



FORM 109 (Rule 22-2 (2) and (7))

B-24 0536

This is the 1st Affidavit
of Batsheva Levy in this case and
was made on the 21 day of NOVEMBER, 2024

District of: British Columbia
Division No.: 03 – Vancouver
Court No.:
Estate No.: 11-3149370

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

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

AFFIDAVIT

I, Batsheva Levy, c/o Reedman Law, #800a-1030 West Georgia St., Vancouver, BC,
businesswoman, AFFIRM THAT:

1. I am the CEO and director of Lambda Solutions Inc. ("**Lambda**" or the "**Company**"). As such, and on the basis of information provided to me by management and staff of the company, I have knowledge of the facts and matters hereinafter deposed to, and where information has been provided by others, I verily believe such information to be true.

Background

2. Lambda was incorporated pursuant to the laws of British Columbia on October 23, 2002, with a registered and records office located at 800 – 855 West Georgia Street, Vancouver, British Columbia. Attached hereto as **Exhibit "A"** is a copy of the BC Corporate Summary for Lambda.

3. On November 1, 2024 (the "**Filing Date**"), Lambda filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (**BIA**) and Crowe MacKay and Company Ltd. ("**Crowe MacKay**") consented to act as Trustee under the Proposal (the "**Proposal Trustee**"). Attached hereto as **Exhibit "B"** is a copy of the certificate of filing for the NOI.

4. I understand that the initial stay period in the proposal proceedings is from November 1, 2024 to December 1, 2024 (the "**Initial Stay Period**").

5. Lambda is a privately owned company with no outside institutional equity investment. It operates with a team of 9 full-time employees, primarily based at its Canadian head office, alongside a small development team of 2 independent contractors in Serbia. Lambda serves 88 customers, the majority supported by Lambda for over 5 years. The client base spans the U.S. and Canada.

6. Lambda offers a secure, scalable all-in-one educational technology, software-as-a-service platform that integrates eLearning content, analytics, and eCommerce. Built on Amazon Web Services ("**AWS**"), it allows users to learn, track progress, and achieve goals within a flexible, customizable environment.

7. Lambda serves enterprises, governments, and associations needing integrated training, certification, and professional development tools. Its clients include brands like Medtronic, ICBC, Subaru, and UMASS, as well as compliance program providers, industry associations, and academic institutions.

Financial Difficulties

8. Lambda faced significant financial challenges in 2022, driven by the delayed impacts of COVID-19, a downturn in the broader economy, and limited access to funding. These factors contributed to sluggish new client revenue and the loss of three major clients during this period. As a result, existing loan obligations could not be met, further straining the company's financial position into early 2023.

9. In 2023, Lambda undertook strategic restructuring to improve its financial performance. Key measures included:

- (a) reducing marketing expenses;
- (b) downsizing staff;
- (c) lowering management salaries; and
- (d) optimizing AWS costs.

10. The above changes led to a \$1.3M turnaround, increasing earnings before interest, taxes, depreciation, and amortization from a loss of \$538K (-11%) in 2022 to a profit of \$778K (18%) in 2023.

11. While Lambda was able to significantly improve its financial position, it faced ongoing difficulties with meeting its obligations to its largest creditors.

12. Attached hereto as **Exhibit "C"** is a copy of the British Columbia Personal Property Registry search results for Lambda.

13. Lambda's second-ranking secured creditor is Business Development Bank of Canada ("**BDC**"). Lambda entered into a forbearance agreement with BDC dated March 8, 2024 (the "**BDC Forbearance Agreement**").

14. On September 26, 2024, BDC filed a Notice of Civil Claim against Lambda as the principal, as well as Doron Efraim Levy, myself, and Joshua Keshet as guarantors, under both the BDC Forbearance Agreement and the underlying credit facility.

15. The outstanding balance owed to BDC is approximately \$425,835.63.

16. On or around December 23, 2020, Lambda entered into a loan agreement with its senior secured creditor, EVERGREEN GAP DEBT LP as agent for FIREPOWER GAP DEBT II LP ("**FirePower**"), for \$2.5M.

17. On or around October 23, 2024, FirePower issued a Notice of Intention to Enforce Security under section 244 of the BIA.

18. The outstanding balance to Firepower is approximately \$1,376,926.56.

19. Lambda has no outstanding obligations to CRA, save for unremitted employee source deductions for the period of October 16 to October 31, 2024. Its GST/HST obligations are up to date.

20. Lambda's assets primarily consist of its intellectual property, goodwill with customers, its value as a business as a going concern, accounts receivables, and a Scientific Research and Experimental Development ("**SR&ED**") investment tax credit.

21. Attached hereto as **Exhibit "D"** is a copy of Lambda's balance sheet as at October 31, 2024, prepared by Lambda's management as part of its internal financial statements.

