOX 734951 Dallas TX 753 73-4951 USA		8,368.00
ValleyMedia Inc.	Ft Lauderdale FL 33301 USA		6,000.00
X-Naut	1332 Gladys Avenue Long Beach CA 90804 USA		4,738.00
Total			3,373,262.00

DocuSigned by:

 Saber Miresmailli
AE908B7C58BE4BE

Ecoation Innovative Solutions Inc.
 Insolvent Person

Appendix “C”

**Ecoation Innovative Solutions Inc. (the "Company")
 Projected Statement of Cash Flow
 For the period ending June 28, 2025
 In \$CAD**

Week Ending	1 12-Apr	2 19-Apr	3 26-Apr	4 3-May	5 10-May	6 17-May	7 24-May	8 31-May	9 7-Jun	10 14-Jun	11 21-Jun	12 28-Jun	Total
Receipts													
Collections from product sales	-	-	43,000	-	-	-	-	43,000	-	-	-	43,000	129,000
CANN grant	-	-	-	-	-	-	-	-	-	-	-	-	-
SR&ED credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	2,500	-	-	-	-	2,500	-	-	-	2,500	7,500
Total Receipts	-	-	45,500	-	-	-	-	45,500	-	-	-	45,500	136,500
Disbursements													
Cost of sales	-	-	50,000	-	-	-	-	-	-	-	-	-	50,000
Payroll & benefits	94,306	-	137,955	-	61,352	-	-	137,753	-	61,352	-	156,518	649,236
Utilities	-	-	-	1,000	-	-	-	1,000	-	-	-	-	2,000
Rent and property costs	-	-	-	10,650	-	-	-	10,650	-	-	-	-	21,300
SG&A	21,750	1,750	1,750	13,650	1,750	1,750	1,750	13,650	1,750	1,750	1,750	1,750	64,800
Professional fees	60,000	-	175,000	-	-	100,000	-	115,000	10,000	10,000	70,000	-	540,000
Total Disbursements	176,056	1,750	364,705	25,300	63,102	101,750	1,750	278,053	11,750	73,102	71,750	158,268	1,327,336
Net Cash Flow	(176,056)	(1,750)	(319,205)	(25,300)	(63,102)	(101,750)	(1,750)	(232,553)	(11,750)	(73,102)	(71,750)	(112,768)	(1,190,836)
Cash Balance													
Opening cash balance	207,356	31,300	529,550	210,345	185,045	121,943	20,193	18,443	285,890	274,140	201,038	129,288	207,356
Net cash flow	(176,056)	(1,750)	(319,205)	(25,300)	(63,102)	(101,750)	(1,750)	(232,553)	(11,750)	(73,102)	(71,750)	(112,768)	(1,190,836)
DIP funding	-	500,000	-	-	-	-	-	500,000	-	-	-	-	1,000,000
Ending Cash Balance	31,300	529,550	210,345	185,045	121,943	20,193	18,443	285,890	274,140	201,038	129,288	16,520	16,520

Notes:

- Collections from product sales are based on Management's monthly revenue from digital products which is historically collected near the end of the month.
- Non-recurring grant from the Canadian Agri-food Automation and Intelligence Network. Timing of the grant receipt is unknown and has been excluded from the forecast for conservatism.
- Scientific research and experimental development costs credit from the CRA. Timing of receipt is unknown so it has been excluded from the forecast period.
- Includes other income sources (e.g. sublease rent in the Ontario office)
- Cost of sales includes payment for materials required to fulfill sales orders.
- Includes payroll for employees (semi-monthly), payments to contractors (third week of month) and benefits (end of month). Forecast also assumes certain reductions in headcount are implemented after the filing date and includes a pool for potential retention payments, if needed, to retain key employees through the process.
- Utilities (gas, electricity and water) are based on Management's estimates and based on historical monthly costs
- Rent and property costs includes rent for the Ontario and BC office inclusive of property taxes and other property related costs. Amounts are based on historical monthly costs and assumed to be paid on or about the beginning of each month.
- SG&A expenditures include monthly costs for cloud subscription fees, software subscriptions as well as internet and telephone services and Includes potential deposits to be paid post-filing. Estimates are based on historical monthly costs and inclusive of sales tax.
- Professional fees relate to amounts paid to the Company's counsel, the Proposal Trustee and the Proposal Trustee's counsel.
- Based on the CAD-equivalent cash balance.
- Assumes debtor-in-possession (DIP) financing is approved by the Court during the week ending April 19, 2025. Forecast assumes an initial advance of \$500,000 upon DIP approval and another \$500,000 during the week ending May 31, 2025. Forecast assumes all interest, fees and expenses related to the DIP are accrued and not paid during the forecast period.

