AlixPartners

Third Report to Court of AlixPartners Restructuring, Inc. as Receiver and Manager of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. & Fulcrum Stoneworks ExchangeCo Ltd.

September 16, 2026

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AlixPartners

COURT FILE NO.: CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CORTLAND CREDIT LENDING CORPORATION.

Applicant

- and -

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., AND FULCRUM STONEWORKS EXCHANGECO LTD.

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

THIRD REPORT OF
ALIXPARTNERS RESTRUCTURING, INC.
AS RECEIVER AND MANAGER

SEPTEMBER 16, 2026

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on April 17, 2026 (the "**Receivership Order**"), AlixPartners Restructuring, Inc. ("**AlixPartners**") was appointed as receiver and manager (the "**Receiver**") of all of the assets, properties and undertakings of Sequent AI Ltd. (the "**Borrower**"), Sequent AI ExchangeCo Ltd. ("**Sequent Exchangeco**"), and Fulcrum Stoneworks ExchangeCo Ltd. ("**Stoneworks Exchangeco**" and collectively with the Borrower and Sequent Exchangeco, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**"). A copy of the Receivership Order is attached as Appendix "**A**".

2. The principal focus of the receivership proceedings is to seek and implement a transaction for the Property or a refinancing of the Debtors' business.

3. On May 5, 2026, the Court issued an order (the "**SISP Approval Order**") which, among other things, approved a sale and investment solicitation process (the "**SISP**") for the Property, as set out in Schedule "A" of the SISP Approval Order. Copies of the SISP Approval Order and First Report (without appendices) are attached at Appendix "**B**" and "**C**", respectively.

4. On August 7, 2026, the Court issued an order (the "**CPO**"), which, among other things, approved a claims procedure for the identification and resolutions of Claims against the Debtors as outlined in the CPO (the "**Claims Procedure**"). A description of the terms of the Claims Procedure was set out in the Second Report of the Receiver dated July 31, 2026 (the "**Second Report**"). Copies of the CPO and Second Report (without appendices) are attached at Appendix "**D**" and "**E**", respectively. The results of the Claims Procedure are discussed below.

5. AlixPartners is filing this third report (the "**Third Report**") in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to, among other things:

   a) provide background information about the Debtors and these proceedings;

   b) summarize the results of the Claims Procedure;

   c) provide an update on the SISP and summarize a proposed sale transaction in respect of the Purchased Shares (as defined below) (the "**Transaction**") between the Receiver and Workstone Holdings Inc. (the "**Purchaser**"), an entity owned and controlled by Cortland Credit Lending Corporation ("**Cortland**") pursuant to a Share Purchase Agreement dated September16, 2026 (the "**SPA**");

   d) summarize the fees and disbursements of the Receiver and of McCarthy Tétrault LLP ("**McCarthy**"), the Receiver's counsel, from the commencement of the receivership proceedings to August 31, 2026;

   e) provide an update on the Receiver's activities since the commencement of the receivership proceedings; and

f) recommend that the Court issue the following orders:

i. an Approval and Vesting Order ("**AVO**"), providing for the following substantive relief:

i. approving the SPA and the Transaction contemplated by the SPA for the sale of all of Stoneworks Exchangeco's right, title and interest in the issued and outstanding shares of Stoneworks Technologies Inc. ("**Stoneworks Technologies**") in the possession and control of the Receiver (the "**Purchased Shares**");

ii. authorizing and directing the Receiver to enter into the SPA and to take such additional steps and execute such additional documents as are necessary or desirable to complete the Transaction and convey the Purchased Shares to the Purchaser; and

iii. vesting the Purchased Shares in the Purchaser free and clear of and from all Claims (as defined in the AVO), other than the Assumed Liabilities (as defined in the SPA), with such vesting to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming that the Transaction has been completed;

ii. an ancillary relief order (the "**Ancillary Relief Order**"), among other things:

i. approving the First Report of the Receiver dated April 28, 2026, the Second Report, this Third Report and the Receiver's conduct and activities described therein; and

ii. approving the fees and disbursements of the Receiver and McCarthy, as detailed in the Fee Affidavits (as defined below).

1.2 Restrictions

1. In preparing this Third Report, the Receiver has relied upon: (i) discussions with management of the Debtors and the Operating Entities (as defined below) ("**Management**"); (ii) the Debtors' unaudited financial information; (iii) discussions with various stakeholders in these proceedings (including their legal representatives) and (iv) the receivership application materials (collectively, the "**Information**").

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information relied on to prepare this Third Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Other than the Court, any party wishing to place reliance on the financial information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Third Report by any party.

3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the application materials. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's website (the "**Website**").

1.3 Currency

1. Unless otherwise noted, all currency references in this Third Report are in Canadian dollars.

2.0 Background

2.1 The Debtors

1. Each of the Debtors is a corporation incorporated in Ontario. The Borrower was in the business of owning and supporting companies in the business of reselling information technology hardware and software to entities in Canada. The Receiver understands from Management that the Borrower ceased operations in or around March 2026.

2. The Borrower owns 100% of the voting shares of Stoneworks Exchangeco and Sequent Exchangeco, each of which are direct subsidiaries of the Borrower. Each of Stoneworks Exchangeco and Sequent Exchangeco are holding companies (together, the "**Holding Companies**") that own the shares of certain operating entities that provide technology services to organizations in Canada, as follows:

    a) Stoneworks Exchangeco owns 100% of the non-voting preferred shares in Stoneworks Technologies; and

    b) Sequent Exchangeco owns 100% of the voting shares of P J S Systems Inc. ("**PJS**" and together with Stoneworks Technologies, the "**Operating Entities**").

3. Stoneworks Technologies is a Canadian-based information technology solutions provider headquartered in Ottawa, Ontario that delivers end-to-end infrastructure solutions, including cloud, data centre, cybersecurity, artificial intelligence and managed IT services. Stoneworks Technologies services a diversified customer base that includes government, defence and enterprise clients and has established relationships with major technology vendors.

4. PJS is headquartered in British Columbia and operates independently from Stoneworks Technologies and maintains its own financing arrangements. It specializes in corporate audio-video integration.

5. The Debtors' direct and indirect interest in the Operating Entities is their principal asset. The Operating Entities have their own management and operations and continue to operate in the normal course and are not subject to this proceeding.

2.2 Cortland Credit Lending Corporation

1. Cortland is the primary secured creditor of the Debtors. Pursuant to an amended and restated credit agreement dated as of June 29, 2023 (as later amended) (the "**Senior Credit Agreement**"), certain lenders party thereto from time to time (the "**Senior Lenders**"), granted a credit facility to the Borrower in the total amount of CDN $41,000,000 (the "**Credit Facility**"). Cortland acts as the agent for the Senior Lenders under the Senior Credit Agreement. As at the date of the Receivership Order, the total amount outstanding under the Credit Facility was approximately $32 million (the "**Indebtedness**" or the "**Cortland Debt**"), exclusive of interest and fees, costs and expenses that continue to accrue. As of September 15, 2026, the Receiver understands that the Indebtedness is approximately $34.7 million.

2. As of the date of this Third Report, Cortland has also advanced $214,026 to the Receiver pursuant to receiver's certificates for the payment of professional fees and other receivership costs.

3. The Borrower is the borrower under the Credit Facility and each Holding Company and PJS is a guarantor pursuant to guarantees dated June 29, 2023 (the guarantee from Stoneworks Exchangeco "**Stoneworks Exchangeco Guarantee**") and PJS in favour of Cortland, as agent.

4. Each Debtor granted certain security in favour of Cortland, as agent, on behalf of the Senior Lenders, including general security agreements from each.

5. Each of the Operating Entities also provided a guarantee and granted security in favour of Cortland, as agent, on behalf of the Senior Lenders, relating to the Indebtedness.

6. Prior to the receivership, Cortland issued demands in respect of the Indebtedness from each of the Debtors.

7. Counsel for the Receiver, McCarthy, has completed a security review, subject to usual and customary assumptions, confirming that Cortland holds a first-ranking security interest as against the Debtors.

3.0 SISP and Cortland Subsequent Credit Bid[1]

1. The SISP was approved by the Court on May 5, 2026. Following the Receiver's revision of the SISP milestones, the SISP commenced on June 16, 2026 with a Bid Deadline of July 21, 2026 (the "**Bid Deadline**").

2. No Qualified Bids were received by the Bid Deadline.

3. Two bids were received; however, neither met the definition of a Qualified Bid since none was a "Supportable Offer" as defined in the SISP, since, among other things, none provided for sufficient consideration to fully satisfy or otherwise address the Cortland Debt in cash, without deductions, set-offs, withholdings or reductions of any kind, and sufficient additional consideration to pay any Priority Payables (as defined below).

4. Accordingly, and in accordance with the SISP, there was no auction and Cortland became entitled to submit a Cortland Subsequent Credit Bid within seven business days after the Bid Deadline (the "**Cortland Subsequent Bid Deadline**"). A detailed summary of the SISP and its results is set out in Section 3.0 of the Second Report.

5. Pursuant to the terms of the SISP, a Cortland Subsequent Credit Bid must include consideration in an amount greater than or equal to: (i) the assumption of all or any portion of the Cortland Debt; and (ii) payment in full in cash on closing of all current or future amounts owing as secured by any charges, Liens (as defined in the SPA) or interests that rank in priority to the entirety of the Cortland Debt plus accrued but unpaid interest, fees, expenses and other costs, including legal fees and expenses, including without limitation, all accrued and unpaid interest, fees, expenses, costs, legal fees and expenses as of the Closing Date (the "**Senior Credit Agreement Secured Debt**"), including without limitation, any court-ordered charges or statutory priority claims, as determined by the Receiver through the Claims Procedure (the "**Priority Payables**") provided that the Receiver determines that the value of the bid exceeds the liquidation value of the Property included in the bid.

6. As described in the Second Report, prior to the Cortland Subsequent Bid Deadline, Cortland provided the Receiver with a preliminary term sheet with proposed terms of a Cortland Subsequent Credit Bid (the "**Preliminary Cortland Term Sheet**").

7. Pursuant to the discretion provided to it under the SISP, the Receiver extended certain deadlines to preserve the integrity of the SISP while allowing Cortland to advance a binding credit bid. Specifically, the Receiver extended the deadline for Cortland to submit a binding and irrevocable term sheet to August 12, 2026, the deadline for Cortland to submit a binding and irrevocable agreement of purchase and sale to September 4, 2026, and the Outside Date to September 30, 2026.

[1] Capitalized terms not defined herein have the meanings ascribed to them in the SISP Approval Order dated May 5, 2026 made in these proceedings.

8. On August 11, 2026, Cortland submitted a binding and irrevocable term sheet (the "**Binding Term Sheet**").

9. The Binding Term Sheet contemplated a potential dissolution of Stoneworks Exchangeco such that Cortland would purchase the Purchased Shares from the Borrower. However, following discussions among the advisors for the Purchaser and the Receiver, the Purchaser determined to proceed with a purchase from Stoneworks Exchangeco directly.

10. To facilitate that decision, the Receiver has prepared an acknowledgment to be delivered as part of the SPA closing, pursuant to which Stoneworks Exchangeco acknowledges and agrees that it is a direct obligor in respect of the outstanding Indebtedness (the "**Debt Acknowledgment**"). The Receiver views the Debt Acknowledgment as a purely technical acknowledgment of Stoneworks Exchangeco's obligations under the Stoneworks Exchangeco Guarantee after delivery of the demand by Cortland. It does not increase the aggregate Indebtedness or alter the priority of any claim against the Debtors.

11. The Receiver subsequently extended the deadline for Cortland to deliver the binding SPA from September 4, 2026 to September 16, 2026.

12. On September 16, 2026, the Receiver and the Purchaser entered into the SPA, which is conditional upon court approval. The terms of the SPA and the Transaction are summarized further below. A copy of the SPA is attached as **Appendix "F"**.

4.0 Claims Procedure Results[2]

1. The Claims Procedure established processes for the determination and resolution of claims against the Debtors. The Claims Bar Date was August 31, 2026 at 5:00 pm (EST).

2. The purpose of the Claims Procedure was to identify Priority Payables to be paid on closing of a transaction and to identify potential claims against Stoneworks Exchangeco in the event Cortland elected to seek to dissolve Stoneworks Exchangeco or amalgamate it with the Borrower. Since the Purchaser determined that a dissolution or amalgamation is no longer required, the Claims Procedure has focused on identifying Priority Payables.

[2] Capitalized terms not defined in this section have the meanings defined in the CPO.

3. In total, 8 Claims against the Debtors were received by the Claims Bar Date, none of which constituted a Priority Claim and are all unsecured claims. The Claims received are summarized in the table below.

Claimant	Debtor	Amount ($)
Blake, Cassels & Graydon LLP	Sequent AI Ltd.	847,288.92
Stoneworks Technologies Inc.	Sequent AI Ltd.	21,473,659.00
Patrick Kelly McCarthy	Sequent AI Ltd.	5,000,000.00
Patrick Kelly McCarthy	Sequent AI ExchangeCo Ltd.	5,000,000.00
1253246 B.C. Ltd.	Sequent AI ExchangeCo Ltd.	137,828.50
1253255 B.C. Ltd.	Sequent AI ExchangeCo Ltd.	137,828.50
Pieter Smidt, as Trustee of the Smidt Family Trust	Sequent AI ExchangeCo Ltd.	4,042,969.21
Stuart Wight	Sequent AI ExchangeCo Ltd.	275,656.99
Total		**36,915,231**

4. As a result, the only "Priority Payables" of which the Receiver is aware are administrative costs of the Receiver and its counsel, and the Receiver's borrowings.

5. The largest unsecured Claim asserted in the Claims Procedure was submitted by Stoneworks Technologies against the Borrower. The Receiver understands this Claim is with respect to an inter-company loan in the amount of $21,473,659 (the "**Inter-Company Debt**").

6. Since none of the Claims submitted asserted priority status, the Receiver sent a notice to all 8 claimants (the "**Distribution Notice**") on September 4, 2026 notifying them that no distributions were anticipated from the Debtors to unsecured creditors or holders of equity claims, and that, accordingly, the Receiver would be exercising its discretion under paragraph 10 of the CPO to deliver any Notice of Revision or Disallowance at a later date, if the Receiver determined that doing so had become necessary or appropriate. A copy of a sample Distribution Notice is attached as **Appendix "G"**.

7. As of the date of this Third Report, the Receiver has not received a response from any of the claimants with respect to the Distribution Notice, nor has the Receiver sent a Notice of Revision or Disallowance to any claimants.

8. However, as Blake, Cassels & Graydon LLP also asserted claims against a non-debtor in these proceedings, Stoneworks Technologies, the Receiver has facilitated discussions to resolve such claims against the Debtors and Stoneworks Technologies, without requiring any distributions from the Debtors.

5.0 Transaction

1. A summary of the SPA is as follows[3]:

   a) **Vendor:** the Receiver.

   b) **Purchaser:** Workstone Holdings Inc., an Ontario corporation owned and controlled by Cortland and incorporated for the purpose of the Transaction.

   c) **Purchased Shares:** the Purchaser is acquiring the Purchased Shares, being all issued and outstanding shares of Stoneworks Technologies in the Receiver's possession and control, including:

      i. the shares of Stoneworks Technologies held by Stoneworks Exchangeco, being 200 Class B non-voting shares, 32,599,800 Class B preferred shares and 198,000 Class D preferred shares (the "**Stoneworks Exchangeco SW Shares**"); and

      ii. the 200 Class A voting common shares held by Mr. Giuseppe Antonio Clementi (the "**Clementi SW Shares**")[4].

   d) **Purchase Price:** the aggregate of:

      i. a cash payment for the Clementi SW Shares (the "**Clementi Consideration**"), in an amount to be agreed with Mr. Clementi in writing or determined by the Receiver pursuant to the Clementi Drag-Along Agreement dated January 30, 2026 (the "**Clementi Drag-Along Agreement**");

      ii. a cash payment in an amount estimated by the Receiver to satisfy all Priority Payables to termination of these proceedings plus any amounts for the administration of bankruptcy proceedings for the Debtors (the "**Estimated Priority Payables Amount**"), which amount shall be subject to a final adjustment which is set out further below, and which shall include the fees of the Receiver and its counsel as secured by the Receiver's Charge and the Receiver's Borrowings Charge, and any Claims ranking in priority to Cortland, the Receiver being aware of no such Claims (the "**Priority Payables Consideration**" and together with the Clementi Consideration, the "**Cash Purchase Price**"); and

      iii. the assumption by the Purchaser of the Assumed Liabilities, which include the entirety of the Senior Credit Agreement Secured Debt. The Senior Credit Agreement Secured Debt was

[3] Capitalized terms not defined in this section have the meanings defined in the SPA.

[4] The Receiver is continuing discussions with Mr. Clementi regarding the Clementi SW Shares and anticipates either coming to an agreement regarding the assignment of his shares or exercising Sequent Exchangeco's rights pursuant to the Clementi Drag-Along Agreement, as defined below.

$34,711,443 as at September 15, 2026, on account of principal, accrued interest, fees, costs and expenses.

e) **Debt Acknowledgment**: as a condition of and deliverable at closing, the Receiver is to deliver the Debt Acknowledgment.

f) **Assumed Liabilities:** include all outstanding Liabilities owing by Stoneworks Exchangeco to Cortland under the Senior Credit Agreement, the Stoneworks Exchangeco Guarantee, which includes the Senior Credit Agreement Secured Debt. The parties have agreed to a form of agreement pursuant to which the Purchaser shall assume the Senior Credit Agreement Secured Debt (the "**Secured Debt Assignment and Assumption Agreement**").

g) **Agreements:** all rights and obligations of Stoneworks Exchangeco under the Ingram Micro Drag-Along Agreement and the Ingram Micro Waterfall Agreement, neither of which contain any restrictions on assignment.

h) **Excluded Liabilities:** Assumed Liabilities expressly excludes the Inter-Company Debt owing from the Borrower to Stoneworks Technologies, which is not assumed and survives closing.

i) **Representations and Warranties:** consistent with the terms of a standard insolvency transaction (i.e., on an "as is, where is" and "without recourse" basis, with limited representations and warranties).

j) **Releases:** the SPA provides for the following contractual releases:

   i. a release by the Purchaser of the Debtors, PJS and Mr. Clementi from claims related to accrued and contingent liabilities owed to the Purchaser as of closing (excluding the Inter-Company Debt);

   ii. a release by Cortland, on behalf of the Senior Lenders, of the Debtors and PJS under the Senior Credit Agreement;

   iii. an acknowledgment and waiver from Stoneworks Technologies in respect of claims it may have against the Debtors and PJS relating to the Transaction or the Senior Credit Agreement Secured Debt; and

   iv. a release by Cortland of the continuing security interest granted by Mr. Clementi to Cortland in all of Mr. Clementi's right, title and interest in the Clementi SW Shares pursuant to a pledge agreement dated January 29, 2026 (the "**Clementi Security Interest**").

k) **Closing Date:** the Business Day following the satisfaction or waiver of the closing conditions in Sections 5.01 and 5.02 of the SPA, or such

other date as the parties may agree in writing. The Time of Closing is 10:00 a.m. (Toronto time) on the Closing Date.

l) **Outside Date:** September 30, 2026.

m) **Covenants**: each party is to ensure its representations remain true in all material respects to closing and to use reasonable commercial efforts to satisfy the conditions for the other party's benefit.

n) **Material Conditions:** the conditions include, but are not limited to, the following:

i. the Court's entry and issuance of the AVO, which must not be stayed, varied, set aside or successfully appealed;

ii. the Receivership Order not having been stayed, varied, set aside or successfully appealed;

iii. delivery of the Debt Acknowledgment and assignment to the Purchaser of Stoneworks Exchangeco's rights under the Ingram Micro Drag-Along and Waterfall Agreements; and

iv. the Purchaser obtaining the releases referred to above from Cortland and Stoneworks Technologies.