Extension of Period for Filing Proposal

22. Since the Filing Date, Lambda has worked with the Trustee to develop a viable proposal. Despite making significant progress, Lambda will not be in a position to file before the expiration of the initial stay period.

23. Lambda is seeking an extension of time in order to stabilize its operations and finalize a restructuring plan.

24. In addition to its efforts to table a viable proposal, Lambda has worked in good faith to stabilize its business operations, pursued collection of accounts receivable, prepared cash flow statements, and coordinated with the Trustee to ensure that it fulfills its post-filing obligations.

25. I am not aware of any creditor that would be significantly affected if the extension is granted.

26. I expect that Lambda will be in a position to file a viable proposal by January 15, 2025.

DIP Financing

27. Attached hereto as **Exhibit "E"** is the projected cash flow statement for Lambda for the period of November 3, 2024 to February 15, 2025 (the "**Cash-Flow Statement**").

28. Historically, Lambda experiences a seasonal slowdown in revenue generation during the months of November and December, attributable to the holiday period.

29. To mitigate this seasonal downturn, Lambda traditionally implements a promotional strategy in November and December, offering its clients discounted rates for annual subscriptions for the upcoming calendar year.

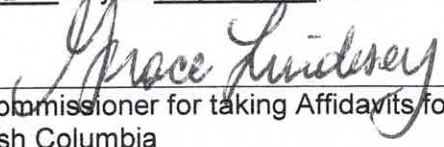
30. Despite these efforts, Lambda may require additional funding to meet its immediate operational needs, including payroll and overhead expenses.

31. To address any deficits and ensure continuity of operations through the end of the calendar year, I am prepared to advance up to CAD\$120,000 to Lambda (the "DIP Loan"), pursuant to the terms of the draft DIP term sheet attached hereto as **Exhibit "F"**.


32. The provision of the DIP Loan may be crucial to Lambda's ability to manage its seasonal cash-flow slowdown and ensure the viability of Lambda during the restructuring process.

33. I make this affidavit in support of the Motion filed by Lambda in these proceedings to extend the time for filing Lambda's proposal, and other relief, and for no improper purpose.

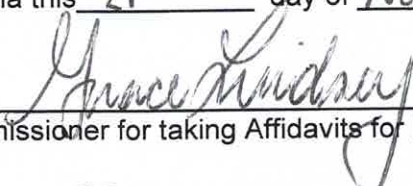
AFFIRMED BEFORE ME at City of
Vancouver, Province of British Columbia, on
the 21 day of NOVEMBER, 2024


A Commissioner for taking Affidavits for
British Columbia

GRACE LINDSEY
Barrister & Solicitor
REEDMAN LAW
#800-1030 WEST GEORGIA STREET
VANCOUVER B.C. V6E 2Y3
TEL: 604-570-0005 FAX: 604-688-1619


BATSHEVA LEVY

This is **Exhibit "A"** referred to in the affidavit of **Batsheva Levy** affirmed before me at Vancouver, British Columbia this 21 day of NOVEMBER 2024.


A Commissioner for taking Affidavits for British Columbia

GRACE LINDSEY

Barrister & Solicitor

REEDMAN LAW

#800-1030 WEST GEORGIA STREET

VANCOUVER B.C. V6E 2Y3

TEL: 604-570-0005 FAX: 604-688-1619



BC Company Summary

For
LAMBDA SOLUTIONS INC.

Date and Time of Search: November 13, 2024 02:14 PM Pacific Time
Currency Date: July 24, 2024

ACTIVE

Incorporation Number: BC0656885
Name of Company: LAMBDA SOLUTIONS INC.
Business Number: 857270482 BC0001
Recognition Date: Incorporated on October 23, 2002
Last Annual Report Filed: October 23, 2023
In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
LEVY, BAT-SHEVA

Mailing Address:
3895 BAYRIDGE AVENUE
WEST VANCOUVER BC V7V 3J4
CANADA

Delivery Address:
3895 BAYRIDGE AVENUE
WEST VANCOUVER BC V7V 3J4
CANADA

OFFICER INFORMATION AS AT October 23, 2023

Last Name, First Name, Middle Name:

Levy, Bat-Sheva

Office(s) Held: (President)

Mailing Address:

3895 BAYRIDGE AVENUE
WEST VANCOUVER BC V7V 3J4
CANADA

Delivery Address:

3895 BAYRIDGE AVENUE
WEST VANCOUVER BC V7V 3J4
CANADA

Last Name, First Name, Middle Name:

Levy, Doron

Office(s) Held: (Secretary)

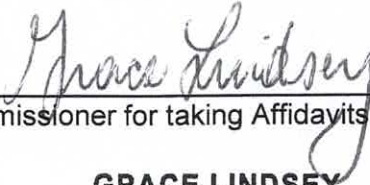
Mailing Address:

1659 EDGEWATER LANE
NORTH VANCOUVER BC V7H 1T3
CANADA

Delivery Address:

1659 EDGEWATER LANE
NORTH VANCOUVER BC V7H 1T3
CANADA

This is **Exhibit "B"** referred to in the affidavit of **Batsheva Levy** affirmed before me at Vancouver, British Columbia this 21 day of NOVEMBER 2024.



