

Final Report of the Receiver
(Subsection 246(3) of the *Bankruptcy and Insolvency Act*)

**In the Matter of the Receivership of
Strellmax Ltd.
Of the City of Toronto
In the Province of Ontario**

The Receiver gives notice and declares that:

1. On July 7, 2017, pursuant to an Order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), Richter Inc. (formerly, Richter Advisory Group Inc. was appointed as receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Strellmax Ltd. (“**Strellmax**” or the “**Company**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43 as amended, to exercise the powers and duties set out in the Receivership Order.
2. The Receivership Order was granted pursuant to an application made by Strellson AG (“**Strellson**”) pursuant to security held by Strellson in the Property.
3. On the same day, an Order (the “**Approval and Vesting Order**”) was made by the Court, approving an asset purchase agreement (the “**APA**”) between Strellmax, the Receiver, Strellson AG (the “**Purchaser**”), and Strellson North America Ltd. (formerly Strellson Canada Ltd., the “**Buyer**”), where the Purchaser agreed to acquire, and the Buyer to take title to, certain of the Company’s inventory and other assets in order for the Buyer to continue the Company’s wholesale business on a going concern basis. Pursuant to the Receivership Order, the Company was authorized to market and sell its remaining assets (not subject to the APA) through a liquidation sale (the “**Liquidation Sale**”) under the supervision of the Receiver at its retail stores, in accordance with the sale guidelines (the “**Sale Guidelines**”) attached to the Receivership Order.
4. As at June 30, 2017, the Property consisted of the following:

<u>Assets</u>	<u>Net Book Value (CAD \$000s)</u>
Cash and Cash Equivalents	\$ 184
Trade Accounts Receivable	994
Receivable from Strellson AG	327
Other Receivables	88
Inventory	2,122
Advances to Related Companies	34
Prepaid Expenses	13
Property, Plant, and Equipment	3,059
Total	\$ 6,821

Note: The above amounts represent book values of the Company’s assets as detailed in the Company’s books & records and do not necessarily represent sale or liquidation values, which may differ materially from the book value.



Receivership Proceedings

5. Pursuant to the Receivership Order, Strellmax remained in possession and control of the Property, and the day-to-day operation of the Company's business, and the Receiver was not deemed to be in possession and control of the Property, save and except for the Company's treasury assets.
6. The transaction pursuant to the APA (the "**SNAL Transaction**") closed on August 1, 2017, and the Receiver delivered a Receiver's Certificate to the Purchaser attesting that the SNAL Transaction had been completed to the satisfaction of the Receiver. The Receiver's Certificate was subsequently filed with the Court.
7. The Liquidation Sale commenced under the supervision of the Receiver on July 7, 2017 at the five (5) Closing Stores (as defined in the Sale Guidelines) and was substantially completed on or before September 15, 2017. Strellmax delivered lease repudiation notices (where necessary) and vacated all of the Closing Stores.
8. Pursuant to an Order dated October 27, 2017, the Court approved the sale transaction (the "**Samples Transaction**") contemplated by an asset purchase agreement entered into on the same date, in respect of certain of the Company's inventory not subject to the Liquidation Sale or the SNAL Transaction. The Samples Transaction closed upon the delivery of a Receiver's Certificate on November 28, 2017, which was then filed with the Court.
9. Pursuant to an Order dated November 7, 2017 (the "**Controlled Funds Order**"), the Court directed, among other things, Accord Financial Ltd. ("**Accord**") to deliver the Controlled Funds to the Receiver, to be held by the Receiver pending the outcome of the Priority and Distribution Motion (each as defined in the Controlled Funds Order). Prior to the granting of the Controlled Funds Order, Accord had refused to deliver certain Controlled Funds to the Receiver on the basis that Accord had a right of set-off against the Property for its liability, if any, under an irrevocable letter of credit granted by Accord in favour of Strellson.
10. The Priority and Distribution Motion was heard on March 15, 2018. In support of the Priority and Distribution Motion, the Receiver filed its second report (the "**Second Report**") on February 7, 2018, and the supplement to the Second Report (the "**Supplementary Report**") on March 8, 2018.
11. On April 18, 2018, the Court issued an Order (the "**Priority and Distribution Order**"), among other things, authorizing and directing the Receiver to:
 - (a) make a distribution of the net proceeds from these receivership proceedings (the "**Net Proceeds**") to Strellson on account of its secured claim against the Property; and
 - (b) make such additional distributions to Strellson from the remaining Net Proceeds, as determined by the Receiver. No right of set-off against the Property was granted in favour of Accord.
12. Also on April 18, 2018, the Court issued an Order (the "**Receiver's Discharge Order**"), among other things:
 - (a) approving the Second Report and the Supplementary Report, including Receiver's activities detailed therein;
 - (b) approving the fees and disbursements of the Receiver and its counsel, including an estimate of the fees and disbursements of the Receiver and its counsel, DLA Piper (Canada) LLP, to complete the administration of these receivership proceedings; and
 - (c) discharging the Receiver upon its completion of any remaining administrative or other matters associated with these receivership proceedings, as evidenced by the Receiver filing a discharge certificate (the "**Discharge Certificate**") with the Court certifying that all remaining matters have been completed.