2. The AVO provides for the right, title and interest of Stoneworks Exchangeco in the Stoneworks Exchangeco SW Shares to be vested in the Purchaser free and clear of claims and encumbrances, other than the Assumed Liabilities.

3. The Clementi SW Shares are not owned by the Debtors and will be transferred as part of the Transaction either through an Assignment Agreement directly with Clementi or through the Receiver exercising the rights of Stoneworks Exchangeco pursuant to the Clementi Drag-Along Agreement.

4. The Clementi Drag-Along Agreement provides that if Stoneworks Exchangeco accepts an offer to sell the Stoneworks Exchangeco SW Shares to a third party, Clementi is obliged at the request of Stoneworks Exchangeco to sell the Clementi SW Shares to the said third party, at the same price per share and on terms equivalent to those set out in the applicable third-party offer.

5. The SPA contemplates the Purchaser satisfying all Priority Payables, consisting of the fees of the Receiver and its counsel and the Receiver's borrowings including fees subsequent to Closing (and any fees associated with a subsequent bankruptcy, if required). Such amounts continue to accrue and it is possible that there may be receipts from the sale of the PJS shares subsequent to Closing that would be applied to satisfy such fees.

6. As a result, the Receiver and the Purchaser have agreed to a post-closing true-up mechanism for the payment of Priority Payables. When appropriate as determined by the Receiver in its sole discretion, but no later than three months after the Closing Date, unless otherwise agreed (the "**Adjustment Date**"), the Receiver shall calculate the adjusted Priority Payables amount by (i) calculating the total Priority Payables actually incurred at the Adjustment Date and anticipated to be incurred until the termination of these proceedings, plus any amounts for the administration of bankruptcy proceedings for the Debtors (the "**Adjustment Date Estimated Remaining Priority Payables**"), excluding any Priority Payables that were paid as at the Closing Date (the "**Gross Priority Payables**"); and (ii) subtracting any net amounts received by the Receiver from realization of any remaining assets of the Debtors after the Closing Date and prior to the Adjustment Date (the "**Receipts**"), which shall be the "**Adjusted Priority Payables Amount**".

7. To the extent the Adjusted Priority Payables Amount is higher than the Estimated Priority Payables Amount paid at closing, the Purchaser must pay the Receiver the shortfall within 10 business days. If the Adjusted Priority Payables Amount is lower than the Estimated Priority Payables Amount paid at closing, the Receiver must refund the difference to the Purchaser within the same period, capped at the amount of the Estimated Priority Payables Amount.

8. Fifteen Business Days prior to the termination of these proceedings, or as the Receiver may otherwise determine in its discretion (the "**Final Adjustment Date**"), the Receiver shall conduct a final adjustment by deducting the Adjustment Date Estimated Priority Payables from the Estimated Remaining Priority Payables actually incurred at the Final Adjustment Date and estimated to be incurred after the Final Adjustment Date and deducting any net amounts received from realization of remaining assets of the Debtors between the Adjustment Date and the Final Adjustment Date. If the resulting amount is positive, the Purchaser shall pay it to the Receiver within 10 Business Days; if negative, the Receiver shall refund it to the Purchaser within the same period. In no event shall the aggregate amount refunded to the Purchaser under the Adjustment Date and Final Adjustment Date adjustments exceed the Estimated Priority Payables Amount.

9. The Receiver considers the adjustment to the Priority Payables to be appropriate because it balances the need to ensure that sufficient cash is available to complete the Transaction and fund the post-closing administration of these proceedings, without requiring Cortland, through

the Purchaser, to fund amounts that may properly be satisfied from future recoveries from the Debtors' remaining assets.

5.1 Transaction Recommendation

1. The Receiver respectfully recommends that this Court grant the AVO, which approves the SPA and the Transaction, for the following reasons:

    a) in the Receiver's view, the SISP was commercially reasonable and was conducted in accordance with its terms as approved by the Court. The Receiver marketed the opportunity broadly over an approximately five-week solicitation period, distributing marketing materials to over 100 prospective purchasers and following up repeatedly by phone and email. The SISP provided for a fair, transparent and thorough marketing of the Debtors' interest in the Operating Entities;

    b) despite the broad marketing in the SISP, no Qualified Bids were received by the Bid Deadline. Neither of the two letters of intent ("**LOIs**") received constituted a Supportable Offer capable of satisfying the Indebtedness, and neither of the LOIs was supported by Cortland;

    c) the Receiver is not aware of any unfairness in the working out of the process and is of the view that the SISP was conducted in accordance with its terms, as approved by this Court;

    d) the SISP Approval Order expressly contemplated that Cortland could submit a Cortland Subsequent Credit Bid if no Qualified Bid was received by the Bid Deadline. The Transaction arises from the Cortland Subsequent Credit Bid, which was delivered in accordance with the SISP and deemed to be the Successful Bid (as defined in the SISP Approval Order);

    e) the Transaction provides for (i) the assumption, in full, of all of the Senior Credit Agreement Secured Debt by the Purchaser, with each of the Debtors to be released from their obligations pursuant to the Senior Credit Agreement; and (ii) the payment, in cash, of the Cash Purchase Price, which includes the cash payment of all Priority Payables (subject to the adjustment described above). This consideration is higher than the proposed consideration under any other offer provided in the SISP (including the LOIs);

    f) the Receiver is supportive of the Transaction and is of the view that the Transaction represents the best available outcome in the circumstances. Since the assets of the Debtors consist only of the Purchased Shares and the shares of PJS, there is no reasonable "liquidation" alternative to sell the Purchased Shares;

    g) the Receiver is of the view that the Debtors' interest in the Operating Entities has been marketed to substantially all parties who may be

interested, and that additional time spent marketing would not result in a superior transaction;

h) the Receiver believes that the terms of the SPA and the Transaction are commercially reasonable and consistent with the terms of a transaction of this nature in an insolvency context;

i) Cortland, as the senior secured creditor of the Debtors, is familiar with and well-positioned to support the continued business of Stoneworks Technologies. Cortland was consulted throughout the process in accordance with the SISP and is supportive of the Transaction with the Purchaser;

j) the Cortland Subsequent Credit Bid is binding and irrevocable, and the Transaction is not subject to any financing or due diligence condition; the remaining conditions are the material conditions described above and certain other customary closing conditions, including Court approval;

k) Cortland is the Debtors' senior secured creditor and, through the Purchaser, is the party acquiring the Purchased Shares. Cortland is supportive of the relief sought and of the approval of the Transaction; and

l) approval of the Transaction will allow for the parties to proceed to closing the Transaction quickly to minimize impact on the operations of Stoneworks Technologies.

5.2 PJS Systems

1. The Cortland Subsequent Credit Bid and the Transaction relate solely to the shares of Stoneworks Technologies; the shares of PJS, held by Sequent Exchangeco, are not included in the Cortland Subsequent Credit Bid and do not form part of the Transaction. The Receiver continues to evaluate its options and next steps for realizing on the PJS shares, and will return to Court with a recommendation in respect of PJS in due course.

6.0 Overview of the Receiver's Activities

1. In addition to the activities detailed above, the Receiver's activities since April 17, 2026 (the "**Appointment Date**") included the following;

   a. corresponding regularly with McCarthy regarding all aspects of these proceedings;

   b. corresponding regularly with Cortland, and its counsel, regarding all aspects of these proceedings, including the SISP, the Claims Procedure, the Cortland Subsequent Credit Bid and the Transaction;

c. corresponding regularly with management of the Operating Entities, particularly Stoneworks Technologies, regarding the affairs of the Debtors and the SISP;

d. preparing the First Report and related materials in connection with the motion returnable May 5, 2026 for approval of the SISP, attending Court (virtually) in respect of that motion;

e. conducting the SISP, including preparing the teaser and Confidential Information Memorandum, buyers list and form of confidentiality agreement, preparing and maintaining the virtual data room, launching the SISP, and responding to due diligence requests from prospective purchasers;

f. reviewing and assessing the LOIs received by the Bid Deadline, and corresponding with McCarthy, Cortland and the offering parties regarding the LOIs;

g. advancing the Cortland Subsequent Credit Bid, including reviewing and commenting on the Preliminary Cortland Term Sheet, the Binding Term Sheet and successive turns of the SPA, and corresponding with McCarthy and Cortland's counsel regarding the transaction structure and mechanics;

h. addressing matters relating to the shares of Stoneworks Technologies held by third parties, including the Clementi Drag-Along Agreement, the Debt Acknowledgment and the Ingram Micro agreements;

i. preparing the Second Report and related materials in connection with the motion returnable August 7, 2026 for approval of the Claims Procedure, and attending Court (virtually) in respect of that motion;

j. administering the Claims Procedure, including arranging for publication and distribution of the notice to creditors and Claims Package, corresponding with the Canada Revenue Agency and other potential claimants, and reviewing proofs of claim received;

k. evaluating options and next steps in respect of the realization of the PJS shares, including extensive correspondence with the management of PJS;

l. issuing three notices of termination to the Borrower's former employees and attending to related payroll matters, including Records of Employment, T4s and access to the Debtors' payroll system;

m. administering Wage Earner Protection Program for the former employees of the Borrower;

n. corresponding with Management regarding operational issues;

o. attending to the Debtors' cash management, including controlling receipts and disbursements and processing wires and cheques;

p. responding to inquiries from creditors, suppliers, employees and other stakeholders;

q. maintaining the Receiver's Website for these proceedings; and

r. preparing this Third Report.

7.0 Professional Fees

1. The fees of the Receiver from the Appointment Date to August 31, 2026, total $170,360.25, excluding disbursements and HST. McCarthy's fees from the Appointment Date to August 31, 2026, total $512,068.50, excluding disbursements and HST.

2. The average hourly rate for the referenced billing period was (i) $737.81 for the Receiver; and (ii) $1,164.06 for McCarthy.

3. Fee affidavits and accompanying invoices in respect of the fees and disbursements of the Receiver and McCarthy's are attached hereto as **Appendices** "**H**" and "**I**", respectively, to this Third Report (together, the "**Fee Affidavits**").

4. As of the date of this Third Report, the Receiver has borrowed $214,026 pursuant to receiver's certificates for the payment of professional fees and other receivership costs.

5. The Receiver is of the view that McCarthy's hourly rates are consistent with the rates charged by other law firms practicing in the area of insolvency in the Toronto market, and its fees are reasonable and appropriate in the circumstances, and reflect the services performed in accordance with the instructions of the Receiver.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make the orders granting the relief detailed in Section 1.1(1)(f) of this Third Report.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

ALIXPARTNERS RESTRUCTURING, INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., AND FULCRUM STONEWORKS EXCHANGECO LTD.
AND NOT IN ITS PERSONAL CAPACITY

Appendix “A”

Electronically issued / Délivré par voie électronique : 17-Apr-2026
Court File No./N° du dossier du greffe: CL-26-00000142-0000
Superior Court of Justice - Toronto - Commercial List / Cour supérieure de justice

Court File No. CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF an application under subsection 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended.

THE HONOURABLE	)	FRIDAY, THE 17TH DAY
	)	
JUSTICE W.D. BLACK	)	OF APRIL, 2026

B E T W E E N :

CORTLAND CREDIT LENDING CORPORATION

Applicant

- and -

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION made by Cortland Credit Lending Corporation (the "**Applicant**") for an Order 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 (the "**CJA**") appointing KSV Restructuring Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Sequent AI Ltd., Sequent AI Exchangeco Ltd., and Fulcrum Stoneworks Exchangeco Ltd. (together, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of **DEEPAK ALAPPATT** sworn April 2, 2026 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and no one else on

the service list appearing although duly served as appears from the affidavits of service sworn and filed, and on reading the consent of KSV Restructuring Inc. to act as the Receiver, and on reading the consents to enforcement signed by each of the respondents Sequent AI Ltd., Sequent AI Exchangeco Ltd., and Fulcrum Stoneworks Exchangeco Ltd.,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business (or businesses) carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property to safeguard it, the engaging of independent

security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtors, or any of them, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business of any Debtor, or cease to perform any contracts of any of the Debtors;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors and to exercise all remedies of any of the Debtors in collecting such monies, including, without limitation, to enforce any security held by any of the Debtors;

(g) to settle, extend or compromise any indebtedness owing to any of the Debtors;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to any of the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $50,000, provided that the aggregate consideration for all such transactions does not exceed $250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Debtors;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;

(q) to exercise any shareholder, partnership, joint venture or other rights which any of the Debtors may have, including to appoint a board member(s) over any affiliate; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including each of the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) each of the Debtors, (ii) all of its current and former directors, officers, including without limitation any chief restructuring officer or advisor, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order and any subsidiaries or affiliates of any of the Debtors, (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession

or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records, information and cloud-based data of any kind related to the business or affairs of any of the Debtors or the Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and providing the Receiver with any and all access codes, account names and account numbers and account-creating credentials that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of any of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with any of the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, accounting services centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the applicable Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the applicable Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in

section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the applicable Debtor(s), and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall

exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $**250,000** (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL https://www.ksvadvisory.com/experience/case/sequent .

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

26. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed

to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the Electronic Commerce Protection Regulations (SOR/2013-221)

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

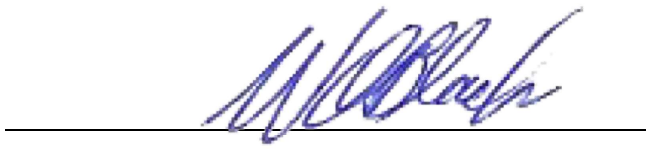
30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the net realizations from the Debtors' estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

33. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.



SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. **THIS IS TO CERTIFY** that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Sequent AI Ltd., Sequent AI Exchangeco Ltd., and Fulcrum Stoneworks Exchangeco Ltd. acquired for, or used in relation to a business (or businesses) carried on by the Debtors, including all proceeds therefrom (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an application having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $250,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily][monthly not in advance on the _____ day of each month]** after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2026.

KSV Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

Court File No: CL-26-00000142-0000

CORTLAND CREDIT LENDING CORPORATION	- and -	**SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.**
Applicant		Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER
(appointing Receiver)

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

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Tel: (604) 630-3411
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Lawyers for the Applicant, Cortland Credit Lending Corporation

Appendix “B”

Electronically issued / Délivré par voie électronique : 06-May-2026 Court File No./N° du dossier du greffe: CL-26-00000142-0000
Superior Court of Justice - Toronto - Commercial List / Cour supérieure de justice

Court File No. CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF an application under subsection 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended.

THE HONOURABLE	)	TUESDAY, THE 5TH DAY
	)	
JUSTICE W.D. BLACK	)	OF MAY, 2026

B E T W E E N :

CORTLAND CREDIT LENDING CORPORATION

Applicant

- and -

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.

Respondents

SISP APPROVAL ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**") over the assets, undertakings and properties of the Respondents for an order, among other things, approving a sale process (the "**SISP**") and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario, by judicial video conference via Zoom.

ON READING the Notice of Motion of the Receiver, the First Report of the Receiver dated April 28, 2026 and the attachments thereto (the "**First Report**"), and on hearing the submissions of counsel for the Receiver, counsel for Cortland Credit Lending Corporation, and

no one else appearing although fully served as appears from the Affidavit of Service of Saneea Tanvir sworn April 29, 2026, filed:

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the SISP attached hereto as **Schedule "A"**.

APPROVAL OF SISP

3. **THIS COURT ORDERS** that the SISP (subject to such non-material amendments as may be agreed to by the Receiver, including all schedules thereto) is hereby approved and the Receiver is hereby authorized and directed to take such steps as it deems necessary or desirable (subject to the terms of SISP) to carry out and give full effect to the SISP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

4. **THIS COURT ORDERS** that the Receiver, its affiliates, partners, directors, employees, advisors, agents and controlling persons, shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature of kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Receiver, as determined by the Court.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is hereby authorized and permitted to disclose and transfer to each potential bidder (the "**Bidders**") and to their representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the records pertaining to the Applicant's past and current employees, but only to the extent desirable or

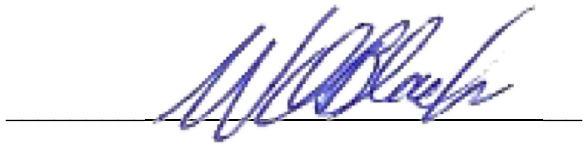
required to negotiate or attempt to complete a sale of the assets contemplated in the SISP (a "**Sale**"). Each Bidder or representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information and provide confirmation of its destruction if required by the Receiver. The Successful Bidder shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid, shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Receiver or ensure that all other personal information to the Receiver or ensure that all other personal information is destroyed and provide confirmation of its destruction if required by the Receiver.

6. **THIS COURT ORDERS** that at any time during the SISP, the Receiver may apply to the Court for directions with respect to this order, or for such further order or orders as it may consider necessary or desirable to amend, supplement or clarify the terms of this order or the SISP.

7. **THIS COURT ORDERS** that this order shall have full force and effect in all provinces and territories in Canada and outside Canada.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, to give effect to this order and to assist the Receiver and its agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this order or to assist the Receiver and its agents in carrying out the terms of this order, and to grant representative status to the Receiver in any foreign proceeding.

9. **THIS COURT ORDERS** that this order is effective from today's date and is enforceable without the need for entry and filing.



Schedule "A"
SISP

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

A. On April 17, 2026 (the "**Filing Date**"), on an application by Cortland Credit Lending Corporation ("**Cortland**") in the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), the Honourable Justice Black granted an order (the "**Receivership Order**") appointing KSV Restructuring Inc. as receiver and manager (in such capacity, the "**Receiver**") over all of the assets, undertakings and properties of Sequent AI Ltd., Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business (or businesses) carried on by the Debtors (the "**Business**"), including all proceeds thereof (collectively, the "**Property**").