A Commissioner for taking Affidavits for British Columbia

GRACE LINDSEY

Barrister & Solicitor

REEDMAN LAW

#800-1030 WEST GEORGIA STREET

VANCOUVER B.C. V6E 2Y3

TEL: 604-570-0005 FAX: 604-688-1619



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-3149370
Estate No. 11-3149370

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

Lambda Solutions Inc.

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 01, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 04, 2024, 13:59

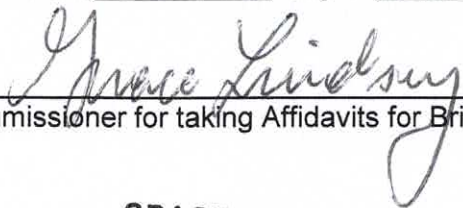
E-File/Dépôt Electronique

Official Receiver

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

Canada

This is **Exhibit "C"** referred to in the affidavit of **Batsheva Levy** affirmed before me at Vancouver, British Columbia this 21 day of NOVEMBER, 2024.



A Commissioner for taking Affidavits for British Columbia

GRACE LINDSEY

Barrister & Solicitor

REEDMAN LAW

#800-1030 WEST GEORGIA STREET
VANCOUVER B.C. V6E 2Y3

TEL: 604-570-0005 FAX: 604-688-1619

Business Debtor - "LAMBDA SOLUTIONS INC."

Search Date and Time: October 29, 2024 at 9:29:26 am Pacific time
Account Name: CODY REEDMAN LAW CORPORATION

TABLE OF CONTENTS

3 Matches in 3 Registrations in Report

Exact Matches: 3 (*)

Total Search Report Pages: 11

	Base Registration	Base Registration Date	Debtor Name	Page
1	399940D	December 13, 2006	* LAMBDA SOLUTIONS INC.	2
2	657943M	December 16, 2020	* LAMBDA SOLUTIONS INC	7
3	876391P	October 30, 2023	* LAMBDA SOLUTIONS INC	9

Base Registration Number: 399940D

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 13, 2006 at 11:03:40 am Pacific time
Current Expiry Date and Time:	December 13, 2031 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 9:29:26 am Pacific time)

Secured Party Information

**BUSINESS DEVELOPMENT BANK OF
CANADA**

Address

1500 - 1133 MELVILLE STREET
VANCOUVER BC
V6E 4E5 Canada

Debtor Information

LAMBDA SOLUTIONS INC.

Address

1100 - 505 BURRARD STREET
VANCOUVER BC
V7X 1M5 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND WITHOUT
LIMITATION ALL CROPS, LICENSES AND FIXTURES.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**BUSINESS DEVELOPMENT BANK OF
CANADA**

Address

1500 - 1133 MELVILLE STREET
VANCOUVER BC
V6E 4E5 Canada

HISTORY

(Showing most recent first)

RENEWAL

Registration Date and Time: October 31, 2019 at 2:06:46 pm Pacific time
Registration Number: 865800L
Registration Life: 6 Years
New Expiration Date and Time: December 13, 2031 at 11:59:59 pm Pacific time

Registering Party Information

**BUSINESS DEVELOPMENT BANK
OF CANADA**

Address

1500 - 1133 MELVILLE STREET
VANCOUVER BC
V6E 4E5 Canada

AMENDMENT

Registration Date and Time: March 3, 2017 at 4:41:51 pm Pacific time
Registration Number: 858219J
Description: POSTPONEMENT AND PRIORITY AGREEMENT IN FAVOUR OF LIQUID CAPITAL EXCHANGE CORP. SECURITY AGREEMENT REGISTERED MARCH 3, 2017 AS BASE REGISTRATION #857690J, GRANTING PRIORITY OVER ACCOUNTS RECEIVABLE DESCRIBED IN THE POSTPONEMENT AND PRIORITY AGREEMENT DATED FEBRUARY 24, 2017.