This cash flow statement is prepared pursuant to the requirements of paragraphs 50(6)(b) and 50.4(2)(b) of the *Bankruptcy and Insolvency Act* and solely for that purpose.

Dated at Vancouver, British Columbia, this ___ 10th ___ day of April, 2025.

DocuSigned by:



Saber Miresmaili
Ecoation Innovative Solutions Inc.

Saber Miresmaili
Name of Signing Officer

This cash flow statement of Ecoation Innovative Solutions Inc. is prepared in accordance with paragraph 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the attached Notes to the Statement of Projected Cash-Flow and the Trustee's Report of the Cash-Flow Statement dated the ___ 10th ___ day of April, 2025.

KPMG Inc., Trustee

Per:



Huey Lee, Senior Vice President

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-250186
Estate No. 11-3209217

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Ecoation Innovative Solutions Inc.
of the City of West Vancouver, in the Province of British Columbia

The attached statement of projected cash flow of Ecoation Innovative Solutions Inc., as of the 10th day of April 2025, consisting of the period from April 6, 2025 to June 28, 2025, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions 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 person or the insolvent person. 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: management or the insolvent person for the probable assumptions and 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 person 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 the City of Vancouver in the Province of British Columbia, this 10th day of April 2025.

KPMG Inc. - Licensed Insolvency Trustee
Per:



Huey Lee - Licensed Insolvency Trustee
777 Dunsmuir St.
Vancouver BC V7Y 1K3
Phone: (604) 646-6398 Fax: (604) 691-3036

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-250186
Estate No. 11-3209217

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
Ecoation Innovative Solutions Inc.
of the City of West Vancouver, in the Province of British Columbia

Purpose:

Ecoation Innovative Solutions Inc. (the "Company") filed a Notice of Intention to Make a Proposal on April 8, 2025 (the "NOI"). The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of the Company for the period from April 6, 2025 to June 28, 2025 relating to the filing of the NOI.

Projection Notes:

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period from April 6, 2025 to June 28, 2025 considering the economic conditions that are considered the most probable by management. Please refer to the Company's Statement of Projected Cash Flow for details on the underlying forecast assumptions.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of April 2025.

KPMG Inc. - Licensed Insolvency Trustee
Per:



Huey Lee - Licensed Insolvency Trustee
777 Dunsmuir St.
Vancouver BC V7Y 1K3
Phone: (604) 646-6398 Fax: (604) 691-3036

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-250186
Estate No. 11-3209217

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Ecoation Innovative Solutions Inc.
of the City of West Vancouver, in the Province of British Columbia

The Management of Ecoation Innovative Solutions Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 10th day of April 2025, consisting of the period from April 6, 2025 to June 28, 2025.

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 person and provide a reasonable basis for the projection. All such assumptions are 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 a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of April 2025.

DocuSigned by:

Saber Miresmailli

AF90857C58BE4BE...
Ecoation Innovative Solutions Inc.
Debtor

Saber Miresmailli, Chief Executive Officer
Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-250186
Estate No. 11-3209217

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
Ecoation Innovative Solutions Inc.
of the City of West Vancouver, in the Province of British Columbia

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As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of April 2025.

DocuSigned by:

Saber Miresmaili

AF908B7C58BE4BE...
Ecoation Innovative Solutions Inc.
Debtor