B. Pursuant to the Receivership Order, the Receiver is authorized to market any or all of the Property, including advertising and soliciting offers in respect of any and all such Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

C. The Receiver intends to seek Court approval of the Sale and Investment Solicitation Process set forth herein (the "**SISP**"). The purpose of the SISP is to seek and implement proposals from Qualified Bidders (defined below) to acquire the Property or refinance the Business.

D. This SISP describes, among other things: (a) the Property available for sale and the opportunity for an investment in the Business, (b) the manner in which prospective bidders may gain access to due diligence materials concerning the Property and the Business, (c) the manner in which bidders and bids may become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (d) the process for evaluating bids received, (e) the guidelines for the ultimate selection of the Successful Bid and/or the Back-Up Bid, and (f) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid.

E. Capitalized terms used in this SISP and not otherwise defined have the meanings given to them in paragraph 1 below.

Defined Terms

1. The following capitalized terms have the following meanings when used in this SISP:

   (a) "**Affiliate**" means, in respect to any person, any other person that directly or indirectly controls, is controlled by, or is under common control with that person.

   (b) "**Approval Motion**" is defined in paragraph 31.

   (c) "**Approval Motion Date**" is defined in paragraph 5.

   (d) "**Auction**" is defined in paragraph 26.

(e) "**Auction Bidders**" is defined in paragraph 28.

(f) "**Auction Date**" is defined in paragraph 5.

(g) "**Back-Up Bid**" is defined in paragraph 27.

(h) "**Back-Up Bidder**" is defined in paragraph 27.

(i) "**Bid**" is defined in paragraph 19.

(j) "**Bid Deadline**" is defined in paragraph 5.

(k) "**Business**" is defined in paragraph A of the introduction.

(l) "**Business Day**" means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto.

(m) "**Cortland**" is defined in paragraph A.

(n) "**Cortland Credit Agreement**" means the amended and restated credit agreement between Cortland, as agent, the lenders party thereto from time to time (collectively, and together with their successors, assigns and affiliates, the "**Lenders**") and the Debtors dated as of June 29, 2023, as amended by amending agreement no. 1 dated October 6, 2023, amending agreement no. 2 dated January 31, 2024, amending agreement no. 3 dated September 16, 2024, amending agreement no. 4 dated May 8, 2025, amending agreement no. 5 dated July 24, 2025, amending agreement no. 6 dated September 2, 2025, and amending agreement no. 7 dated February 12, 2026.

(o) "**Cortland Debt**" means all of the amounts due and owing by the Debtors, as primary debtors and/or as guarantors, to Cortland and/or the Lenders pursuant to the Cortland Credit Agreement, and/or the guarantees, security agreements and other documents entered into in connection therewith, which as at March 31, 2026 was in the amount of $39,779,089.64, with interest, fees, costs, and expenses continuing to accrue.

(p) "**Cortland Full Credit Bid**" means an irrevocable offer submitted by the Cortland Purchaser in the form of a Sale Proposal or Investment Proposal (as determined by Cortland in its discretion) pursuant to which the consideration offered for the Property subject to Cortland's, as agent, security is an amount that is greater than or equal to (i) the assumption of the entirety of the Cortland Debt, which includes any further accrued but unpaid interest, fees and legal fees incurred by Cortland for the account of the Debtors in accordance with its terms between March 31, 2026 and the Closing Date, such that it will remain a continuing obligation of the Cortland Purchaser after the Closing; and (ii) payment in full in cash on closing of all Priority Payables ranking equal to or ahead of its own claim. For the avoidance of doubt, each CDN$1.00 of credit bid by Cortland shall be equal to CDN$1.00 of cash. To the extent applicable, the Bid

must specify the proposed allocation of the purchase price or investment amount among the different Debtors.

(q) "**Cortland Purchaser**" means Cortland, the Lenders and/or an affiliate of Cortland and/or the Lenders.

(r) "**Cortland Subsequent Credit Bid**" means an irrevocable offer submitted by the Cortland Purchaser in the form of a Sale Proposal or Investment Proposal (as determined by Cortland in its discretion) pursuant to which the consideration offered for the Property subject to Cortland's, as agent, security is an amount that is greater than or equal to (i) the assumption of all or any portion of the Cortland Debt, which includes any further accrued but unpaid interest, fees and legal fees incurred by Cortland for the account of the Debtors in accordance with its terms between March 31, 2026 and the Closing Date, such that it will remain a continuing obligation of the Cortland Purchaser after the Closing; and (ii) payment in full in cash on closing of all Priority Payables ranking equal to or ahead of its own claim, provided that the Receiver determines, in its sole discretion, that the value provided exceeds both the liquidation value for the Property included in such bid and is otherwise appropriate. For the avoidance of doubt, each CDN$1.00 of credit bid by Cortland shall be equal to CDN$1.00 of cash. To the extent applicable, the Bid must specify the proposed allocation of the purchase price or investment amount among the different Debtors.

(s) "**Court**" is defined in paragraph A of the introduction.

(t) "**Closing**" means the completion of the transaction contemplated by the Successful Bid.

(u) "**Closing Date**" means the date upon which the Closing shall occur, which in any event, shall be before the Outside Date unless an amendment is made thereto by the Receiver under the terms of this SISP.

(v) "**Data Room**" is defined in paragraph 12.

(w) "**Debtors**" is defined in paragraph A.

(x) "**Deposit**" is defined in paragraph 19(c)(xiii).

(y) "**Filing Date**" is defined in paragraph A of the introduction.

(z) "**Form of Purchase Agreement**" means the form of purchase and sale agreement to be developed by the Receiver in accordance with paragraph 19(a)(iv), provided to Qualified Bidders for a Sale Proposal.

(aa) "**Investment Proposal**" is defined in paragraph 2(b).

(bb) "**NDA**" means a non-disclosure agreement in form and substance satisfactory to the Receiver which will inure to the benefit of any Successful Bidder at Closing.

(cc) "**Opening Bid**" is defined in paragraph 26.

(dd) "**Opportunity**" is defined in paragraph 2.

(ee) "**Outside Date**" is defined in paragraph 5.

(ff) "**Participation Letter**" is defined in paragraph 10(a).

(gg) "**Potential Bidder**" is defined in paragraph 8.

(hh) "**Priority Payables**" means any amounts that rank in priority to the Cortland Debt outstanding as at the closing of the transaction with the Successful Bidder.

(ii) "**Property**" is defined in paragraph A.

(jj) "**Qualified Bid**" is defined in paragraph 19.

(kk) "**Qualified Bidder**" is defined in paragraph 11.

(ll) "**Receiver**" is defined in paragraph A.

(mm) "**Receivership Order**" is defined in paragraph A.

(nn) "**Receiver's Website**" is https://www.ksvadvisory.com/experience/case/sequent.

(oo) "**Sale Proposal**" is defined in paragraph 2(a).

(pp) "**SISP**" is defined in paragraph C of the introduction.

(qq) "**SISP Approval Order**" means the Order of the Court approving the within SISP.

(rr) "**Solicitation Materials Distribution Date**" is defined in paragraph 5.

(ss) "**Solicitation Notice**" is defined in paragraph 7(b).

(tt) "**Successful Bid**" is the successful bid identified pursuant to the terms of this SISP.

(uu) "**Successful Bidder**" is the Qualified Bidder that advances the Successful Bid as determined in accordance with the terms of this SISP.

(vv) "**Supportable Offer**" means a credible and fully financed offer made by a Qualified Bidder which (i) provides for sufficient consideration to fully satisfy or otherwise address the Cortland Debt in cash, without deductions, set-offs, withholdings or reductions of any kind, and (ii) sufficient additional consideration to pay any Priority Payables.

Opportunity

2. The SISP is intended to solicit interest in the opportunity (collectively, the "**Opportunity**") to:

   (a) acquire all or substantially all of the Property (a "**Sale Proposal**"), or

   (b) refinance the Business by making a proposal to repay existing indebtedness of the Debtors (an "**Investment Proposal**").

3. The sale of the Property or refinancing of the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Debtors, Receiver, or Cortland or any of their respective Affiliates, agents or estates, except, in the case of the Receiver only, to the extent set forth in a definitive final agreement, executed with a Successful Bidder and approved by the Court.

4. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter in respect of the Property or Business.

Timeline

5. The following table provides a high-level summary of the key stages and milestones anticipated under the SISP:

Milestone	Date(s)
Distribution of the Solicitation Notice, form of NDA and the Participation Letter to Potential Bidders	**No later than May 8, 2026** ("**Solicitation Materials Distribution Date**")
Due date for Bids and Deposits	**June 12, 2026 at 5:00 p.m.** ("**Bid Deadline**")
Date of the Auction	**June 17, 2026** ("**Auction Date**")
Hearing of the Approval Motion	No later than ten (10) business days following the selection of the Successful Bid ("**Approval Motion Date**")
Deadline for completion of the transaction represented by the Successful Bid	**July 7, 2026**, or such later date as may be agreed to by the Receiver and the Successful Bidder (the "**Outside Date**")

Any extensions or amendments to the deadlines above will be communicated to all known Qualified Bidders and such extensions or amendments shall be posted on the Receiver's Website.

Supervision of the SISP

6. The marketing of the Opportunity, and negotiations with Potential Bidders described in the SISP will be conducted by the Receiver. For the avoidance of doubt, with respect to the Receiver's role in regards to the SISP, the terms of the Receivership Order and SISP Approval Order concerning the Receiver's rights and duties in this receivership proceeding will govern.

Notice and Solicitation of Interest

7. As soon as reasonably practicable after the granting of the SISP Approval Order, but in any event no more than five (5) Business Days after the issuance of the SISP Approval Order, the Receiver will:

   (a) cause a notice of the SISP (and such other relevant information which the Receiver consider appropriate) to be published in The Globe and Mail (National Edition), and posted on the Receiver's Website;

(b) prepare a solicitation notice describing the Opportunity and inviting Potential Bidders to submit a bid pursuant to these SISP procedures (the "**Solicitation Notice**"); and

(c) prepare a form of NDA to be signed by Potential Bidders.

8. For all purposes of this SISP, any party identified as a potential bidder by the Receiver shall be considered a potential bidder, as well as any party that identifies itself as wishing to participate in the SISP (each, a "**Potential Bidder**"). For greater certainty, Cortland shall be considered a Potential Bidder.

9. By no later than the Solicitation Materials Distribution Date, the Receiver shall distribute the Solicitation Notice and the form of NDA to each Potential Bidder that has been identified at that time.

Participation Requirements

10. In order to participate in the SISP, each Potential Bidder (or other interested party) must deliver the following information and executed documents to the Receiver at the email address specified in Schedule A hereto:

(a) a letter (a "**Participation Letter**") providing (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) information sufficient to enable the Receiver to make a reasonable determination that the Potential Bidder has the financial and other capabilities to consummate a transaction pursuant to a Supportable Offer, and (iv) an acknowledgement that the Potential Bidder agrees to be bound by the provisions of the SISP Approval Order and this SISP; and

(b) an executed NDA.

11. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraph 10, and that the Receiver determines is likely to be able to consummate a transaction on or before the Outside Date, will be deemed a "**Qualified Bidder**", and will be promptly notified of such determination by the Receiver. For greater certainty, to the extent that Cortland wishes to participate in the SISP, Cortland shall be deemed to be a Qualified Bidder provided it delivers an executed NDA.

Due Diligence

12. Contemporaneously with the determination that a Potential Bidder is a Qualified Bidder, the Receiver shall provide such Qualified Bidder with access to a secure online electronic data room (the "**Data Room**") containing due diligence information regarding:

(a) the Property and the Business; and

(b) the debt of, and equity interests of, Cortland.

13. The Receiver shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Receiver may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder who, at such time and in the reasonable business judgment of the Receiver, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.

14. The Receiver, reserves the right to withhold any diligence materials that the Receiver determines are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that the Receiver determines is a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in the Receiver's exercise of their reasonable business judgment, may risk unduly placing the Debtors at a competitive disadvantage.

15. All due diligence and information requests must be directed to the Receiver at the email address specified in Schedule A hereto.

16. The Receiver and its respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISP, except, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.

17. Without limiting the generality of any term or condition of any NDA, unless otherwise agreed by the Receiver or ordered by the Court, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions with (a) any counterparty to any contract with any of the Debtors, any current or former director, manager, shareholder, officer, member or employee of the Debtors, other than in the normal course of business and wholly unrelated to the Debtors, the potential transaction, the Confidential Information (as defined in the NDA), or the SISP, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto. For clarity, nothing contained in this Section 17 shall restrict Cortland and/or any Lender from discussing the Cortland Debt, including the servicing thereof, with the directors, managers, officers and employees of any subsidiary of the Debtors who are not subject to the Receivership Order, including, without limitation, Stoneworks Technologies Inc.

Qualified Bids

18. A Qualified Bidder that wishes to make a bid must deliver its bid to the Receiver at the email address specified in Schedule A hereto so as to be actually received by them not later than the Bid Deadline.

19. All offers submitted to the Receiver ("**Bids**") for consideration in accordance with paragraph 18 must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):

(a) **Sale Proposal**: In the case of an offer to purchase some or all of the Property:

(i) **Purchase Price**: Each Bid must clearly set forth the purchase price in Canadian dollars (including the cash and any non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);

(ii) **Assets**: Each Bid must clearly state the Property to be included in the transaction and any Property to be excluded or divested or disclaimed prior to Closing;

(iii) **Assumption of Obligations**: Each Bid must clearly state which liabilities and obligations of the Debtors which are to be assumed; and

(iv) **Mark-up**: Each Bid must include a full mark-up of the APA to be included in the Data Room.

(b) **Investment Proposal**: In the case of an offer to make an investment in the Business:

(i) **Amount/Type of Investment**: Each Bid must clearly state the aggregate amount of the equity and/or debt investment in Canadian dollars (including the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable) to be made; and

(ii) **Treatment of Obligations**: Each Bid must include the proposed treatment of the liabilities and obligations of the Debtors.

(c) **All Bids**: In the case of all offers to purchase some or all of the Property and/or to make an investment in the Business:

(i) **Bid Deadline**: Each Bid must be received by the Bid Deadline as set forth herein;

(ii) **Supportable Offer**: Each Bid must represent a Supportable Offer;

(iii) **Key Terms**: Each Bid must set forth key terms including (A) economic terms, (B) the basis and rationale of the valuation, and (C) any other material terms and conditions required to consummate the transaction;

(iv) **Allocation**: Each Bid must specify the proposed allocation of the purchase price or investment amount among the different Debtors, to the extent applicable.

(v) **Irrevocable Offer**: Each Bid must be irrevocable until the earlier of (A) the approval by the Court of a Successful Bid (and any Back-Up Bid) and (B) 60 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer will remain irrevocable until the Closing (or ten (10) days after the Outside Date as set forth herein);

(vi) **Executed Documents**: Each Bid must be accompanied by a duly authorized purchase agreement in the Form of Purchase Agreement or investment commitment, as applicable, executed by the Qualified Bidder, and an electronic copy of such agreement, as well as duly authorized transaction documents necessary to effectuate the transactions contemplated thereby executed by the Qualified Bidder. For greater clarity, the delivery of such documents shall not be binding on the Receiver and such documents may still be subject to negotiation by the Receiver;

(vii) **Financial Wherewithal**: Each Bid must include written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction;

(viii) **Authorization**: Each Bid must include evidence, in form and substance reasonably satisfactory to the Receiver of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;

(ix) **No Other Authorization, Diligence, Financing Conditions**: Each Bid must not be conditional upon the following:

A. any internal approval(s);

B. the outcome of unperformed due diligence by the Qualified Bidder; or

C. obtaining financing;

(x) **"As Is, Where Is"; Other Acknowledgements**: Each Bid must include an acknowledgement and representation that the Qualified Bidder:

A. is making its offer to purchase the Property or make an investment in the Business on an "*as is, where is*" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of their respective employees, officers, directors, agents, advisors, other representatives and estates, except to the extent set forth in the definitive sale or investment agreement;

B. has had an opportunity to conduct any and all due diligence regarding the Business and the Property prior to making its Bid;

C. has relied solely upon its own independent review, investigation and inspection of any documents and the assets to be acquired and liabilities to be assumed in making its Bid; and

D. is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and their respective employees, officers, directors, agents, advisors and other representatives, regarding the Business, the Property, the assets to be acquired or liabilities to be assumed, the Auction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the definitive sale or investment agreement.

(xi) **Disclaimer of Fees**: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;

(xii) **Timeline**: Each Bid must provide a timeline to Closing with critical milestones with a closing date not exceeding the Outside Date;

(xiii) **Deposit**: Each Bid must be accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to the account specified by the Receiver, payable to the order of the Receiver, on behalf of the Debtors, in trust, in an amount equal to fifteen percent (15%) of the total consideration contemplated by the Bid, to be held and dealt with in accordance with the terms of this SISP;

(xiv) **Terms of Court Order(s)**: Each Bid must describe the key terms and provisions to be included in any order of the Court approving the contemplated transaction, including, in the case of an asset sale, whether the transaction requires that all of the rights, title and interests of the Debtors in and to the subject Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (except to the extent otherwise set forth in the definitive sale or investment agreement); and

(xv) **Other Information**: Each Bid must contain such other information as may be reasonably requested by the Receiver in writing from time to time.

20. Notwithstanding anything herein to the contrary, the Receiver will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, the Receiver shall evaluate the following as primary considerations: (a) the purchase price and net value (including assumed liabilities and other obligations to

be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); and (d) the terms of transaction documents, including, if applicable, the proposed revisions to the Form of Purchase Agreement. In addition, they may consider the following non-exhaustive list of considerations: (i) the claims likely to be created by such Bid in relation to other Bids; (ii) the counterparties to the transaction; (iii) planned treatment of stakeholders; (iv) the assets included or excluded from the Bid; (v) any transition services required from the Receiver post-closing and any related restructuring costs; (vi) the likelihood and timing of consummating the transaction; and (vii) whether there is sufficient capital post-closing for the wind-down of the Debtors (if contemplated).

21. The Receiver may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP procedures; or (iii) not a Qualified Bid.

22. The Receiver may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Bid, provided that each such non-compliant bid must be a Supportable Offer. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

23. Notwithstanding anything to the contrary herein, a Cortland Full Credit Bid submitted by Cortland by the Bid Deadline will be deemed to be a Qualified Bid for all purposes hereunder and for greater certainty such will not require a Deposit to be paid as provided in paragraph 19(c)(xiii).

Auction; Successful Bid

24. In the event that no Participation Letters are received or that no Qualified Bid is received by the Bid Deadline, then (a) there will be no auction, (b) within 7 business days after the passage of such deadline, Cortland may submit a Cortland Subsequent Credit Bid and, if so submitted and determined by the Receiver to constitute a Cortland Subsequent Credit Bid, the Cortland Subsequent Credit Bid shall be deemed the Successful Bid and Cortland deemed the Successful Bidder; and, (c) the Receiver may seek Court approval of, and authority to enter and close the transaction contemplated by the Cortland Subsequent Credit Bid.