Registering Party Information

HAMMERBERG LAWYERS LLP

Address

1220 - 1200 WEST 73RD AVENUE
VANCOUVER BC
V6P 6G5 Canada

RENEWAL

Registration Date and Time: June 10, 2013 at 4:16:47 pm Pacific time
Registration Number: 395100H
Registration Life: 5 Years
New Expiration Date and Time: December 13, 2025 at 11:59:59 pm Pacific time

Registering Party Information

**BUSINESS DEVELOPMENT BANK
OF CANADA**

Address

1500 - 1133 MELVILLE STREET
VANCOUVER BC
V6E 4E5 Canada

AMENDMENT

Registration Date and Time: November 5, 2009 at 10:45:37 am Pacific time
Registration Number: 261175F
Description: SUBORDINATION AGREEMENT REGARDING THE PRIORITY
OF THE SECURED PARTY'S SECURITY INTERESTS VIS A VIS
THE SECURITY INTERESTS PERFECTED BY BASE
REGISTRATION NO. 257729FREGISTERED ON NOVEMBER
3, 2009

Registering Party Information

**FASKEN MARTINEAU DUMOULIN
LLP**

Address

SUITE 2900, 550 BURNARD STREET
VANCOUVER BC
V6C 0A3 Canada

RENEWAL

Registration Date and Time: December 6, 2007 at 9:30:47 am Pacific time
Registration Number: 076020E
Registration Life: 3 Years
New Expiration Date and Time: December 13, 2020 at 11:59:59 pm Pacific time



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registering Party Information

**BUSINESS DEVELOPMENT BANK
OF CANADA**

Address

1500 - 1133 MELVILLE STREET
VANCOUVER BC
V6E 4E5 Canada

Base Registration Number: 657943M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 16, 2020 at 8:59:11 am Pacific time
Current Expiry Date and Time:	December 16, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 9:29:26 am Pacific time)

Secured Party Information

**EVERGREEN GAP DEBT GP INC., AS
AGENT**

Address

47 FRONT ST. E, STE 200
TORONTO ON
M5E 1B3 Canada

Debtor Information

LAMBDA SOLUTIONS INC

Address

200-110 WEST HASTINGS STREET
VANCOUVER BC
V6B 1G8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

A SECURITY INTEREST IS TAKEN IN ALL ASSETS OF THE DEBTOR, WHETHER NOW OWNED OR
HEREAFTER ACQUIRED BY THE DEBTOR AND WHERESOEVER LOCATED, AND THE PROCEEDS THEREOF.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

WILDEBOER DELLELCE LLP (PA-M)

Address

365 BAY STREET, SUITE 800
TORONTO ON
M5H 2V1 Canada

Base Registration Number: 876391P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	October 30, 2023 at 6:06:42 am Pacific time
Current Expiry Date and Time:	October 30, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of October 29, 2024 at 9:29:26 am Pacific time)

Secured Party Information

BMW CANADA INC.

Address

50 ULTIMATE DRIVE
RICHMOND HILL ON
L4S 0C8 Canada

Debtor Information

LEVY, SHERA BAT	Address 3985 BAYRIDGE AVENUE WEST VANCOUVER BC V7V 3J6 Canada	Birthdate February 16, 1955
LEVY, BATSHEVA	Address 3985 BAYRIDGE AVENUE WEST VANCOUVER BC V7V 3J6 Canada	Birthdate February 16, 1955
LEVY, SHEVY	Address 3985 BAYRIDGE AVENUE WEST VANCOUVER BC V7V 3J6 Canada	Birthdate February 16, 1955
LEVY, BAT SHEVA	Address 3985 BAYRIDGE AVENUE WEST VANCOUVER BC V7V 3J6 Canada	Birthdate February 16, 1955
LAMBDA SOLUTIONS INC	Address 1659 EDGEWATER LANE NORTH VANCOUVER BC V7H 1T3 Canada	
BAT SHEVA, LAVY	Address 3985 BAYRIDGE AVENUE WEST VANCOUVER BC V7V 3J6 Canada	Birthdate February 16, 1955

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2023	BMW / X3 xDrive30e	5UX63DP07P9R45840

General Collateral

Base Registration General Collateral:

The full debtor name is: BAT SHEVA LEVY

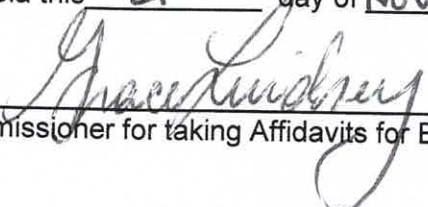
Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
MISSISSAUGA ON
L4Z 1H8 Canada

This is **Exhibit "D"** referred to in the affidavit of **Batsheva Levy** affirmed before me at Vancouver, British Columbia this 21 day of NOVEMBER, 2024.


A Commissioner for taking Affidavits for British Columbia

GRACE LINDSEY
Barrister & Solicitor
REEDMAN LAW
#800-1030 WEST GEORGIA STREET
VANCOUVER B.C. V6E 2Y3
TEL: 604-570-0005 FAX: 604-688-1619

Lambda Solutions Inc.