Status of the Receivership Proceedings

13. During the course of the receivership proceedings, the Receiver has filed several reports with the Court (including the Second Report and the Supplementary Report), which, among other things, described the Receiver's actions and activities, the process undertaken by the Company and the Receiver to realize on the Property, and the results of the realization process.
14. The Receiver has completed its administration of the receivership and, pursuant to the Receiver's Discharge Order, will be filing the Discharge Certificate with the Court certifying same.
15. Attached as **Appendix "A"** and **Appendix "B"** are the Receiver's Final Statements of Receipts and Disbursements for its Canadian dollar and United States dollar accounts, respectively.
16. The realizations from the sale of the Property were insufficient to pay, in full, the secured claim of Strellson. Accordingly, there are no funds available to support a distribution to the Company's unsecured creditors.
17. Creditors who wish to receive a copy of this final report or any interim report may request a copy by writing to the Receiver at the following address:

Richter Inc.
Court Appointed Receiver of
Strellmax Ltd.
181 Bay Street, Suite 3510
Toronto, ON M5J 2T3

Telephone: +1 416 488 2345
Facsimile: +1 416 488 3765
18. Further information and materials related to the receivership proceedings may be obtained from the Receiver's website at www.richter.ca/en/folder/insolvency-cases/s/strellmax-ltd.

Dated at Toronto, in the Province of Ontario, on March 7, 2025.

Richter Inc. (formerly Richter Advisory Group Inc.)
in its capacity as Receiver of Strellmax Ltd.
and not in its personal capacity

Appendix "A"

In the Matter of the Receivership of Strellmax Ltd. Final Statement of Receipts and Disbursements (CAN\$)

Receipts		Notes
Net proceeds from Strellmax Liquidation	\$ 1,855,468.13	a
SNAL Transaction (cash purchase price)	186,781.60	b
Cash in bank at the date of the Receivership Order	54,975.16	
Interest earned	59,451.18	
Miscellaneous refunds	280,937.72	
FF&E Sales	-	c
Samples Transaction	-	c
Total Receipts	2,437,613.79	
Disbursements		
Section 81.4 Claims	\$ 16,484.71	
Funding the Business	240,471.30	a
Professional fees - Receiver	207,246.66	d
Professional fees - Receiver's counsel	119,262.14	d
HST paid on disbursements	42,439.67	
Receivership filing fees	70.00	
Bank charges	549.16	
Total Disbursements	626,523.64	
Excess of Receipts over Disbursements	\$ 1,811,090.15	
Distributions to Secured Lender (Strellson AG)	1,811,090.15	
Balance	\$ -	

Notes:

- a) Includes the net proceeds from the liquidation sale and collection of accounts receivable. Certain funds were also advanced by the Receiver to Strellmax to fund business activities during the liquidation.
- b) Reflects the cash portion of the purchase price. The total purchase price was approximately \$970,000 with the balance satisfied by way of a credit bid by Strellson AG, the Company's primary and first-ranking secured creditor.
- c) The purchase price for both the FF&E Sales and the Samples Transaction was satisfied by way of credit bids by Strellson AG.
- d) Certain professional fees/disbursements of the Receiver and its legal counsel were paid directly by Strellmax during its liquidation are not included in these amounts.

Appendix "B"

In the Matter of the Receivership of Strellmax Ltd. Final Statement of Receipts and Disbursements (USD\$)	
Receipts	
Net Proceeds from Strellmax	\$ 125,472.75
Interest earned	636.86
Total Receipts	126,109.61
Disbursements	
Bank charges	31.81
Total Disbursements	31.81
Excess of Receipts over Disbursements	\$ 126,077.80
Distributions to Secured Lender (Strellson AG)	126,077.80
Balance	\$ -