25. In the event that only one Qualified Bid is received by the Bid Deadline (including any Cortland Full Credit Bid), then (a) there will be no auction; and (b) such Qualified Bid shall be deemed the Successful Bid and such Qualified Bidder shall be deemed the Successful Bidder; and (c) the Receiver may seek Court approval of, and authority to enter and close the transaction contemplated by the Successful Bid.

26. If more than one Qualified Bid is received by the Bid Deadline (including any Cortland Full Credit Bid), then the Receiver shall conduct an auction to determine the highest and

best Qualified Bid (the "**Auction**"). The Qualified Bid that is the highest and best bid shall constitute the "**Opening Bid**" for the first round of bidding.

27. The Receiver shall also be entitled to select the next highest and/or the best Qualified Bid received as a back-up bid (such offer, the "**Backup Bid**" and the Qualified Bidder(s) who made the Backup Bid, the "**Backup Bidder**").

28. If the Auction is to take place, then as soon as practicable and no later than 10:00 am (Eastern Standard Time) (3) Business Days prior to the Auction, the Receiver shall provide all Qualified Bidders having submitted a Qualified Bid ("**Auction Bidders**") with a copy of the Opening Bid for the Auction and the procedures that shall apply to such Auction.

29. If proceeding, the Auction shall commence on the Auction Date by videoconference and shall be conducted in accordance with procedures to be determined by the Receiver and notified to all Auction Bidders.

Approval Motion

30. Once a Successful Bid is identified, the Receiver, shall negotiate and settle the terms of a definitive agreement in respect of the Successful Bid, all of which will be conditional on Court approval.

31. The Receiver shall apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing and directing it to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, if any, should the Successful Bid not close for any reason.

32. The Approval Motion will be heard on or before the Approval Motion Date or such later date as agreed by the Receiver and Successful Bidder. The Approval Motion may be adjourned or rescheduled by the Receiver, with the consent of the Successful Bidder, without further notice by an announcement of the adjourned date at the Approval Motion.

33. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.

Closing the Successful Bid

34. The Receiver and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the Court. If the transaction contemplated by the Successful Bid has not closed by the Outside Date or the Successful Bid is terminated for any reason prior to the Outside Date, the Receiver may elect, on not less than two (2) Business Day's notice to the Service List, to seek to complete the transaction contemplated by any Back-Up Bid, and will promptly seek to close the transaction contemplated by such Back-Up Bid. In such event, the Back-Up Bid will be deemed to be the Successful Bid and the Receiver

will be deemed to have accepted the Back-Up Bid only when the Receiver has made such election.

General

35. All Deposits will be retained by the Receiver and invested in an interest-bearing trust account. If there is a Successful Bid and/or Back-Up Bid, the Deposit (plus accrued interest) paid by the Successful Bidder and/or Back-Up Bidder whose bid is approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and/or Back-Up Bidder will be returned to such bidders within five (5) Business Days of the date upon which the Successful Bid is approved by the Court or any earlier date as may be determined by the Receiver. The Deposit of the Back-Up Bidder shall be returned to such Back-Up Bidder no later than 5 Business Days after Closing.

36. The Receiver shall have the right, at any time and in its sole discretion, to: (i) waive strict compliance with the terms of the SISP by any person (including missed deadlines or late submission of materials), and (ii) modify the procedures set out herein (including altering the deadlines set out herein), and/or adopt such other procedure that will better promote the sale of the Property or Business (or any portion thereof), provided that material modifications to, or the termination of, the SISP, shall require Court approval. For certainty, any waiver of or amendments to the deadlines set out herein shall not constitute material modification.

37. Notwithstanding anything else contained herein, at any time if the Receiver determines it is appropriate to do so, the Receiver may apply to Court for advice and direction with respect to the discharge of its powers and duties hereunder, seek approval of any transaction or proposal, seek to modify or supplement the SISP and/or seek to terminate the SISP.

38. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between any Qualified Bidder or Auction Bidder and either the Receiver, or any obligation to enter into any contractual or other legal relationship between any Qualified Bidder or Auction Bidder and the Receiver other than as specifically set forth in a definitive agreement that may be signed with the Receiver.

SCHEDULE A

CONTACT INFORMATION

To the Receiver:
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Email: mtallat@ksvadvisory.com

Court File No: CL-26-00000142-0000

CORTLAND CREDIT LENDING CORPORATION	- and -	**SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.**
Applicant		Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

SISP APPROVAL ORDER

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Lawyers for KSV Restructuring Inc., the Receiver

Appendix “C”

First Report of
KSV Restructuring Inc.
as Receiver and Manager of
Sequent AI Ltd.,
Sequent AI ExchangeCo Ltd. &
Fulcrum Stoneworks ExchangeCo Ltd.

April 28, 2026

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COURT FILE NO. CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CORTLAND CREDIT LENDING CORPORATION

APPLICANT

- AND -

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., AND FULCRUM STONEWORKS EXCHANGECO LTD.

RESPONDENTS

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

FIRST REPORT OF KSV RESTRUCTURING INC. AS RECEIVER AND MANAGER

APRIL 28, 2026

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on April 17, 2026 (the "**Receivership Order**"), KSV Restructuring Inc. ("**KSV**") was appointed as receiver and manager (the "**Receiver**") of all of the assets, properties and undertakings of Sequent AI Ltd. (the "**Borrower**"), Sequent AI ExchangeCo Ltd. ("**Sequent Exchangeco**"), and Fulcrum Stoneworks ExchangeCo Ltd. ("**Stoneworks Exchangeco**" and collectively with the Borrower and Sequent Exchangeco, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**"). A copy of the Receivership Order is attached as Appendix **"A"**.

2. As more fully detailed below, a principal focus of the receivership proceedings is to conduct a sale and investment solicitation process (the "**SISP**") to seek and implement a transaction for the Property or a refinancing of the Debtors' business.

3. This report (the "**Report**") is filed by KSV in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) provide background information about these proceedings;

   b) detail the proposed SISP;

   c) provide the Court with the Receiver's activities since its appointment; and

   d) recommend that this Court issue an order (the "**SISP Order**"), among other things, approving the SISP.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with management of the Debtors and the Operating Entities (as defined below) ("**Management**"); (ii) the Debtors' unaudited financial information; (iii) discussions with various stakeholders in these proceedings (including their legal representative) and (iv) the receivership application materials (collectively, the "**Information**").

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Other than the Court, any party wishing to place reliance on the financial information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.

3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the application materials. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's website (the "**Website**").

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

2.1 The Debtors

1. Each of the Debtors is a corporation incorporated in Ontario. The Borrower was in the business of owning and supporting companies in the business of reselling information technology hardware and software to entities in Canada. The Receiver understands from Management that the Borrower ceased operations in or around March 2026.

2. The Borrower owns 100% of the voting shares of Stoneworks Exchangeco and Sequent Exchangeco, each of which are direct subsidiaries of the Borrower. Each of Stoneworks Exchangeco and Sequent Exchangeco are holding companies (together, the "**Holding Companies**") that own the shares of certain operating entities that provide technology services to organizations in Canada, as follows:

    a) Stoneworks Exchangeco owns 100% of the non-voting preferred shares in Stoneworks Technologies Inc. ("**Stoneworks Technologies**"); and

    b) Sequent Exchangeco owns 100% of the voting shares of P J S Systems Inc. ("**PJS**" and together with Stoneworks Technologies, the "**Operating Entities**").

3. Stoneworks Technologies is a Canadian-based information technology solutions provider headquartered in Ottawa, Ontario that delivers end-to-end infrastructure solutions, including cloud, data centre, cybersecurity, artificial intelligence and managed IT services. Stoneworks Technologies services a diversified customer base that includes government, defence and enterprise clients and has established relationships with major technology vendors.

4. Based on financial information provided to the Receiver, Stoneworks Technologies has experienced a significant increase in performance in 2026 relative to prior periods. For the three-month period ended March 2026, preliminary unaudited results indicate that Stoneworks Technologies generated revenue of approximately $179 million and EBITDA of approximately $23 million. By comparison, for the year ended December 31, 2025, Stoneworks Technologies generated revenue of approximately $98.3 million and EBITDA of approximately $2.7 million.

5. The Receiver understands from Management that Stonework Technologies' business is highly seasonal, with a significant portion of annual revenue and profitability historically generated in the first quarter of each year, as government and institutional customers typically deploy budgeted capital expenditures in advance of fiscal year-end on March 31. Accordingly, first quarter performance is not necessarily indicative of full-year results.

6. PJS is headquartered in British Columbia and operates independently from Stoneworks Technologies and maintains its own financing arrangements. It specializes in corporate audio-video integration. PJS generates comparatively modest earnings, with EBITDA historically in the range of approximately $0 to $1 million, and is not considered a core driver of enterprise value relative to Stoneworks Technologies.

7. The Debtors' direct and indirect interest in the Operating Entities is their principal asset. The Operating Entities have their own management and operations and continue to operate in the normal course, and are not subject to this proceeding.

8. As at the date of this Report, the Receiver understands that the Borrower has four employees.

2.2 Cortland Credit Lending Corporation

1. The primary secured creditor of the Debtors is Cortland Credit Lending Corporation ("**Cortland**"). Pursuant to an amended and restated credit agreement dated as of June 29, 2023 (as later amended) (the "**Credit Agreement**"), certain lenders party thereto from time to time (the "**Lenders**"), granted a credit facility to the Borrower in the total amount of CDN $41,000,000 (the "**Credit Facility**"). Cortland acts as the agent for the Lenders under the Credit Agreement. As at the date of the Receivership Order, the total amount outstanding under the Credit Facility was approximately $32 million (the "**Indebtedness**"), exclusive of interest and fees, costs and expenses that continue to accrue[1].

2. The Debtors each granted certain security in favour of Cortland, on behalf of the Lenders. Specifically, Cortland holds a general security agreement from the Borrower, and a guarantee and general security agreement from each of the Holding Companies.

3. Each of the Operating Entities have also granted a guarantee and security in favour of Cortland, on behalf of the Lender, relating to the Indebtedness.

4. Additional background information regarding the Debtors, the Indebtedness and the reasons for the appointment of the Receiver are provided in the application materials of Cortland. Copies of the Court materials filed to-date in these proceedings are available on the Website.

3.0 SISP[2]

3.1 SISP Overview

1. The purpose of the SISP is to solicit interest in the opportunity to i) acquire all or substantially all of the Property ("**Sale Proposal**"); or ii) refinance the Business by making a proposal to repay existing indebtedness of the Debtors ("**Investment Proposal**"). The principal assets of the Debtors consist of their direct or indirect ownership of equity interests in the Operating Entities, including Stoneworks Technologies.

2. Subject to Court approval, the Receiver will carry out the SISP.

3. The proposed SISP was developed by the Receiver, in consultation with Cortland. The Receiver has developed the SISP to identify the highest or otherwise best offer in respect of the Property.

4. The key aspects of the proposed SISP are summarized below; however, interested parties are strongly encouraged to review the full terms of the SISP, which is provided in **Appendix "B"**.

[1] As at the date of the filing of the receivership application materials (April 6, 2026), the amount owing to Cortland was approximately $39.8 million; however, as at the date of the Receivership Order (April 17, 2026), the amount had reduced to approximately $32 million.

[2] Capitalized terms in this section have the meaning provided to them in the Sale Process unless otherwise defined herein.

5. A summary of the SISP timeline is as follows:

Milestone	Deadline
Distribution of the Solicitation Notice and form of NDA to Potential Bidders	No later than May 8, 2026 ("**Solicitation Materials Distribution Date**")
Due date for Bids and Deposits	June 12, 2026 at 5:00 p.m. ("**Bid Deadline**")
Date of the Auction (if required)	June 17, 2026 ("**Auction Date**")
Hearing of the Approval Motion	No later than ten (10) business days following the selection of the Successful Bid ("**Approval Motion Date**")
Deadline for completion of the transaction represented by the Successful Bid	July 7, 2026, or such later date as may be agreed to by the Receiver and the Successful Bidder (the "**Outside Date**")

6. The Receiver has the right to extend any of the deadlines in the SISP. If any extensions or amendments are made, they will be communicated to all of the known Qualified Bidders and shall be posted on the Receiver's Website.

3.2 Solicitation of Interest

1. As soon as reasonably practicable after the granting of the SISP Approval Order, but in any event, no more than five (5) Business Days after the issuance of the SISP Approval Order, the Receiver will:

   a) cause a notice of the SISP (and such other relevant information which the Receiver consider appropriate) to be published in The Globe and Mail (National Edition), and posted on the Receiver's Website;

   b) prepare a solicitation notice describing the Opportunity and inviting Potential Bidders to submit a bid pursuant to these SISP procedures (the "**Solicitation Notice**"); and

   c) prepare a form of NDA to be signed by Potential Bidders.

2. For purposes of the SISP, any party identified as a potential bidder by the Receiver shall be considered a potential bidder, as well as any party that identifies itself as wishing to participate in the SISP (each a "**Potential Bidder**").

3. Cortland will be considered a Potential Bidder and have the opportunity to participate in the SISP as set out further below.

3.3 Participation Requirements

1. In order to participate in the SISP, each Potential Bidder (or other interested party) must deliver the following to the Receiver:

   a) a letter (a "**Participation Letter**") providing (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) information sufficient to enable the Receiver to make a reasonable determination that the Potential Bidder has the financial and other capabilities to consummate a transaction pursuant to a "**Supportable Offer**" which must be a credible and fully financed offer made by a Qualified Bidder which provides for sufficient consideration to satisfy or otherwise address the

Cortland Debt in cash, without deductions, set-offs, withholdings or reductions of any kind, and sufficient additional consideration to pay Priority Payables, and (iv) an acknowledgment that the Potential Bidder agrees to be bound by the provisions of the SISP Approval Order and this SISP; and

b) an executed NDA.

2. A Potential Bidder (who has delivered the executed NDA and Participation Letter as set out above) will be deemed a "**Qualified Bidder**" if the Receiver determines such person is likely to be able to consummate a transaction on or before the Outside Date. To the extent that Cortland wishes to participate in the SISP, it shall be deemed to be a Qualified Bidder provided it delivers an executed NDA.

3. The Receiver will provide any Qualified Bidder with access to a secure online electronic data room containing due diligence information regarding the Property and the Business, and the debt of, and equity interests of Cortland (the "**Data Room**"). The Receiver will also coordinate reasonable requests for additional information from Qualified Bidders. The Receiver has already commenced the process to prepare the Data Room and anticipates having the Data Room available promptly if the SISP Order is granted.

4. The Receiver may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder who, at such time and in the reasonable business judgment of the Receiver, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith, or has the capacity to, consummate a transaction.

5. The Receiver also reserves the right to withhold any diligence materials it determines are sensitive or not otherwise appropriate for disclosure to a Qualified Bidder that the Receiver determines is a competitor or is otherwise an entity to which disclosure of sensitive or competitive information, in the Receiver's exercise of their reasonable business judgment, may risk unduly placing the Debtors at a competitive disadvantage.

6. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Receiver.

3.4 Qualified Bids

1. A Qualified Bidder that wishes to make a bid must deliver its bid to the Receiver to be received no later than the Bid Deadline.

2. To be considered a "**Qualified Bid**", the Bid must, among other things, comply with the following requirements:

   a) Sale Proposal: In the case of an offer to purchase some or all of the Property:

      i. **Purchase Price**: Each Bid must clearly set forth the purchase price in Canadian dollars (including the cash and any non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital

and consummate the proposed transaction and any related contingencies, as applicable);

ii. **Assets**: Each Bid must clearly state the Property to be included in the transaction and any Property to be excluded or divested or disclaimed prior to Closing;

iii. **Assumption of Obligations**: Each Bid must clearly state which liabilities and obligations of the Debtors which are to be assumed; and

iv. **Mark-up**: Each Bid must include a full mark-up of the form transaction agreement to be included in the Data Room.

b) Investment Proposal: In the case of an offer to make an investment in the Business:

i. **Amount/Type of Investment**: Each Bid must clearly state the aggregate amount of the equity and/or debt investment in Canadian dollars (including the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable) to be made; and

ii. **Treatment of Obligations**: Each Bid must include the proposed treatment of the liabilities and obligations of the Debtors.

c) All Bids: In the case of all offers to purchase some or all of the Property and/or to make an investment in the Business:

i. **Bid Deadline**: Each Bid must be received by the Bid Deadline of June 12, 2026;

ii. **Supportable Offer**: Each Bid must represent a Supportable Offer;

iii. **Key Terms**: Each Bid must set forth key terms including (A) economic terms, (B) the basis and rationale of the valuation, and (C) any other material terms and conditions required to consummate the transaction;

iv. **Allocation**: Each Bid must specify the proposed allocation of the purchase price or investment amount among the different Debtors, to the extent applicable.

v. **Irrevocable Offer**: Each Bid must be irrevocable until the earlier of (A) the approval by the Court of a Successful Bid (and any Back-Up Bid) and (B) 60 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder or the Back-Up Bidder, its offer will remain irrevocable until the Closing (or ten (10) days after the Outside Date as set forth herein);

vi. **Executed Documents**: Each Bid must be accompanied by a duly authorized purchase agreement in the Form of Purchase Agreement or investment commitment, as applicable, executed by the Qualified Bidder, and an electronic copy of such agreement, as well as duly authorized transaction documents necessary to effectuate the transactions contemplated thereby executed by the Qualified Bidder. For greater clarity, the delivery of such documents shall not be binding on the Receiver and such documents may still be subject to negotiation by the Receiver;

vii. **Financial Wherewithal**: Each Bid must include written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Receiver to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction;

viii. **Authorization**: Each Bid must include evidence, in form and substance reasonably satisfactory to the Receiver of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;

ix. **No Other Authorization, Diligence, Financing Conditions**: Each Bid must not be conditional upon the following:

1. any internal approval(s);

2. the outcome of unperformed due diligence by the Qualified Bidder; or

3. obtaining financing;

x. **"As Is, Where Is"; Other Acknowledgements**: Each Bid must include an acknowledgement and representation that the Qualified Bidder:

1. is making its offer to purchase the Property or make an investment in the Business on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of their respective employees, officers, directors, agents, advisors, other representatives and estates, except to the extent set forth in the definitive sale or investment agreement;

2. has had an opportunity to conduct any and all due diligence regarding the Business and the Property prior to making its Bid;

3. has relied solely upon its own independent review, investigation and inspection of any documents and the assets to be acquired and liabilities to be assumed in making its Bid; and

4. is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and their respective employees, officers, directors, agents, advisors and other representatives, regarding the Business, the Property, the assets to be acquired or liabilities to be assumed, the Auction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the definitive sale or investment agreement.

xi. **Disclaimer of Fees**: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;

xii. **Timeline**: Each Bid must provide a timeline to Closing with critical milestones with a closing date not exceeding the Outside Date;

xiii. **Deposit**: Each Bid must be accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer, payable to the order of the Receiver, on behalf of the Debtors, in trust, in an amount equal to fifteen percent (15%) of the total consideration contemplated by the Bid, to be held and dealt with in accordance with the terms of this SISP;

xiv. **Terms of Court Order(s)**: Each Bid must describe the key terms and provisions to be included in any order of the Court approving the contemplated transaction, including, in the case of an asset sale, whether the transaction requires that all of the rights, title and interests of the Debtors in and to the subject Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (except to the extent otherwise set forth in the definitive sale or investment agreement); and

xv. **Other Information**: Each Bid must contain such other information as may be reasonably requested by the Receiver in writing from time to time.