Trial Balance

As of October 31, 2024

	Debit	Credit
1012 CDN Cash Accounts:Royal Bank CAD	164,383.34	
1020 CDN Cash Accounts:PayPal Bank	0.00	
1022 CDN Cash Accounts:LAMBDA SERBIA CAD	0.00	
Lambda Serbia EU	0.00	
1011 USD Cash Accounts:Royal Bank USD	5,308.69	
1014 USD Cash Accounts:RBC GLOBAL USD	1,847.93	
1019 USD Cash Accounts:Paypal Bank USD	1,672.55	
1000 Accounts Receivable CAD	88,334.69	
1001 Accounts Receivable - USD		691.49
1005 CRA Subsidies Receivable	0.00	
10001 ITC-SRED	250,000.00	
12000 Undeposited Funds	0.00	
12001 Uncategorized Asset	136,561.97	
1350 Prepaid Expense & Deposits	37,571.68	
1702 Fixed Assets:Capital expenditure - Hardware	200,100.92	
1708 Fixed Assets:Accum. Deprec. - Hardware		163,161.04
1722 Fixed Assets:Capital expenditures - Leasehol	0.00	
1728 Fixed Assets:Accum Amort - Leasehold Im	0.00	
1742 Fixed Assets:Computer Software	69,541.14	
1748 Fixed Assets:Accum Amort - Computer Software		69,541.14
2000 Accounts Payable - CAD		333,126.28
2003 Accounts Payable - EUR		23,824.92
2004 Accounts Payable - USD		103,315.56
2005 Accounts Payable (A/P) - RSD		18,444.93
2006 Accounts Payable (A/P) - AUD		34,181.00
2040 Credit Cards:RBC VISA		1,485.97
2060 TOTARA SUBSCRIPTION PAYABLE		0.00
Accrued Expenses		0.00
Accrued Expenses:Accrued Liability		61,547.57
2170 Accrued Expenses:PAYROLL LIABILITIES:Wages Payable		105,020.38
2171 Accrued Expenses:PAYROLL LIABILITIES:Vacation Payable		0.00
2172 Accrued Expenses:PAYROLL LIABILITIES:Commission Payable		49,632.00
2190 Accrued Expenses:PAYROLL LIABILITIES:Income Tax Payable		15,309.02
2191 Accrued Expenses:PAYROLL LIABILITIES:WorkSafe BC Payable		453.23
2192 Accrued Expenses:PAYROLL LIABILITIES:Group Health Payable		0.00
2195 Accrued Expenses:PAYROLL LIABILITIES:BC Health Tax Payable		1,947.14
2303 Accrued Expenses:SALES TAX:GST/HST Payable		53,873.74
Accrued Expenses:SALES TAX:GST/HST Payable:GST/HST Payable		0.00
2305 Accrued Expenses:SALES TAX:PST Payable (BC)		0.00

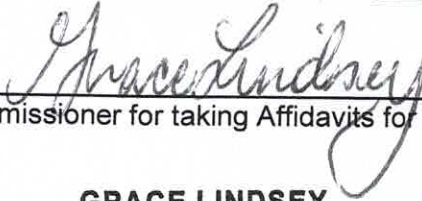
2306 Accrued Expenses:SALES TAX:PST Payable (ON)	0.00
2308 Accrued Expenses:SALES TAX:AZ-Phoenix Payable	8,188.69
Accrued Expenses:SALES TAX:Receiver General Suspense	0.00
Deferred Revenue	1,856,725.64
Loans	0.00
2619 Loans:BDC:BDC - 09	52,900.00
2620 Loans:BDC:BDC - 10	117,450.00
2621 Loans:BDC:BDC - 11	255,485.63
2611 Loans:Evergreen:Evergreen Gap Debt GP Inc.	1,376,926.56
2612 Loans:Evergreen:Firepower - Finance Fee	0.00
2613 Loans:Evergreen:Evergreen Gap Debt GP Inc. SRED	0.00
2632 Loans:Shareholder and Other:Dan Netanyahu	167,735.19
2634 Loans:Shareholder and Other:Shevy & Doron Levy	401,581.52
2638 Loans:Shareholder and Other:Gregory and Lima Lubocki	251,712.11
2362a Shareholder and Others (USD):Dan Netanyahu USD	500,253.66
3000 Opening Balance Equity	0.00
3101 Shareholder Equity:Founder- Shevy Levy	433,811.00
3102 Shareholder Equity:Founder- Doron Levy	10,695.00
3103 Shareholder Equity:Founder- Joshua Keshet	264,362.44
3104 Shareholder Equity:Founder- Joel Mackoff	10,050.00
3111 Shareholder Equity:Associated- Dorothea Vogel	20.00
3112 Shareholder Equity:Associated- James Yupangco	15,283.42
3120 Shareholder Equity:Employee- Dorian Prior	2.00
3121 Shareholder Equity:Employee- Scott Tearle	10.00
3122 Shareholder Equity:Employee- Jason McIvor	6.50
3123 Shareholder Equity:Employee- Dean Rand	28.50
3124 Shareholder Equity:Employee- Maria De Torres	335.97
3125 Shareholder Equity:Employee- Benjamin Young	820.10
3126 Shareholder Equity:Employee-George Mihailov	37,027.50
3127 Shareholder Equity:Employee-Stewart Rogers	22.50
3128 Shareholder Equity:Board-Ran Kohavi	10.00
3129 Shareholder Equity:Board-Pieter Dorsman	25,020.00
3130 Shareholder Equity:Board - Brad McPhee	26,000.00
3131 Shareholder Equity:Board - Murray Goldberg	15,000.00
3152 Shareholder Equity:Investor- Leah Edelstein-Keshet	82,780.00
3153 Shareholder Equity:Investor- Aviv Keshet	78,752.00
3154 Shareholder Equity:Investor- Ilan Keshet	78,752.00
3155 Shareholder Equity:Investor- FMD National Inc.	15,175.43
3156 Shareholder Equity:Investor- Peter Briscoe of Idea	6,864.00
3157 Shareholder Equity:Investor- Nimrod Levy	93,782.00
3158 Shareholder Equity:Investor- Naama Sireni	93,782.00
3159 Shareholder Equity:Investor- Cheryl Milner	27,640.00
3161 Shareholder Equity:Investor- Redleaf Solutions Inc.	25.72
Shareholder Equity:3163 Investor - Dan Netanyahu	55,703.00

3400 Shareholder Equity:Contributed Surplus		1,221,829.00
3500 Retained Earnings	8,278,115.58	
TOTAL	<u>\$ 11,452,231.14</u>	<u>\$ 11,452,231.14</u>

Friday, Nov. 15, 2024 09:45:13 a.m. GMT-8 - Accrual Basis

Cash	173,212.51
AR	88,334.69
Income Taxes Receivable	250,000.00
Other Assets	136,561.97
Prepays	37,571.68
Fixed Assets	36,939.88

This is **Exhibit "E"** referred to in the affidavit of **Batsheva Levy** affirmed before me at Vancouver, British Columbia this 21 day of NOVEMBER, 2024.



A Commissioner for taking Affidavits for British Columbia

GRACE LINDSEY
Barrister & Solicitor

REEDMAN LAW
#800-1030 WEST GEORGIA STREET
VANCOUVER B.C. V6E 2Y3
TEL: 604-570-0005 FAX: 604-688-1619

In the Matter of the Notice of Intention to File a Proposal of Lambda Solutions Inc.
For the Period of November 3, 2024 to February 15, 2025
Cash Flow Projections

	1 3-Nov-24	2 10-Nov-24	3 17-Nov-24	4 24-Nov-24	5 1-Dec-24	6 8-Dec-24	7 15-Dec-24	8 22-Dec-24
	9-Nov-24	16-Nov-24	23-Nov-24	30-Nov-24	7-Dec-24	14-Dec-24	21-Dec-24	28-Dec-24
Opening Cash	17,955	81,674	41,039	26,039	110,645	61,413	62,683	10,173
Cash Inflows								
Accounts Receivable Collections	[3] 87,600	-	-	19,366	35,300	8,145	-	-
Forecasted Sales	[4] -	-	-	-	8,167	-	-	-
Interim Financing	[5] -	-	-	120,000	-	-	-	-
	87,600	-	-	139,366	43,468	8,145	-	-
Cash Outflows								
Cost of Goods Sold	[6] 3,150	-	-	-	50,095	-	-	-
Wages, Benefits, and Employee Source Deductions	[7] -	35,635	-	47,885	-	-	35,635	-
Contractors	[8] 9,345	-	-	-	9,345	-	-	-
Contingency	[9] -	5,000	-	5,000	-	5,000	-	5,000
Professional Fees (Restructuring)	[10] -	-	15,000	1,875	21,875	1,875	16,875	1,875
Operating Expenses	[11] 11,386	-	-	-	11,386	-	-	-
Repayment of Interim Financing	[5] -	-	-	-	-	-	-	-
Payment of Goods and Services Tax	[12] -	-	-	-	-	-	-	-
	23,881	40,635	15,000	54,760	92,701	6,875	52,510	6,875
Change in Cash	63,720	(40,635)	(15,000)	84,606	(49,233)	1,270	(52,510)	(6,875)
Closing Cash	81,674	41,039	26,039	110,645	61,413	62,683	10,173	3,298

Lambda Solutions Inc.