3. A Qualified Bid will be valued based upon several factors, including the following:

a) the purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder);

b) the firm, irrevocable commitment for financing of the transaction;

c) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction);

d) the terms of transaction documents, including, if applicable, the proposed revisions to the Form of Purchase Agreement

e) the claims likely to be created by such Bid in relation to other Bids;

f) the counterparties to the transaction;

g) planned treatment of stakeholders;

h) the assets included or excluded from the Bid;

i) any transition services required from the Receiver post-closing and any related restructuring costs;

j) the likelihood and timing of consummating the transaction; and

k) whether there is sufficient capital post-closing for the wind-down of the Debtors (if contemplated).

4. The Receiver may waive compliance with any one or more of the requirements and deem such non-compliant bids to be a Qualified Bid, provided that each such non-compliant bid is a Supportable Offer.

5. A Cortland Purchaser may submit a "**Cortland Full Credit Bid**" on or before the Bid Deadline, with consideration in an amount greater than or equal to the assumption of the entirety of the Cortland Debt (including interest, fees and legal fees that continue to accrue) plus payment of Priority Payables in cash (which will be deemed a "Qualified Bid" and not require a Deposit to be paid). A Cortland Full Credit Bid submitted by Cortland by the Bid Deadline will be deemed to be a Qualified Bid for all purposes, and will not require payment of a Deposit.

3.5 Successful Bid

1. In the event that no Participation Letters are received or no Qualified Bid is received by the Bid Deadline, then there will be no auction, and within seven business days after the passage of such a deadline, Cortland may submit a "**Cortland Subsequent Credit Bid**", being a bid with consideration in an amount greater than or equal to the assumption of all or a portion of the Cortland Debt (including interest, fees and legal fees that continue to accrue) plus payment of Priority Payables in cash, provided that the Receiver determines that the value provided exceeds both the liquidation value for the Property and is otherwise appropriate. The Receiver may deem such Cortland Subsequent Credit Bid to be a Successful Bid, and the Receiver may seek Court approval of, and authority to enter and close, the transaction contemplated by the Cortland Subsequent Credit Bid.

2. In the event that only one Qualified Bid is received by the Bid Deadline (including any Cortland Full Credit Bid), then there will be no auction, such Qualified Bid will be deemed to be the Successful Bid and the Receiver may seek Court approval of same.

3. If more than one Qualified Bid is received by the Bid Deadline (including any Cortland Full Credit Bid), then the Receiver shall conduct an auction to determine the highest and best Qualified Bid (the "**Auction**").

4. In an Auction, the Qualified Bid that is the highest and best bid shall constitute the "**Opening Bid**" for the first round of bidding. The Receiver shall be entitled to select the next highest and/or the best Qualified Bid received as a back-up bid (such offer, the "**Backup Bid**").

5. If the Auction is to take place, then as soon as practicable and no later than 10:00 a.m. (EST) 3 business days prior to the Auction, the Receiver shall provide all Qualified Bidders who submitted a Qualified Bid ("**Auction Bidders**") with a copy of the Opening Bid for the Auction and the procedures that shall apply to such Auction.

6. Once a Successful Bid is identified, the Receiver may negotiate and settle the terms of a definitive agreement and then apply to the Court for the Approval Motion which shall be heard on or before the Approval Motion Date or such later date as agreed by the Receiver and Successful Bidder.

3.6 SISP Recommendation

1. The Receiver recommends that this Court issue an order approving the SISP for the following reasons:

   a) the SISP was developed by the Receiver;

   b) KSV has substantial experience conducting sale and investment solicitation processes in its capacities as court-appointed receiver, monitor, and advisor in insolvency proceedings involving businesses of a similar size, complexity as the Debtors;

   c) the SISP provides for a wide marketing of the Property and will test the market for the Property for the benefit of all stakeholders in a manner that is commercially efficient;

   d) the Receiver is of the view that the information expected to be made available will be sufficient for an interested party to make an informed decision and to prepare a bid in respect of the Opportunity within the timelines specified in the SISP;

   e) in the Receiver's view, the SISP provides a sufficient period of time for interested parties to conduct diligence and submit offers, having regard to the nature of the Property, including that the principal assets are equity interests in operating businesses that are continuing to operate in the normal course, and the availability of financial and operational information expected to be provided in the Data Room;

   f) Cortland, as the Debtors' senior secured lender, is supportive of the SISP; and

   g) as of the date of this Report, the Receiver is not aware of any objections to the relief sought pursuant to the proposed SISP Order.

4.0 Receiver's Activities

1. In addition to the activities described above, the Receiver's activities since the Receivership Order have included, among other things:

   a) corresponding regularly with Cortland, its legal counsel and the Receiver's legal counsel regarding all matters in these receivership proceedings;

   b) corresponding with Management to obtain information concerning the Property and the business of the Debtors;

c) corresponding with the management of the Operating Entities to understand their business and operations;

d) developing the SISP in consultation with Cortland;

e) preparing and sending to creditors and to the Official Receiver the statutory notices required pursuant to subsection 245(1) and 246(1) of the Bankruptcy and Insolvency Act; and

f) preparing this Report.

5.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(d) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER
OF SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., AND
FULCRUM STONEWORKS EXCHANGECO LTD.

Appendix “D”

Electronically issued / Délivré par voie électronique : 12-Aug-2026
Superior Court of Justice - Toronto - Commercial List / Cour supérieure de justice

Court File No. CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF an application under subsection 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended.

THE HONOURABLE	)	FRIDAY, THE 7th DAY
	)	
JUSTICE W.D. BLACK	)	OF AUGUST, 2026

B E T W E E N :

CORTLAND CREDIT LENDING CORPORATION

Applicant

- and -

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.

Respondents

CLAIMS PROCEDURE ORDER

THIS MOTION, made by AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.) in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Sequent AI Ltd., Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd. (collectively, the "**Debtors**") for an order (the "**Claims Procedure Order**"), among other things, approving a procedure for the identification and resolution or determination of certain claims against the Debtors, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Second Report of the Receiver dated July 31, 2026 (the "**Second Report**"), and on hearing the submissions of counsel for the Receiver, and such other parties as listed on the counsel slip, no other party appearing although

duly served as appears from the Lawyer's Certificate of Service of Saneea Tanvir dated August 4, 2026, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing the Notice of Motion, the Motion Record and the Second Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Claims Procedure Order, in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

(a) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(b) "**Books and Records**" means the books and records of the Debtors in the possession of the Receiver, including those provided to the Receiver by Cortland, any present or past associated corporations or any of their respective principals, agents or counsel;

(c) "**Calendar Day**" means a day, including Saturday, Sunday or a statutory holiday;

(d) "**Claim**" means any right or claim of any Person that has been or may be asserted or made in whole or in part against any of the Debtors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future that could be asserted by way of set-off, counterclaim or otherwise, including for greater certainty, any Priority Claims but excluding the Cortland Debt, any indebtedness,

liability, obligation or claim secured by the Receiver's Charge or Receiver's Borrowing Charge, each as defined in the Receivership Order, and any administrative or priority claims entitled to priority under the *Bankruptcy and Insolvency Act* (Canada) that have been satisfied by the Receiver, which shall be unaffected by this Claims Procedure Order;

(e) "**Claims Bar Date**" means 5:00 p.m. (Toronto time) on August 31, 2026;

(f) "**Claims Package**" means a document package to be provided by the Receiver in accordance with the terms of this Claims Procedure Order, which shall consist of a copy of the Claims Procedure Order or a hyperlink to the Claims Procedure Order on the Receiver's Website, a Proof of Claim Instruction Letter, a Proof of Claim form, a Notice of Dispute form, and such other materials as the Receiver may consider appropriate or desirable;

(g) "**Claims Procedure**" means the procedures for the identification and resolution of Claims outlined in this Claims Procedure Order, including the Schedules hereto;

(h) "**Cortland**" means Cortland Credit Lending Corporation;

(i) "**Cortland Credit Agreement**" means the amended and restated credit agreement between Cortland, as agent, the lenders party thereto from time to time (collectively, and together with their successors, assigns and affiliates, the "**Lenders**") and the Debtors dated as of June 29, 2023, as amended by amending agreement no. 1 dated October 6, 2023, amending agreement no. 2 dated January 31, 2024, amending agreement no. 3 dated September 16, 2024, amending agreement no. 4 dated May 8, 2025, amending agreement no. 5 dated July 24, 2025, amending agreement no. 6 dated September 2, 2025, and amending agreement no. 7 dated February 12, 2026;

(j) "**Cortland Debt**" means all of the amounts due and owing by the Debtors, as primary debtors and/or as guarantors, to Cortland and/or the Lenders pursuant to the Cortland Credit Agreement, and/or the guarantees, security agreements and other documents entered into in connection therewith, which as at July 29, 2026

was in the amount of $34,220,489.64, with interest, fees, costs and expenses continuing to accrue;

(k) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(l) "**Creditor**" means any Person asserting a Claim (which, for greater certainty, does not include Cortland in respect of the Cortland Debt or the Receiver's Borrowings or beneficiaries of the Receiver's Charge in respect of claims secured by the Receiver's Charge);

(m) "**Notice of Dispute**" means a notice delivered to the Receiver by a Creditor disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule "E"** and shall set out the reasons for the dispute;

(n) "**Notice of Revision or Disallowance**" means a notice informing a Creditor that the Receiver has revised or disallowed all or any part of such Creditor's alleged Claim set out in a Proof of Claim, which notice shall be substantially in the form attached hereto as **Schedule "D"** and shall set out the reasons for such revision and/or disallowance;

(o) "**Notice to Creditors**" means the notice publicizing this Claims Procedure to be published in accordance with this Claims Procedure Order, substantially in the form of the notice attached as **Schedule "A"**;

(p) "**Person**" means any individual, general or limited partnership, firm, association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or any other juridical entity howsoever designated or constituted;

(q) "**Post-Filing Claim**" means any Claim arising from facts after the Receivership Date or relating to the time period after the Receivership Date but prior to the Claims Bar Date;

(r) "**Priority Claim**" means a Claim that is for an amount that is asserted to rank in priority to the Cortland Debt, including any statutory deemed trust claim, super-priority lien or construction lien claim, but excluding any indebtedness, liability, obligation or claim secured by the Receiver's Charge or Receiver's Borrowing Charge, each as defined in the Receivership Order, and for greater certainty any Creditor asserting a Priority Claim shall have the burden of establishing the validity, enforceability and priority of such Priority Claim;

(s) "**Proof of Claim**" means the form of Proof of Claim to be completed and filed by a Creditor in respect of any Claim against a Debtor, substantially in the form attached as **Schedule "C"**, which shall include all available supporting documentation in respect of such Claim and which shall specify whether the Creditor asserts that the relevant Claim is a Priority Claim and whether it arose before or after the Receivership Date;

(t) "**Proof of Claim Instruction Letter**" means a letter regarding the Claims Procedure containing instructions regarding the completion and return of a Proof of Claim, substantially in the form attached as **Schedule "B"** hereto;

(u) "**Proven Claim**" means the amount and classification of any Creditor's Claim as finally determined in accordance with the Claims Procedure;

(v) "**Receivership Date**" means April 17, 2026;

(w) "**Receivership Order**" means the order appointing the Receiver granted by the Honourable Justice Black on April 17, 2026 in this proceeding;

(x) "**Receiver's Website**" means https://www.ksvadvisory.com/experience/case/sequent; and

(y) "**Service List**" shall mean the list maintained by the Receiver of all Persons appearing in person or by counsel in this proceeding.

NOTICE TO CREDITORS

3. **THIS COURT ORDERS** that as soon as possible following the issuance of this Claims Procedure Order and by no later than 5:00 p.m. (Toronto Time) on August 11, 2026:

(a) the Receiver shall post on the Receiver's Website a copy of the Notice to Creditors, Claims Procedure Order, Proof of Claim Instruction Letter, Proof of Claim form, and Notice of Dispute form; and

(b) the Receiver shall by e-mail, or where no known e-mail is available, by prepaid ordinary mail or courier to the last known address as recorded in the Books and Records, send a copy of the Claims Package to: (i) each Person that appears on the Service List via serving their counsel/representative as listed therein; (ii) each Person that has claimed to be a Creditor and requested a Claims Package prior to such date; and (iii) any Person known to the Receiver as having a potential Claim based on the Books and Records and any registrations under the *Personal Property Security Act* (Ontario) or similar legislation.

4. **THIS COURT ORDERS** that as soon as possible following the issuance of this Claims Procedure Order, the Receiver shall cause to be published the Notice to Creditors in *The Globe and Mail* (National Edition) and Insolvency Insider.

5. **THIS COURT ORDERS** that the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver as soon as practically possible following receipt of a request therefor, a copy of the Claims Package to any Person claiming to be a Creditor and requesting such Claims Package.

PROOFS OF CLAIM

6. **THIS COURT ORDERS** that all Creditors wishing to assert a Claim shall file with the Receiver a Proof of Claim, together with supporting documentation as is necessary to establish such Claim and any claim to priority or security, so that such Proof of Claim is received by the Receiver by no later than the Claims Bar Date.

7. **THIS COURT ORDERS** that any Creditor who does not file a Proof of Claim in respect of a Claim against a Debtor(s), together with supporting documentation, by the Claims Bar Date shall be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Claim against such Debtor(s) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "**Property**"), from asserting any interest in or right to any Property, from participating in any distribution in respect of such Debtor(s), and shall not be entitled to receive any distributions from the Receiver with respect to such Debtor(s) in respect of such Claim.

8. **THIS COURT ORDERS** that any Creditor who does not assert a Priority Claim or Post-Filing Claim in a Proof of Claim by the Claims Bar Date shall be and is hereby forever barred, estopped and enjoined from asserting or enforcing any such Claim as a Priority Claim or Post-Filing Claim.

DETERMINATION OF CLAIMS

9. **THIS COURT ORDERS** that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the amount, nature, priority and/or status of a Claim set out in any Proof of Claim, including whether a Claim constitutes a Priority Claim or whether any security asserted is valid and enforceable. At any time, the Receiver may request additional information with respect to any Claim, and may request that the Creditor file a revised Proof of Claim. Failure to provide requested information within the time period specified by the Receiver may result in the disallowance of the Claim or the portion thereof for which information was requested.

10. **THIS COURT ORDERS** that if the Receiver determines to revise or disallow a Proof of Claim, then the Receiver shall send a Notice of Revision or Disallowance to the Creditor on or before September 4, 2026, or such later date as determined by the Receiver in its discretion.

11. **THIS COURT ORDERS** that the Receiver may attempt to resolve the amount, nature and/or status of any Claim with the Creditor on a consensual basis prior to accepting, revising or disallowing such Claim.

NOTICES OF DISPUTE

12. **THIS COURT ORDERS** that if a Creditor disputes a Notice of Revision or Disallowance received by it and intends to contest the Notice of Revision or Disallowance then such Creditor shall deliver a Notice of Dispute, together with all additional documentation and evidence in support of its Claim, so that such Notice of Dispute is received by the Receiver **by no later than 5:00 p.m. (Toronto time) on the date that is seven (7) Calendar Days after the date the Receiver sends the Notice of Revision or Disallowance** to the applicable Creditor or such later date as the Receiver may agree in writing or the Court may order. Time shall be of the essence in respect of the delivery of a Notice of Dispute.

13. **THIS COURT ORDERS** that if a Creditor who receives a Notice of Revision or Disallowance fails to file a Notice of Dispute with the Receiver pursuant to paragraph 12, then (i) the amount, nature and status of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount, nature and status, if any, shall constitute such Creditor's Proven Claim, and (ii) the Creditor will be barred from disputing or appealing same, and the balance of such Creditor's Claim, if any, shall be forever barred and extinguished as against the Debtors and their Property.

14. **THIS COURT ORDERS** that if a Notice of Dispute of Claim is received by the Receiver pursuant to paragraph 12, then the dispute set out therein shall either be resolved consensually by way of an agreement between the Receiver and the Creditor, or upon further Order of the Court.

15. **THIS COURT ORDERS** that, notwithstanding the other provisions of this Claims Procedure Order, the Receiver may make a motion to the Court for a final determination of a Claim at any time, whether or not a Notice of Revision or Disallowance has been sent by the Receiver, on full notice to the applicable Creditor.

16. **THIS COURT ORDERS** that upon the determination of all disputed Claims or upon further Order of this Court, the Receiver shall prepare a final schedule of Proven Claims setting out the amount, nature and priority of each Proven Claim (the "**Final Claims Schedule**") and shall provide a copy of the Final Claims Schedule to Cortland prior to any distribution to Creditors.

17. **THIS COURT ORDERS** that in the event that any dispute between the Creditor and the Receiver is not settled within a time period or in a manner satisfactory to the Receiver or the Creditor, the Receiver or the Creditor may make a motion to the Court for the final determination of the Creditor's Claim, on notice to each other.

ADEQUACY OF INFORMATION/CURRENCY

18. **THIS COURT ORDERS** that:

(a) the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to completion and filing of Proofs of Claim; and

(b) any Claims denominated in a currency other than Canadian dollars shall, for the purposes of this Claims Procedure Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be made by the Receiver using the Bank of Canada daily exchange rate on the Receivership Date.

NOTICE OF TRANSFEREES

19. **THIS COURT ORDERS** that the Receiver shall not be obligated to give notice to or otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless:

(a) actual written notice of the transfer or assignment, together with evidence of a valid transfer or assignment of the Claim satisfactory to the Receiver, has been received by the Receiver; and

(b) the Receiver has acknowledged in writing such transfer or assignment,

and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

20. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 19 of this Claims Procedure Order and the Receiver has acknowledged in writing such transfer or assignment, the person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Claims Procedure Order.

21. **THIS COURT ORDERS** that the Receiver is under no obligation to give notice of a valid transfer or assignment made pursuant to this Claims Procedure Order to any Person other than the Creditor holding the Claim.