This statement of projected cash flow of Lambda Solutions Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

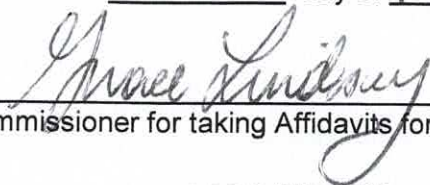
Crowe MacKay & Company Ltd.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of Lambda Solutions Inc. and not in its personal capacity

In the Matter of the Notice of Intention to File a Proposal of Lambda Solutions Inc.
For the Period of November 3, 2024 to February 15, 2025
Cash Flow Projections

	9	10	11	12	13	14	15
	29-Dec-24	5-Jan-25	12-Jan-25	19-Jan-25	26-Jan-25	2-Feb-25	9-Feb-25
	4-Jan-25	11-Jan-25	18-Jan-25	25-Jan-25	1-Feb-25	8-Feb-25	15-Feb-25
Opening Cash	3,298	479,605	386,440	338,018	318,417	511,881	443,588
Cash Inflows							
Accounts Receivable Collections	83,754	-	-	-	75,967	8,145	-
Forecasted Sales	469,009	1,262	-	-	221,002	1,262	-
Interim Financing	-	-	-	-	-	-	-
	552,764	1,262	-	-	296,969	9,407	-
Cash Outflows							
Cost of Goods Sold	-	50,095	-	-	-	50,095	-
Wages, Benefits, and Employee Source Deductions	57,081	16,726	34,048	12,726	34,130	-	46,774
Contractors	-	9,345	-	-	-	9,345	-
Contingency	-	5,000	-	5,000	-	5,000	-
Professional Fees (Restructuring)	19,375	1,875	14,375	1,875	19,375	1,875	14,375
Operating Expenses	-	11,386	-	-	25,000	11,386	5,000
Repayment of Interim Financing	-	-	-	-	-	-	120,000
Payment of Goods and Services Tax	-	-	-	-	25,000	-	-
	76,456	94,427	48,423	19,601	103,505	77,701	186,149
Change in Cash	476,308	(93,165)	(48,423)	(19,601)	193,465	(68,294)	(186,149)
Closing Cash	479,605	386,440	338,018	318,417	511,881	443,588	257,439

This is **Exhibit "F"** referred to in the affidavit of **Batsheva Levy** affirmed before me at Vancouver, British Columbia this 21 day of NOVEMBER, 2024.



A Commissioner for taking Affidavits for British Columbia

GRACE LINDSEY

Barrister & Solicitor

REEDMAN LAW

#800-1030 WEST GEORGIA STREET

VANCOUVER B.C. V6E 2Y3

TEL: 604-570-0005 FAX: 604-688-1619

DEBTOR-IN-POSSESSION FINANCING TERM SHEET

This term sheet ("**DIP Term Sheet**"), dated for reference November __, 2024, sets out the terms and conditions upon which Batsheva Levy will provide debtor-in-possession financing to the Borrower (as defined below) in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

Borrower: Lambda Solutions Inc. (the "**Borrower**").

DIP Lender: Batsheva Levy (the "**DIP Lender**").

Proposal Trustee: Crowe MacKay & Company Ltd. in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") in connection with the Borrower's proceedings (the "**BIA Proceedings**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") commenced by a Notice of Intention to Make a Proposal filed on November 1, 2024.

Type of DIP Loan: Line of credit facility of up to a maximum aggregate principal amount of CDN \$120,000 (the "**DIP Loan**"), secured by way of the DIP Charge (defined herein). The DIP Loan is made available to the Borrower, subject to and in accordance with the terms set forth herein, and may be drawn upon by the Borrower in multiple advances as needed for the purposes authorized by this DIP Term Sheet, with the prior written approval of the Proposal Trustee.

Availability: Subject to the fulfillment of the applicable conditions precedent to the availability of the DIP Loan set out herein and the Borrower's Adherence to the Form 30 - Report of Consolidated Cash-Flow Statement by the Person Making the Proposal dated November 8, 2024 (the "**Approved Cash Flows**") being satisfactory to each of the Proposal Trustee and the DIP Lender and provided that no Event of Default (as defined below) has occurred and is then continuing, advances of the DIP Loan shall be made by the DIP Lender to the Borrower.

Purpose, Use of Proceeds: The proceeds of the DIP Loan will be used by the Borrower to fund the cash flow requirements of the Borrower on a going concern basis provided that the same is, unless approved in writing by the DIP Lender and the Proposal Trustee, (i) in accordance with the Approved Cash Flows and (ii) not on account of a liability that existed as of November 1, 2024, including for avoidance of doubt but without limitation any unremitted statutory remittances existing as of November 1, 2024.

Closing Date: On or before November 29, 2024 unless otherwise agreed by the Borrower and the DIP Lender (the "**Closing Date**").