22. **THIS COURT ORDERS** that the transferee or assignee of any Claim:

(a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of the Debtors and Receiver against any such transferor or assignor, including any rights of set-off which the Debtors or Receiver had against such transferor or assignor, and

(b) cannot use any transferred or assigned Claim to reduce any amount owing by the transferee or assignee to the Debtors or Receiver, whether by way of set-off, application, merger, consolidation or otherwise.

PROTECTIONS FOR THE RECEIVER

23. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights, duties, responsibilities and obligations under: (i) the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), (ii) the Receivership Order, and/or (iii) any other Order of the Court, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order or incidental thereto.

24. **THIS COURT ORDERS** that in carrying out the terms of this Claims Procedure Order:

(a) the Receiver shall have all the protections given to it by the BIA, the Receivership Order, any other Order of this Court, and as an officer of this Court, as applicable;

(b) the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Procedure Order save and except for any gross negligence or willful misconduct on its part;

(c) the Receiver shall be entitled to rely on the Books and Records and any information of the Debtors as well as documentation and information provided by others, including information and documentation provided by Creditors pursuant to this Claims Procedure Order, which the Receiver believes to be accurate and true, without independent investigation;

(d) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such Books and Records or information;

(e) the Receiver shall be authorized and empowered to assist any Creditor in the filing of a Proof of Claim; and

(f) the Receiver may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Claims Procedure Order from the Debtors or any of their respective affiliates and legal counsel, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Claims Procedure.

Nothing in this Claims Procedure Order shall derogate from the protections afforded to the Receiver by the BIA, any other federal or provincial applicable law, or the Receivership Order.

25. **THIS COURT ORDERS** that the Receiver shall be entitled to rely on the assessment of Proven Claims pursuant to this Claims Procedure Order to inform any statements or declarations relating to the debts, obligations and liabilities of the Debtors.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the Receiver be at liberty to deliver the Claims Package, and any letters, notices or other documents to Creditors, or other interested Persons, by forwarding true copies thereof by e-mail to the Creditor or their counsel, or where no known e-mail is available, by prepaid ordinary mail or courier to the last known address as recorded in the Books and Records and that any such service or notice by e-mail or courier shall be deemed to be delivered and received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the fourth Business Day after mailing.

27. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order and the Claims Bar Date on all Creditors and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.

28. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Notices of Dispute) to be given under this Claims Procedure Order by a Creditor to the Receiver shall be in writing substantially in the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if given by e-mail addressed to:

AlixPartners Restructuring, Inc.
in its capacity as Court-appointed receiver of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd.
E-mail: martin.kosic@alixpartners.com

with a copy to:
McCarthy Tetrault LLP

Email: hmeredith@mccarthy.ca;
stanvir@mccarthy.ca

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt if delivered by 5:00 pm (Toronto Time) on a Business Day, and if received after 5:00 pm or other than on a Business Day, then on the following Business Day. All Proofs of Claim and Notices of Dispute delivered by Creditors shall provide an e-mail address for such Creditor and any subsequent notices or other communications sent by the Receiver to such Creditor pursuant to this Claims Procedure Order may be sent by e-mail to such address.

29. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is later amended by further order of the Court, the Receiver shall post such further order on the Receiver's Website, and such posting shall constitute adequate notice to Creditors of such amended Claims Procedure Order.

MISCELLANEOUS

30. **THIS COURT ORDERS** that this Claims Procedure Order does not and is not intended to provide for a distribution to Creditors but is solely for providing a process for submitting and adjudicating Claims and informing the Receiver as to the Proven Claims against the Debtors.

31. **THIS COURT ORDERS** that the Receiver shall consult with Cortland regarding any Claim that, in the Receiver's reasonable judgment, may materially affect the quantum or priority of distributions available to Cortland prior to accepting any such Claim as a Proven Claim, provided that such consultation requirement shall not limit or delay the Receiver's ability to conduct the Claims Procedure or to accept, revise or disallow any Claim in accordance with this Claims Procedure Order.

32. **THIS COURT ORDERS** that the Receiver may set off (whether by way of legal, equitable or contractual set-off) against the Claims of any Creditor, any claims of any nature whatsoever that the Debtors may have against such Creditor arising prior to the entry of this Claims Procedure Order, provided that such set-off satisfies the requirements for legal, equitable or contractual set-off to the extent permitted by applicable law. If there is any dispute between the Receiver and the applicable Creditor, however, neither the failure to assert set-off nor the allowance of any Claim

hereunder shall constitute a waiver or release by the Receiver of any such claim that the Receiver may have against such Creditor.

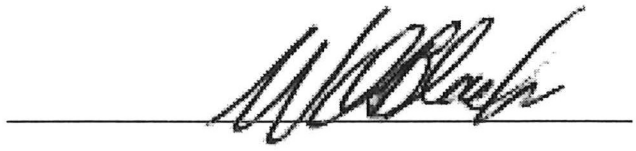
33. **THIS COURT ORDERS** that the Receiver may from time to time apply for such further or other advice and directions or relief as may be necessary or desirable to give effect to this Claims Procedure Order.

34. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall prejudice or affect the rights, remedies, claims, liens, charges, security or priority of Cortland or the Lenders in respect of the Cortland Debt or Receiver's Borrowings under the Cortland Credit Agreement, the Receivership Order or applicable law, all of which are expressly reserved, and the Cortland Debt and amounts advanced as Receiver's Borrowings shall remain unaffected by this Claims Procedure and shall not be subject to the Claims Bar Date, the requirement to file a Proof of Claim, or any other provision of this Claims Procedure Order.

35. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory body or administrative body having jurisdiction in Canada to give effect to this Claims Procedure Order and to assist the Receiver and its agents in carrying out the terms of this Claims Procedure Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Procedure Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Claims Procedure Order.

36. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Claims Procedure Order and for assistance in carrying out the terms of this Claims Procedure Order.

37. **THIS COURT ORDERS** that this Claims Procedure Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Claims Procedure Order, and is enforceable without any need for entry and filing.



SCHEDULE "A"

NOTICE TO CREDITORS

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, C C.43, AS AMENDED

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.

RE: NOTICE OF CLAIMS PROCEDURE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made August 7, 2026 (the "**Claims Procedure Order**") in the receivership proceedings of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd. (collectively, the "**Debtors**"). Defined terms used and not defined herein have the meanings given in the Claims Procedure Order.

AlixPartners Restructuring, Inc. (formerly known as KSV Restructuring Inc.), Court-appointed receiver (in such capacity, the "**Receiver**") of the Debtors, is conducting a claims process to call for Claims that have been or may be asserted in whole or in part against any of the Debtors.

The Receiver will send or cause to be sent a Claims Package (that will include the form of Proof of Claim) to: (i) each Person that appears on the Service List via serving their counsel/representative as listed therein, (ii) each Person that has claimed to be a Creditor and requested a Claims Package prior to such date; and (iii) any Person known to the Receiver as having a potential Claim based on the Books and Records of the Debtors and any registrations under the *Personal Property Security Act* (Ontario) or similar legislation.

Creditors may also obtain the Claims Procedure Order and the Claims Package documents from the Receiver's website at https://www.ksvadvisory.com/experience/case/sequent or by contacting the Receiver by telephone at 437-452-5910 or by e-mail at martin.kosic@alixpartners.com.

Completed documents must sent by e-mail and be received by the Receiver by 5:00 p.m. (Toronto time) on August 31, 2026 (the "Claims Bar Date"). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

Subject to the terms of the Claims Procedure Order, CLAIMS NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

The Receiver can be contacted at the following address to request a Claims Package or for any other notices or enquiries with respect to the Claims Procedure:

AlixPartners Restructuring Inc.
in its capacity as Court-appointed receiver of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd.
220 Bay Street, Suite 1300, Box 20
Toronto, ON M5J 2W4
E-mail: martin.kosic@alixpartners.com

DATED at Toronto this day of _____, 2026.

SCHEDULE "B"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, RSO 1990, C C.43, AS AMENDED

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.

A. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made August 7, 2026 (the "**Claims Procedure Order**"), AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.), the Court-appointed receiver (in such capacity, the "**Receiver**") of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd. (collectively, the "**Debtors**") has been authorized to conduct a claims procedure (the "**Claims Procedure**") for the determination of Claims against the Debtors.

This letter provides instructions for understanding and completing a Proof of Claim. Please note that capitalized terms that are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

Please review the Claims Procedure Order on the Receiver's Website (https://www.ksvadvisory.com/experience/case/sequent) for the complete procedure and relevant definitions.

If you have any questions regarding the Claims Procedure, please consult the Receiver's Website or contact the Receiver at the address provided below.

All notices and enquiries with respect to the Claims Procedure should be sent **by e-mail** addressed to:

AlixPartners Restructuring Inc.
in its capacity as Court-appointed receiver of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd.
E-mail: martin.kosic@alixpartners.com

with a copy to:
McCarthy Tetrault LLP
Email: hmeredith@mccarthy.ca; stanvir@mccarthy.ca

B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against any of the Debtors (whether it arose before or after the Receivership Date), you must complete and submit a Proof of Claim along with any supporting documentation as described in Sections E and F of the Proof of Claim.

You must indicate in the Proof of Claim if you believe your claim to be a Priority Claim or Post-Filing Claim and provide evidence to establish that any asserted Priority Claims ranks ahead of the Cortland Debt.

Your Proof(s) of Claim must be sent by e-mail and received by 5:00 p.m. (Toronto time) on August 31, 2026, the Claims Bar Date, failing which such Claim will be barred and extinguished, released and discharged forever.

Additional Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at https://www.ksvadvisory.com/experience/case/sequent, or by contacting the Receiver at the telephone number or e-mail address indicated above and providing particulars as to your name, address and contact information. Please review the complete Claims Procedure Order on the Receiver's Website for the complete procedure and relevant definitions.

It is your responsibility to ensure that the Receiver receives your Proof of Claim by the Claims Bar Date in respect of your Claims.

SCHEDULE "C"

PROOF OF CLAIM

PURSUANT TO THE CLAIMS PROCEDURE ORDER MADE AUGUST 7, 2026, Re: SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD. AND FULCRUM STONEWORKS EXCHANGECO LTD. (COLLECTIVELY, THE "DEBTORS")

A. RELEVANT DEBTOR

This Proof of Claim is filed in respect of the following Debtor(s) (the "**Applicable Debtor(s)**") [**check (✓) as applicable**]:

☐ Sequent AI Ltd.;

☐ Sequent AI ExchangeCo Ltd.;

☐ Fulcrum Stoneworks ExchangeCo Ltd.

B. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):

_____

_____

3. Telephone number: _____

4. E-mail address: _____

5. Attention (Contact Person): _____

6. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

Yes: _____ No: _____

7. Do you expect that the Claim will be reflected in the Proof of Claim filed by another Creditor (such as by a general contractor) [check (✓) one]?

Yes: _____ No: _____

C. PARTICULARS OF ASSIGNEE(S) (IF ANSWER TO QUESTION 6 IS YES):

8. Full Legal Name of Assignee(s): _____

(If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)

9. Full Mailing Address of Assignee(s):

_____

_____

_____

10. Telephone number of Assignee(s): _____

11. E-mail address: _____

12. Attention (Contact Person): _____

D. PROOF OF CLAIM (CLAIM AND NATURE OF CLAIM):

I, _____[name of Creditor or representative of the

Creditor], of _____ [City and Province]

do hereby certify that:

(a) I [check (✓) one]

☐ am the Creditor of the Applicable Debtor(s); OR

☐ am _____ (state position or title) of the Creditor authorized to represent the Creditor (if the Creditor is a corporation) with authority to bind the Creditor;

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor has a Claim against the Applicable Debtor(s) as follows after deducting any counterclaims to which the Applicable Debtor(s) is entitled (as applicable):

(i) Total Claim against Sequent AI Ltd. CDN$ _____ of which CDN$_____ is a Post-Filing Claim.

(check (✓) appropriate description)

☐ Regarding the amount of $_____, I claim a right to a priority.

☐ Regarding the amount of $_____, I hold security.

(ii) Claim against Sequent AI ExchangeCo Ltd. CDN$_____ of which CDN$_____ is a Post-Filing Claim.

(check (✓) appropriate description)

☐ Regarding the amount of $_____, I claim a right to a priority.

☐ Regarding the amount of $_____, I hold security.

(iii) Claim against Fulcrum Stoneworks ExchangeCo Ltd. CDN$_____ of which CDN$_____ is a Post-Filing Claim.

(check (✓) appropriate description)

☐ Regarding the amount of $_____, I claim a right to a priority.

☐ Regarding the amount of $_____, I hold security.

(Set out on an attached sheet details to support any Priority Claim or evidence of security. See Section E below.)

E. EVIDENCE OF SECURITY

In order to file a Proof of Claim asserting a Priority Claim, evidence of the security or a basis for making a Priority Claim are required. Attach any supporting documents to the Proof of Claim.

_____

_____

F. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, description of the security granted by the applicable Debtors to the Creditor and estimated value of such security.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on August 31, 2026 ("Claims Bar Date") by e-mail at the following address:

AlixPartners Restructuring, Inc.
in its capacity as Court-appointed receiver of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd.
E-mail: martin.kosic@alixpartners.com

with a copy to:
McCarthy Tetrault LLP
Email: hmeredith@mccarthy.ca; stanvir@mccarthy.ca

G. FILING OF CLAIM:

Failure to file your Proof of Claim as directed by the Claims Bar Date will result in your Claim being barred and in you being prevented from asserting or enforcing such Claim against the Debtors.

Dated at _____ this _____ day of _____, 2026.

_____

Signature of Creditor

SCHEDULE "D"

NOTICE OF REVISION OR DISALLOWANCE OF CLAIM
REFERENCE NUMBER _____

Please read carefully the Instruction Letter accompanying this Notice.

TO: **[insert name of creditor]**

AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.), in its capacity as the court-appointed receiver (in such capacity, the "**Receiver**") of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd. (collectively, the "**Debtors**") pursuant to the order of the Honourable Justice Black of the Ontario Superior Court of Justice (Commercial List) on April 17, 2026, hereby gives you notice that the Receiver has reviewed your Proof of Claim and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

The Proof of Claim as Submitted (if applicable)	The Claim/Information as Accepted

Reasons for Revision or Disallowance:

[insert explanation]

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. **If you dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (Toronto time) the date that is seven (7) Calendar Days after the date the Receiver sent you the Notice of Revision or Disallowance (see date below), notify the Receiver by delivery of a Notice of Dispute of Claim by e-mail. The form of Notice of Dispute is enclosed.**

2. **IF YOU DO NOT DELIVER A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU AND YOUR CLAIM SHALL BE DEEMED TO BE AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.**

DATED at Toronto, this _____, day of _____, 2026.

ALIXPARTNERS RESTRUCTURING INC., IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD. AND FULCRUM STONEWORKS EXCHANGECO LTD. AND IN NO OTHER CAPACITY

SCHEDULE "E"
NOTICE OF DISPUTE

We hereby give you notice of our intention to dispute the Notice of Revision or Disallowance dated _____ _____ issued in respect of our Claim.

Reasons for Dispute (attach extra sheets and copies of all supporting documentation if necessary):

_____

_____

_____

_____

Name of Creditor: _____

_____ _____

(Signature of individual completing this Dispute) Date

_____

(Please print name)

Telephone Number: _____

E-mail address: _____

Full Mailing Address: _____

_____

IN THE EVENT THAT YOU ARE DISPUTING A NOTICE OF REVISION OR DISALLOWANCE, THIS FORM MUST BE RETURNED TO THE RECEIVER SUCH THAT IT IS <u>RECEIVED</u> NO LATER THAN 5:00 P.M. (TORONTO TIME) ON THE DATE THAT IS SEVEN (7) CALENDAR DAYS AFTER THE DATE THE RECEIVER SENT YOU THE NOTICE OF REVISION OR DISALLOWANCE.

THIS FORM MUST BE RETURNED <u>BY E-MAIL</u> TO:

AlixPartners Restructuring, Inc.
in its capacity as Court-appointed receiver of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks ExchangeCo Ltd.
E-mail: martin.kosic@alixpartners.com

with a copy to:

McCarthy Tetrault LLP
Email: hmeredith@mccarthy.ca; stanvir@mccarthy.ca

CORTLAND CREDIT LENDING CORPORATION	**SEQUENT AI LTD. et al**	Court File No. CL-26-00000142-0000
and		
Applicant	Respondents	

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

CLAIMS PROCEDURE ORDER

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto ON M5K 1E6

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
E-mail: hmeredith@mccarthy.ca

Saneea Tanvir LSO#: 77838T
Tel: 416-601-8181
E-mail: stanvir@mccarthy.ca

Lawyers for AlixPartners Restructuring, Inc., in its capacity as Court-Appointed Receiver

Appendix “E”

AlixPartners

Second Report to Court of AlixPartners Restructuring, Inc. as Receiver and Manager of Sequent AI Ltd., Sequent AI ExchangeCo Ltd. & Fulcrum Stoneworks ExchangeCo Ltd.

July 31, 2026

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AlixPartners

COURT FILE NO.: CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CORTLAND CREDIT LENDING CORPORATION.

Applicant

- and -

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., AND FULCRUM STONEWORKS EXCHANGECO LTD.

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

SECOND REPORT OF
ALIXPARTNERS RESTRUCTURING, INC.
AS RECEIVER AND MANAGER

JULY 31, 2026

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on April 17, 2026 (the "**Receivership Order**"), AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.) [1] ("**AlixPartners**") was appointed as receiver and manager (the "**Receiver**") of all of the assets, properties and undertakings of Sequent AI Ltd. (the "**Borrower**"), Sequent AI ExchangeCo Ltd. ("**Sequent Exchangeco**"), and Fulcrum Stoneworks ExchangeCo Ltd. ("**Stoneworks Exchangeco**" and collectively with the Borrower and Sequent Exchangeco, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**"). A copy of the Receivership Order is attached as Appendix "**A**".

[1] Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Receiver in these proceedings, pursuant to an order of the Court dated June 3, 2026. The professionals involved in this mandate prior to this order being granted remain unchanged.

2. The principal focus of the receivership proceedings is to seek and implement a transaction for the Property or a refinancing of the Debtors' business.

3. On May 5, 2026, the Court issued an order (the "**SISP Approval Order**") which, among other things, approved a sale and investment solicitation process (the "**SISP**") for the Property, as set out in Schedule "A" of the SISP Approval Order. The Receiver's recommendation for approval of the SISP was set out in the First Report of the Receiver dated April 28, 2026 (the "**First Report**"). Copies of the SISP Approval Order and First Report (without appendices) are attached at **Appendix "B"** and **"C",** respectively.

4. AlixPartners is filing this second report (the "**Second Report**") in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to, among other things:

   a) provide background information about the Debtors and these proceedings;

   b) summarize the results of the SISP, including discussion of the Term Sheet (the "**Cortland Term Sheet**") received from Cortland Credit Lending Corporation ("**Cortland**") detailing the preliminary terms of the Cortland Subsequent Credit Bid (as defined below);

   c) summarize the proposed procedure (the "**Claims Procedure**") for soliciting and determining claims against the Debtors; and

   d) recommend that the Court issue a Claims Procedure Order (the "**CPO**"), *inter alia*, approving and authorizing the Receiver to conduct the Claims Procedure to call for, assess and determine claims against Debtors, and authorizing, directing and empowering the Receiver to administer the Claims Procedure in accordance with the terms of the proposed CPO.

1.2 Restrictions

1. In preparing this Second Report, the Receiver has relied upon: (i) discussions with management of the Debtors and the Operating Entities (as defined below) ("**Management**"); (ii) the Debtors' unaudited financial information; (iii) discussions with various stakeholders in these proceedings (including their legal representatives) and (iv) the receivership application materials (collectively, the "**Information**").

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information relied on to prepare this Second Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Other than the Court, any party wishing to place reliance on the financial information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Second Report by any party.

3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the application materials. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's website (the "**Website**").

1.3 Currency

1. Unless otherwise noted, all currency references in this Second Report are in Canadian dollars.

2.0 Background

2.1 The Debtors

1. Each of the Debtors is a corporation incorporated in Ontario. The Borrower was in the business of owning and supporting companies in the business of reselling information technology hardware and software to entities in Canada. The Receiver understands from Management that the Borrower ceased operations in or around March 2026.

2. The Borrower owns 100% of the voting shares of Stoneworks Exchangeco and Sequent Exchangeco, each of which are direct subsidiaries of the Borrower. Each of Stoneworks Exchangeco and Sequent Exchangeco are holding companies (together, the "**Holding Companies**") that own the shares of certain operating entities that provide technology services to organizations in Canada, as follows:

    a) Stoneworks Exchangeco owns 100% of the non-voting preferred shares in Stoneworks Technologies Inc. ("**Stoneworks Technologies**"); and

    b) Sequent Exchangeco owns 100% of the voting shares of P J S Systems Inc. ("**PJS**" and together with Stoneworks Technologies, the "**Operating Entities**").

3. Stoneworks Technologies is a Canadian-based information technology solutions provider headquartered in Ottawa, Ontario that delivers end-to-end infrastructure solutions, including cloud, data centre, cybersecurity, artificial intelligence and managed IT services. Stoneworks Technologies services a diversified customer base that includes government, defence and enterprise clients and has established relationships with major technology vendors.

4. PJS is headquartered in British Columbia and operates independently from Stoneworks Technologies and maintains its own financing arrangements. It specializes in corporate audio-video integration.

5. The Debtors' direct and indirect interest in the Operating Entities is their principal asset. The Operating Entities have their own management and operations and continue to operate in the normal course, and are not subject to this proceeding.

6. As of the date of the First Report, the Borrower had four employees, which have since been terminated by the Receiver.

2.2 Cortland Credit Lending Corporation

1. Cortland is the primary secured creditor of the Debtors. Pursuant to an amended and restated credit agreement dated as of June 29, 2023 (as later amended) (the "**Credit Agreement**"), certain lenders party thereto from time to time (the "**Lenders**"), granted a credit facility to the Borrower in the total amount of CDN $41,000,000 (the "**Credit Facility**"). Cortland acts as the agent for the Lenders under the Credit Agreement. As at the date of the Receivership Order, the total amount outstanding under the Credit Facility was approximately $32 million (the "**Indebtedness**"), exclusive of interest and fees, costs and expenses that continue to accrue. As of the date of this Second Report, the Receiver understands that the Indebtedness is approximately $34.2 million.

2. The Debtors each granted certain security in favour of Cortland, as agent, on behalf of the Lenders. Specifically, Cortland holds a general security agreement from the Borrower, and a guarantee and general security agreement from each of the Holding Companies.

3. Each of the Operating Entities have also granted a guarantee and security in favour of Cortland, as agent, on behalf of the Lenders, relating to the Indebtedness.

3.0 SISP[2]

1. The SISP was designed to minimize any adverse impact on the operations of the Operating Entities. Further details of the SISP are summarized in Section 3.0 of the First Report.

[2] Capitalized terms not defined herein have the meanings ascribed to them in the SISP Approval Order dated May 5, 2026 made in these proceedings.

2. The Bid Deadline set out in the SISP was originally June 12, 2026, which was approximately five weeks after the intended SISP commencement of May 8, 2026 (being the Solicitation Materials Distribution Date).

3. The SISP provides that the Receiver may, in its sole discretion, modify the SISP milestones provided that notice of any such modification is posted on the Website. At the time of seeking the SISP Approval Order, counsel to the Receiver advised the Court that the commencement of the SISP may be delayed, in which case the Receiver would revise the other deadlines in the SISP accordingly.

4. Commencement of the SISP was in fact delayed due to various factors, including difficulty obtaining access to key materials relating to the Operating Entities (which are outside the receivership). This was chiefly because of the temporary unanticipated absence of the principal of Stoneworks Technologies. His input was considered necessary for the creation of marketing materials and population of the VDR (as defined below) in support of the SISP.

5. On May 14, 2026, the Receiver posted a notice on its Website (the "**SISP Extension Notice**") advising all interested parties that the Receiver intended to extend the deadline for the commencement of the interest solicitation process and revise the other SISP milestones accordingly. A copy of the SISP Extension Notice is attached as **Appendix** "**D**".

6. The SISP ultimately commenced on June 16, 2026 (the revised Solicitation Materials Distribution Date). The Bid Deadline was correspondingly delayed to July 21, 2026 to continue to provide approximately 5 weeks between the commencement of the SISP and the Bid Deadline.

7. The Receiver's initial outreach to potential bidders on June 16, 2026 included a sale process letter that provided the following revised milestone dates ("**Revised Milestone Dates**"):

Milestone	**Deadline**
Distribution of the Solicitation Notice and form of NDA to Potential Bidders	No later than June 16, 2026
Bid Deadline	July 21, 2026 at 5:00 p.m.
Date of the Auction (if required)	July 27, 2026
Hearing of the Approval Motion	No later than ten (10) business days following the selection of the Successful Bid
Deadline for completion of the transaction represented by the Successful Bid	August 14, 2026, or such later date as may be agreed to by the Receiver and the Successful Bidder

8. On July 7, 2026, the Receiver also posted a notice on its Website setting out the Revised Milestone Dates. A copy of this Notice regarding Revised Milestone Dates is attached as **Appendix "E"**.

3.1 Marketing Process

1. The Receiver's activities in conducting the SISP in accordance with the SISP Approval Order included:

    a. preparing: (i) a marketing brochure summarizing the SISP opportunity (the "**Teaser**") and inviting recipients of the Teaser to participate in the SISP; (ii) a form of non-disclosure agreement (an "**NDA**") and (iii) a Sale Process Letter advising interested parties of the Revised Milestone Dates and the requirements for participation in the SISP, including the submission of a Participation Letter. Interested parties were advised that they would be given access to a virtual data room (the "**VDR**") and permitted to perform due diligence upon signing the NDA and submitting a Participation Letter;

    b. preparing a VDR with information regarding the Operating Entities, including historical and pro-forma financial records, employee information, key contracts, permits and licenses, marketing and customer data, intellectual property details and other pertinent information. Additionally, on July 16, 2026, the Receiver uploaded a template asset purchase agreement (the "**Template APS**") to the VDR;

    c. launching the SISP on June 16, 2026 by distributing the Teaser by email to 103 potential purchasers (the "**Buyers List**"). The Buyers List included parties identified by the principal of Stoneworks Technologies, parties who had contacted the Receiver expressing an interest in the SISP since the Filing Date, and other strategic and financial parties. The Receiver followed up with each potential purchaser on the Buyers List several times to determine each party's interest in the opportunity, including by email on June 22, 2026 and by phone on June 24 and June 25, 2026, where possible;

    d. causing a notice of the SISP to be posted on the Receiver's Website on June 16, 2026, and arranging for the same to be published in The Globe and Mail (National Edition) on June 22, 2026; and

    e. facilitating, with the support of the management of the Operating Entities, extensive due diligence by prospective purchasers, including: (i) providing access to due diligence materials through, *inter alia*, the VDR; (ii) responding to supplementary diligence requests; and (iii) providing additional data and analysis where required.

2. Pursuant to the Revised Milestone Dates, interested parties were required to submit offers by July 21, 2026 at 5pm EST (the "**Bid Deadline**"). The requirements for an offer to be considered a Qualified Bid are set out in the First Report.

3.2 SISP Results

1. A summary of the results of the SISP is as follows:

    a. following the launch of the SISP on June 16, 2026, three parties executed an NDA and submitted a Participation Letter, following which those parties were provided access to the VDR; and

    b. two letters of intent (the "**LOIs**") were submitted by the Bid Deadline, both of which included nominal consideration for PJS and were primarily focused on the acquisition of Stoneworks Technologies.

2. Following its review of the LOIs, the Receiver concluded that neither LOI contained economic and other terms consistent with the criteria for a Qualified Bid, including, among other things, that neither was a Supportable Offer (i.e. fully financed offer sufficient to fully satisfy the Indebtedness and any Priority Payables). Further, each LOI contained several onerous conditions.

3. The Receiver also consulted with Cortland, which confirmed that the economic terms of the LOIs were not acceptable to Cortland.

4. Accordingly, the Receiver advised both bidders that the LOIs failed to meet the criteria for a Qualified Bid.

3.3 Cortland Subsequent Credit Bid

1. The SISP Approval Order provides that in the event that no Qualified Bids are received by the Bid Deadline, there will be no auction, and within seven business days (the "**Cortland Subsequent Bid Deadline**") after the passage of such a deadline, Cortland may submit a **"Cortland Subsequent Credit Bid**", being an irrevocable offer submitted by the Cortland Purchaser in the form of a Sale Proposal or Investment Proposal that, among other things, includes consideration in an amount greater than or equal to: (a) the assumption of all or any portion of the Cortland Debt (including interest, fees and legal fees that continue to accrue); and (b) payment in full in cash on closing of all Priority Payables ranking equal to or ahead of its own claim, provided that the Receiver determines that the value provided exceeds both the liquidation value for the Property and is otherwise appropriate.

2. The SISP provides that if a Cortland Subsequent Credit Bid is submitted in accordance with the SISP and determined by the Receiver to constitute a Cortland Subsequent Credit Bid, then it shall be deemed the Successful Bid, and the Receiver may seek Court approval of, and authority to enter and close, the transaction contemplated by the Cortland Subsequent Credit Bid.

3. Cortland has provided the Receiver with the preliminary Cortland Term Sheet outlining the proposed terms of the Cortland Subsequent Credit Bid.

4. Pursuant to the discretion provided to it in the SISP, the Receiver extended the Cortland Subsequent Bid Deadline and the Outside Date in order to facilitate advancing the terms of a Cortland Subsequent Credit Bid with Cortland. In particular, on July 30, 2026, the Receiver posted a notice on the Receiver's Website that it was extending: (a) the Cortland Subsequent Bid Deadline such that Cortland may provide a Cortland Subsequent Credit Bid to the Receiver in the form of (i) a binding and irrevocable term sheet ("**Binding Term Sheet**") by August 12, 2026 and (ii) a binding and irrevocable agreement of purchase and sale ("**APS**") by September 4, 2026 and (b) the Outside Date to September 30, 2026, in each case subject to any further extensions that may be agreed to by the Receiver and the Cortland Purchaser, acting reasonably.

5. The Cortland Term Sheet contemplates a transaction (the "**Proposed Transaction**") pursuant to which the Purchaser, an entity owned and controlled by Cortland, would acquire all of the issued and outstanding shares of Stoneworks Technologies through a credit bid, with the Cortland Purchaser paying Priority Claims in cash.

6. The Proposed Transaction also contemplates the dissolution of Stoneworks Exchangeco immediately prior to closing and as a condition of the Proposed Transaction (the "**Dissolution**"). Upon the Dissolution coming into effect, the assets of Stoneworks Exchangeco, including the non-voting shares of Stoneworks Technologies held by it, are to be distributed and/or transferred to, and assumed by, the Borrower. Following the Dissolution, and as part of the completion of the Proposed Transaction, the shares of Stoneworks Technologies held by the Borrower are to be conveyed to the Purchaser.

7. The Receiver understands that to effect a Dissolution, the relevant corporate statute requires, among other things, that articles of dissolution set out that the corporation has no debts, obligations or liabilities, or its debts, obligations or liabilities have been duly provided for. It is important for the Receiver to understand the Claims against Stoneworks Exchangeco in relation to a potential Dissolution.

8. At this time, the Receiver is not seeking approval of the Proposed Transaction. Rather, the Receiver intends to continue working with Cortland to obtain the Binding Term Sheet and APS and to bring a motion for approval once the APS has been finalized. As the Cortland Term Sheet is a preliminary document, the Receiver has not set out its full terms and conditions in this Second Report.

9. However, given that the Cortland Term Sheet proposes a credit bid and contemplates the Dissolution, the Receiver is of the view that it is appropriate to conduct the Claims Procedure at this stage to:

    a. quantify the Priority Claims that will need to be paid in cash in a Cortland Subsequent Credit Bid since the SISP requires that such a bid provide for payment in full in cash on closing of all Priority Payables ranking equal to or in priority to Cortland's own claim; and

b. clarify the Claims against Stoneworks Exchangeco such that the Receiver would be able to certify that there are no such Claims or otherwise address them in the context of a Dissolution.

10. Given that the Claims Procedure is a necessary step to complete the Proposed Transaction, and in order to avoid any delay in its completion, the Receiver is of the view that it is appropriate to commence the Claims Procedure contemporaneously with the finalization of the APS and the completion of the SISP. Conducting the Claims Procedure on a parallel track will permit the Proposed Transaction to close promptly following the finalization if approved by the Court. The Receiver considers this to be the most efficient and cost-effective means of advancing the Proposed Transaction for the benefit of the Debtors' stakeholders and Cortland is supportive of the relief sought.

11. The terms of the proposed Claims Procedure are summarized in Section 4.0 of this Second Report.

4.0 Claims Procedure[3]

1. **The following sections summarize the Claims Procedure. Interested parties are strongly encouraged to read the Claims Procedure Order in its entirety. To the extent there are inconsistencies between this Second Report and the Claims Procedure Order, the Claims Procedure Order shall prevail. The full details of the Claims Procedure have not been reproduced or summarized in this Second Report**.

2. The Claims Procedure is intended to solicit and determine all Claims as defined in the proposed Claims Procedure Order against the Debtors and as described below.

4.1 Notice to Creditors

1. The Notice to Creditors is to be published in The Globe and Mail (National Edition) and Insolvency Insider as soon as possible after the date of the Claims Procedure Order.

2. By no later than August 11, 2026, the Receiver will:

   a) post on the Receiver's Website a copy of the Notice to Creditors, Claims Procedure Order, Proof of Claim Instruction Letter, Proof of Claim form and Notice of Dispute form; and

[3] Capitalized terms in this section have the meaning provided to them in the Claims Procedure Order unless otherwise defined herein.

b) by email, or where no known email is available, by prepaid ordinary mail or courier to the last known address as recorded in the Books and Records, send a copy of the Claims Package to: (i) each Person that appears on the Service List via serving their counsel/representative as listed therein; (ii) each Person that has claimed to be a Creditor and requested a Claims Package prior to such date; and (iii) any Person known to the Receiver as having a potential Claim based on the Books and Records and any registrations under the *Personal Property Security Act* (Ontario) or similar legislation.

4.2 Proofs of Claim

1. The Claims Procedure Order is seeking Claims against any of the Debtors, including for greater certainty, any Priority Claims and both pre-filing and Post-Filing Claims.

2. Since the Receiver is aware of the Cortland Debt and claims against the Receiver's Charge, "Claims" excludes the Cortland Debt and any indebtedness, liability, obligation or claim secured by the Receiver's Charge or Receiver's Borrowing Charge, which shall be unaffected by the Claims Procedure Order.

3. The Claims Procedure Order includes consultation rights for Cortland to the extent they will be affected and provides that the Receiver will prepare a schedule of Proven Claims that will be shared with Cortland prior to any distributions. The Receiver believes that these provisions are fair and reasonable in light of Cortland's position as the principal secured creditor and in light of the anticipated Cortland Subsequent Credit Bid.

4.3 Claims Bar Date

1. Any Creditor that intends to file a Claim is required to deliver to the Receiver a Proof of Claim, together with supporting documentation to establish such Claim, by no later than 5:00 p.m. (Toronto time) on August 31, 2026 (the "**Claims Bar Date**").

2. Any Creditor that does not file a Proof of Claim in respect of a Claim against a Debtor(s) by the Claims Bar Date shall not be entitled to receive any distributions in respect of such Claim, shall have its claim forever extinguished, and shall be barred from making or enforcing any such Claim against any Debtor(s) or their Property and shall not be entitled to receive any distributions from the Receiver with respect to such Debtor(s) in respect of such Claim.

3. Any Creditor that does not assert a Priority Claim or Post-Filing Claim (incurred up to the Claims Bar Date) in a Proof of Claim by the Claims Bar Date shall be barred, estopped and enjoined from asserting or enforcing any such Claim as a Priority Claim or Post-Filing Claim.

4. The Receiver understands that the Borrower had limited operations, which ceased in March 2026 and that Stoneworks Exchangeco and Sequent Exchangeco were holding companies. As such, the Receiver does not anticipate a significant number of Claims. The only confirmed Priority claims of which the Receiver is presently aware are amounts owing pursuant to the court-ordered Charges in these proceedings. Such amounts will not need to be filed in this Claims Procedure. Any other asserted Priority Claims will need to be filed and will be assessed per the terms of the Claims Procedure.

4.4 Determination of Claims

1. The proposed Claims Procedure Order provides that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the amount, nature and/or status of a Claim set out in any Proof of Claim.

2. If the Receiver determines to revise or disallow a Proof of Claim, then the Receiver will send a Notice of Revision or Disallowance ("**NORD**") to the Creditor on or before September 4, 2026, or such later date as determined by the Receiver in its discretion.

3. The Receiver may attempt to resolve the amount, nature and status of any Claim with the Creditor on a consensual basis prior to accepting, revising or disallowing such Claim.

4. Any Person who intends to dispute the amount set out in a NORD must deliver a Notice of Dispute to the Receiver in writing, by 5:00 p.m. (EST) on the day that is no later than seven (7) Calendar Days after the date the Receiver sends the NORD, or such later date as the Receiver may agree in writing or the Court may order. If they do not submit a Notice of Dispute, the amount, nature and status of the Creditor's Claim will be as set out in the NORD and shall constitute such Creditor's Proven Claim, and the Creditor will be barred from disputing or appealing same, and the balance of such Creditor's Claim, if any, shall be forever barred and extinguished as against the Debtors and their Property.

5. The Receiver and the Claimant may attempt to resolve the disputed Claim with the Claimant on a consensual basis. If a resolution is not reached, the Receiver may bring a motion for advice and direction to have the unresolved disputed Claim determined by the Court.

4.5 Claims Procedure Recommendation

1. The Receiver recommends that the Court issue the Claims Procedure Order for the following reasons:

    a. the Claims Bar Date, being approximately three (3) weeks from the date of the proposed Claims Procedure Order (August 7, 2026), is sufficient for Claimants to file a Proof of Claim with the Receiver;

b. the proposed notices, dispute resolution provisions and timelines set out in the Claims Procedure Order are consistent with those commonly approved by Canadian courts in insolvency proceedings; and

c. the procedure enables the Receiver to identify Claims and Priority Claims that will help to facilitate completion of the Proposed Transaction in a straightforward manner that should reduce disputes, streamline the process and minimize professional costs; and conducting the Claims Procedure at this time, contemporaneously with the finalization of the APS and the completion of the SISP, will permit the Proposed Transaction to be completed without undue delay.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the Claims Procedure Order.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

ALIXPARTNERS RESTRUCTURING, INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., AND
FULCRUM STONEWORKS EXCHANGECO LTD.
AND NOT IN ITS PERSONAL CAPACITY

Appendix “F”

Appendix “G”

AlixPartners

September 4, 2026

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD., and FULCRUM STONEWORKS EXCHANGECO LTD.

Claims Procedure Notice

To: Stuart Wight (the "**Creditor**")

From: AlixPartners Restructuring, Inc. (formerly KSV Restructuring Inc.), the receiver and manager over the assets, properties and undertakings of Sequent AI Ltd., Sequent AI Exchangeco Ltd., and Fulcrum Stoneworks Exchangeco Ltd. (collectively, the "**Debtors**") acquired for, or used in relation to a business (or businesses) carried on by the Debtors, including all proceeds thereof, (in such capacity, the "**Receiver**").

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Claims Procedure Order granted in Court File No. CL-26-00000142-0000 on August 7, 2026 (the "**Claims Procedure Order**").

On August 31, 2026, the Receiver received a copy of the Proof of Claim of the Creditor asserting an unsecured claim against **Sequent AI Exchangeco Ltd.**

Please be advised that, at this time, no distributions are anticipated from **Sequent AI Exchangeco Ltd.** to unsecured creditors or holders of equity claims. Accordingly, the Receiver is exercising its discretion under paragraph 10 of the Claims Procedure Order to deliver any Notice of Revision or Disallowance at a later date, if the Receiver determines that doing so becomes necessary or appropriate.

Further updates in respect of these proceedings will be provided on the Receiver's Website at https://cdncases.alixpartners.com/experience/case/sequent. If you have any questions, you may contact the Receiver at martin.kosic@alixpartners.com.

Sincerely,

AlixPartners Restructuring, Inc.

ALIXPARTNERS RESTRUCTURING, INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER
AND MANAGER OF SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD.
AND FULCRUM STONEWORKS EXCHANGECO LTD.

Appendix “H”

COURT FILE NO. CL-26-00000142-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CORTLAND CREDIT LENDING CORPORATION

APPLICANT

- AND –

SEQUENT AI LTD., SEQUENT AI EXCHANGECO LTD. AND FULCRUM STONEWORKS EXCHANGECO LTD.

RESPONDENTS

APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

AFFIDAVIT OF NOAH GOLDSTEIN
(sworn September 14, 2026)

I, **NOAH GOLDSTEIN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am a Partner and Managing Director of AlixPartners Restructuring, Inc. ("**AlixPartners**" formerly KSV Restructuring Inc.[1])

2. Pursuant to an order (the "**Receivership Order**") of the Ontario Superior Court of Justice made on April 17, 2026, AlixPartners was appointed as the receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Sequent AI Ltd., Sequent AI Exchangeco Ltd., and Fulcrum Stoneworks Exchangeco Ltd. (together, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors.

[1] Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Court Officer in these proceedings pursuant to an order dated June 3, 2026 issued by the Ontario Superior Court of Justice (Commercial List). The professionals involved in this mandate remain unchanged.

3. I have managed this mandate since the date of the Receivership Order. As such, I have knowledge of the matters to which I hereinafter depose.

4. The Receiver prepared invoices detailing its services rendered (the "**Invoices**") from April 17, 2026 to August 31, 2026 in the aggregate amount of $171,888.84. Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Invoices.

5. Additionally, attached hereto as **Exhibit "B"** is a summary of the roles, hours and rates charged by members of the Receiver who have worked on this matter, and I hereby confirm that the list represents an accurate account of such information. The average hourly rate of the Receiver is **$737.81**.

6. I consider the accounts to be fair and reasonable considering the circumstances connected with this matter.

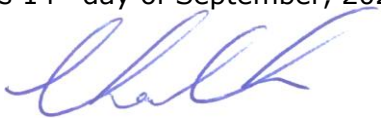
7. This Affidavit is made in support of a motion to, *inter alia,* approve the attached accounts of the Receiver and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of Toronto, in the Province of Ontario, this 14th day of September, 2026

Catherine Anne Stuyck-Theriault, a Commissioner, etc., Province of Ontario, for AlixPartners Advisory, Inc. and AlixPartners Restructuring, Inc.
Expires February 19, 2028

Noah Goldstein

This is Exhibit "A" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 14th day of September, 2026



.....

Catherine Anne Stuyck-Theriault, a Commissioner, etc.,
Province of Ontario, for AlixPartners Advisory, Inc. and
AlixPartners Restructuring, Inc.
Expires February 19, 2028

AlixPartners

Sequent AI Ltd., Sequent AI Exchangeco Ltd.
and Fulcrum Stoneworks Exchangeco Ltd.
c/o AlixPartners Restructuring, Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

July 8, 2026

Invoice No.: 5562
HST #: 818808768RT0001

Re: Sequent AI Ltd., Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd. (the "Companies")

For professional services rendered by AlixPartners Restructuring, Inc.[1] from the beginning of the receivership proceedings to June 30, 2026 in its capacity as receiver and manager of the Companies (the "Receiver") appointed by the Ontario Superior Court of Justice (the "Court") pursuant to an Order dated April 17, 2026 (the "Receivership Order"), including;

General

- Corresponding with McCarthy Tétrault LLP ("McCarthy"), counsel to the Receiver, regarding all aspects of the receivership proceedings;
- Corresponding with Cortland Credit Lending Corporation ("Cortland"), the Companies senior secured lender, regarding all aspects of the receivership proceedings;
- Corresponding regularly with management of the wholly owned subsidiaries of Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd. ("Management"), particularly that of Stoneworks Technology Inc. ("Stoneworks");

Court Matters

- Reviewing materials filed by Cortland for a motion returnable on April 17, 2026 (collectively, the "April 17 Materials") seeking approval of the Receiver's appointment (the "Receivership Motion"), including;
  - the Application Record of Cortland;
  - the Factum of Cortland; and
  - the draft Receivership Order;
- Corresponding with McCarthy regarding the April 17 Materials;

[1] Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Court Officer in these proceedings pursuant to an order dated June 3, 2026 issued by the Ontario Superior Court of Justice (Commercial List). The professionals involved in this mandate remain unchanged.

- Attending at Court on April 17, 2026 (virtually) for the Receivership Motion;
- Reviewing the endorsement of Justice Black dated April 17, 2026;
- Preparing and commenting on materials filed in connection with a motion of the Receiver returnable on May 5, 2026 (collectively, the "May 5 Materials") seeking, among other things, approval of a sale process for the Companies' business and assets (the "Sale Process Motion"), including;
    - the Notice of Motion of the Receiver;
    - the Factum of the Receiver; and
    - the draft Sales Process Approval Order;
- Corresponding with McCarthy regarding the May 5 Materials;
- Preparing the First Report of the Receiver dated April 28, 2026 (the "First Report"), in connection with the Sales Process Motion;
- Corresponding with McCarthy regarding the First Report;
- Attending at Court on May 5, 2026 (virtually) for the Sale Process Motion;
- Reviewing the endorsement of Justice Black dated May 5, 2026;

<u>SISP</u>

- Corresponding with McCarthy and Management regarding the sale and investment solicitation process (the "SISP") for the business and assets of the Companies, including the Companies' interest in their wholly owned subsidiaries, namely PJS Systems Inc. ("PJS") and Stoneworks, including numerous calls;
- Corresponding with Canaccord Genuity Group Inc. and Welch Capital Partners Inc. (the "Prior Brokers"), regarding the SISP generally, including several calls;
- Corresponding with McCarthy regarding SISP timelines, including a bid deadline, auction date and other dates;
- Preparing and/or providing comments on various documents in connection with the SISP, including, among other things:
    - an investment summary (the "Teaser") containing financial highlights regarding Stoneworks and PJS;
    - a list of prospective purchasers (the "Buyers List");
    - a template confidentiality agreement ("CA") prepared by McCarthy;

    - a letter (the "SISP Letter") prepared by McCarthy, setting out the timelines for the SISP and requirements for participation, including the submission of a CA and letter ("Participation Letter"); and
    - a newspaper notice advising of the launch of the SISP;
- Preparing and populating a virtual data room ("VDR") with information to support the due diligence of prospective purchasers in the SISP, including, among other things:
    - Financial data regarding the historical performance of Stoneworks and PJS;
    - Sales and customer, employee, and income and sales tax data;
    - Data regarding the corporate structure of Stoneworks and PJS;
    - An income statement model forecasting Stoneworks' future performance;
    - A confidential information memorandum ("CIM") regarding both Stoneworks and PJS; and
    - Other financial and operational information.
- Corresponding with McCarthy and Management regarding the VDR, CIM and Teaser;
- Corresponding with McCarthy and Management regarding the Buyer's List;
- Launching the SISP on June 16, 2026 by distributing the Teaser, CA and SISP letter to over 100 parties (the "Prospects") from the finalized Buyer's List by email (the "Initial Outreach");
- Following up with all Prospects who did not respond to the Initial Outreach by email and phone on June 22, 2026 and June 24, 2026, respectively;
- Corresponding with various Prospects regarding the submission of CAs and Process Letters, including several phone calls;
- Reviewing markups to CAs submitted by Prospects and corresponding with McCarthy regarding same;
- Maintaining the VDR and granting access to Prospects who had submitted a CA and Process Letter ("Potential Bidders");
- Corresponding with Potential Bidders with regard to various due diligence requests;

<u>Operations and Other</u>

- Issuing notices of termination to three former employees of Sequent AI Ltd. (the "Former Employees");

- Corresponding with McCarthy regarding the termination of the Former Employees;
- Corresponding with the Former Employees regarding outstanding payroll amounts, Records of Employment ("ROEs") and T4 slips;
- Corresponding with the Former Employees regarding access to the Companies' payroll system ("HUMI") to issue the ROEs and T4s;
- Corresponding with Management regarding rebates outstanding from Dell Inc.;
- Overseeing the affairs of the Companies' business, including controlling receipts and disbursements;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

Total fees per attached time summary	$	104,834.21
HST		13,628.45
Total due	$	118,462.66

AlixPartners Restructuring, Inc.

Sequent AI Ltd., Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd.

Time Summary

For the Period Ending June 30, 2026

Personnel	Role	Rate ($)	Hours	Amount ($)
Noah Goldstein	Overall responsibility	950	39.70	37,715.00
Murtaza Tallat	All aspects of the mandate	750	21.00	15,750.00
Martin Kosic	All aspects of the mandate	600	82.20	49,320.00
Administrative and other			5.40	1,440.00
Total Fees				104,225.00
Disbursements:				609.21
Total fees and disbursements				104,834.21

AlixPartners

Sequent AI Ltd., Sequent AI Exchangeco Ltd.
and Fulcrum Stoneworks Exchangeco Ltd.
c/o AlixPartners Restructuring, Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

September 14, 2026

Invoice No.: 5746
HST #: 818808768RT0001

Re: Sequent AI Ltd., Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd. (the "Companies")

For professional services rendered by AlixPartners Restructuring, Inc.[1] from July 1 to August 31, 2026 in its capacity as receiver and manager of the Companies (the "Receiver") appointed by the Ontario Superior Court of Justice (the "Court") pursuant to an Order dated April 17, 2026 (the "Receivership Order"), including;

General

- Corresponding with McCarthy Tétrault LLP ("McCarthy"), counsel to the Receiver, regarding all aspects of the receivership proceedings;
- Corresponding with Cortland Credit Lending Corporation ("Cortland"), the Companies senior secured lender, regarding all aspects of the receivership proceedings;
- Corresponding regularly with management of the wholly owned subsidiaries of Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd. ("Management"), particularly that of Stoneworks Technology Inc. ("Stoneworks");

Court Matters

- Preparing and commenting on materials filed in connection with a motion of the Receiver returnable on August 7, 2026 (collectively, the "August 7 Materials") seeking, among other things, approval of a claims procedure for the Companies creditors (the "Claims Procedure Motion"), including;
  - the Motion Record of the Receiver;
  - the Factum of the Receiver; and
  - the draft Claims Procedure Order;
- Corresponding with McCarthy regarding the August 7 Materials;
- Preparing, in draft, the Second Report of the Receiver (the "Second Report"), in connection with the Claims Procedure Motion;

[1] Effective June 1, 2026, AlixPartners Restructuring, Inc. was substituted in place of KSV Restructuring Inc. as Court Officer in these proceedings pursuant to an order dated June 3, 2026 issued by the Ontario Superior Court of Justice (Commercial List). The professionals involved in this mandate remain unchanged.

- Corresponding with McCarthy regarding the Second Report;
- Attending at Court (virtually) on August 7, 2026 for the Claims Procedure Motion;
- Administering the claims procedure in accordance with the Claims Procedure Order, including drafting the notice to creditors, arranging for its publication and compiling the creditor mailing list;
- Facilitating the mailing of the claims package to the known creditors of the Companies, including Canada Revenue Agency (the "CRA");
- Corresponding with McCarthy regarding the claims process, reviewing the Proofs of Claim submitted and responding to inquiries from claimants;

SISP

- Corresponding with McCarthy and Management regarding the sale and investment solicitation process (the "SISP") for the business and assets of the Companies, including the Companies' interest in their wholly owned subsidiaries, namely PJS Systems Inc. ("PJS") and Stoneworks, including numerous calls;
- Corresponding with Canaccord Genuity Group Inc. ("Canaccord") and Welch Capital Partners Inc. ("Welch" and together with Canaccord, the "Prior Brokers"), regarding the SISP generally;
- Corresponding with Welch and its counsel regarding a settlement agreement (the "Settlement Agreement");
- Corresponding with McCarthy regarding the Settlement Agreement;
- Maintaining the virtual data room and granting access to interested parties who had submitted a CA and Process Letter ("Potential Bidders");
- Corresponding extensively with Potential Bidders regarding various due diligence requests;
- Corresponding with Potential Bidders regarding a request for an extension to the Bid Deadline
- Reviewing Letters of Intent (the "LOIs") received from certain parties (the "Offering Parties");
- Corresponding with McCarthy and Cortland regarding the LOIs;
- Corresponding with the Offering Parties regarding their submitted LOIs;
- Corresponding with McCarthy regarding a bid to be received from Cortland (the "Credit Bid"), pursuant to the SISP Approval Order dated May 5, 2026;
- Reviewing and commenting on a Share Purchase Agreement (the "SPA") received from Cortland with respect to the Credit Bid;

- Reviewing and commenting on revisions to the SPA, including the transaction mechanics, and corresponding with McCarthy regarding same;

- Reviewing and commenting on a term sheet in respect of the Credit Bid and reviewing subsequent revisions to same;

- Corresponding with McCarthy regarding a drag-along agreement and matters concerning a minority shareholder;

- Corresponding with Cortland and PJS regarding the proposed purchase price attributable to the Companies' interest in PJS;

Operations and Other

- Issuing Records of Employment to three former employees of Sequent AI Ltd;

- Corresponding with Employment Hero Canada, Sequent AI Ltd's payroll provider, regarding access to the payroll system;

- Corresponding with Management regarding rebates outstanding (the "Dell Rebates") from Dell Inc. ("Dell");

- Corresponding with Management regarding the cash balance of Stoneworks;

- Processing payments from the Receiver's accounts to support ongoing operations

- Preparing, in draft, a letter to Dell regarding the release of the Dell Rebates to Stoneworks;

- Corresponding with Cortland regarding the issuance of funds pursuant to a Receiver's Certificate dated July 16, 2026.

- Overseeing the affairs of the Companies' business, including controlling receipts and disbursements;

- Convening internal meetings; and

- Dealing with all other matters not otherwise referred to herein.

Total fees and disbursements per attached time summary	$	66,354.63
HST		8,626.10
Total due	$	74,980.73

AlixPartners Restructuring, Inc.

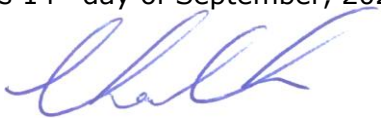
Sequent AI Ltd., Sequent AI Exchangeco Ltd. and Fulcrum Stoneworks Exchangeco Ltd.

Time Summary

For the Period Ending August 31, 2026

Personnel	Role	Rate ($)	Hours	Amount ($)
Noah Goldstein	Overall responsibility	950	21.30	20,235.00
Murtaza Tallat	All aspects of the mandate	750	29.25	21,937.50
Martin Kosic	All aspects of the mandate	600	37.45	22,470.00
Administrative and other			5.70	1,492.75
Total Fees				66,135.25
Disbursements:				219.38
Total fees and disbursements				66,354.63

This is Exhibit "B" referred to in the
Affidavit of Noah Goldstein sworn before
me, this 14th day of September, 2026



.....

Catherine Anne Stuyck-Theriault, a Commissioner, etc.,
Province of Ontario, for AlixPartners Advisory, Inc. and
AlixPartners Restructuring, Inc.
Expires February 19, 2028

Sequent AI Ltd., Sequent AI ExchangeCo Ltd. and Fulcrum Stoneworks Exchangeco Ltd.
Schedule of Professionals' Time and Rates
For the Period from April 17, 2026 to August 31, 2026

Personnel	Title	Duties	Hours	Billing Rate ($ per hour)	Amount ($)
Noah Goldstein	Partner and Managing Director	Overall responsibility	61.00	950	57,950.00
Murtaza Tallat	Partner	All aspects of mandate	50.25	750	37,687.50
Martin Kosic	Vice President	All aspects of mandate	119.65	600	71,790.00
Other staff and administrative				175-240	2,932.75
Total fees			230.90		170,360.25
Disbursements					828.59
Total					171,188.84
Total hours					230.90
Average hourly rate					$ 737.81

Appendix “I”