Termination Date:

The maturity of the DIP Loan (the "**Termination Date**") shall be the earliest of:

- a) February 28, 2025;
- b) the effective date of any merger, amalgamation, consolidation, arrangement, reorganization, recapitalization, sale or any other transaction affecting all or a material part of the Borrower's assets or operations or resulting in the change of ownership or control of the Borrower confirmed by the Supreme Court of British Columbia (the "**Court**") and satisfactory to the DIP Lender (any of the foregoing being a "**Transaction**");
- c) the date on which the Borrower's stay of proceedings expires without being extended or the date on which the BIA Proceedings are dismissed or terminated or the date on which either of the Borrower becomes bankrupt or the stay of proceedings is lifted to allow the filing of a bankruptcy or receivership application or similar insolvency proceeding; and
- d) the date of the acceleration of the DIP Loan and the termination of the commitment with respect to the DIP Loan as a result of an Event of Default (as defined herein).

All outstanding amounts under the DIP Loan, together with all interest accrued in respect thereof and all other amounts owing under this DIP Term Sheet shall be payable in full on the Termination Date.

Interest Rates:

All amounts outstanding under the DIP Loan will bear interest at a rate of 10% per annum, on the daily balance outstanding under the DIP Loan.

Interest shall be due, owing, payable and repaid as the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.

Commitment Fee:

The Borrower shall pay to the DIP Lender a commitment fee equal to 1.5% (the "**Commitment Fee**"). The Commitment Fee is non-refundable and is fully earned and payable no later than the Closing Date.

Repayment:

Unless otherwise repaid as contemplated herein, the DIP Loan shall be due, owing, payable and repaid as the Termination Date without further notice, protest, demand or other act on the part of the DIP Lender.

Mandatory Prepayments:

The DIP Loan shall be repaid in full from the net proceeds of any Transaction involving the Borrower.

Representation and Warranties:

The Borrower represents and warrants to the DIP Lender as of the date hereof, and as of the date of each advance under the DIP Loan, that:

- a) the Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, has all requisite power to carry on business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, are qualified to do business in, and are in good standing in, every jurisdiction where such qualification is required;
- b) the execution, delivery and performance, as applicable, of the DIP Term Sheet has been duly authorized by all actions, if any, required on the part and by the Borrower's directors, and constitutes a legal, valid and binding obligation of the Borrower enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application that limit the enforcement of creditors' rights generally and to general equitable principles;
- c) the Approved Cash Flows represent the Borrower's best estimate as at each applicable date of the likely results of the operations of the Borrower during the period applicable thereto and, to the Borrower's knowledge, such results are achievable as provided therein;
- d) there are no arrears for any statutory remittances, withholding taxes or other amounts that, if unpaid, would have the benefit of an encumbrance or deemed trust in priority to the DIP Security and the DIP Charge (as defined herein), such as without limitation taxes under the *Excise Tax Act* (Canada) and any source deduction remittances to the Canada Revenue Agency, except those accruing in the normal course and not yet due; and
- e) except in respect of periods preceding November 1, 2024, all employee wages and other amounts owing to employees are up-to-date and there are no amounts owing in respect of wages, termination pay,

severance pay, vacation pay, pension benefit contributions or other benefits except those accruing in the normal course and in accordance with the established practices and arrangements of the Borrower.

Covenants

The Borrower covenants and agrees that:

- a) the Borrower shall pay all amounts and satisfy all obligations in respect of the DIP Loan, including the Commitment Fee;
- b) the Borrower shall not make or permit to be made any payment on account obligations owing as at November 1, 2024, without the prior consent of the Proposal Trustee and the DIP Lender or pursuant to an order of the Court;
- c) the Borrower shall not undertake any actions with respect to their respective assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, have a material adverse effect on the Borrower or the Collateral (as defined below);
- d) the Borrower shall not incur any indebtedness, including the giving of guarantees, other than indebtedness specifically contemplated herein or permitted in writing by the DIP Lender;
- e) the Borrower shall not incur, create, assume or suffer to exist any lien, charge, security interest or other encumbrance on any of the Collateral now owned or hereafter acquired other than: (i) those encumbrances existing as of November 1, 2024, (ii) permitted by the DIP Lender in its sole discretion, (iii) the DIP Charge, and (iv) the Administration Charge, to be granted by the Court;
- f) the Borrower shall not enter into any other credit facility or loan arrangements that would be secured in priority to or pari passu with the DIP Loan;
- g) the Borrower shall not enter into any Transaction without the prior written consent of the DIP Lender;
- h) without the prior written consent of the DIP Lender, the Borrower shall not: (i) declare or pay any dividends on, or make any other payments or distributions (whether by reduction of capital or otherwise) with respect to any of their respective

issued and outstanding shares or other equity interests, or (ii) grant any loans;

- i) the Borrower shall not sell any of their assets outside of the ordinary course of business without the prior written consent of the DIP Lender;
- j) the Borrower shall ensure that their senior management team and advisors are available to meet and respond to enquiries and information requests from the Proposal Trustee and the DIP Lender and their advisors as may be reasonably required, and in any event no less frequently than once per month, and to provide them with updates as may be required by the DIP Lender or the Proposal Trustee;
- k) the Borrower shall promptly pay all DIP Expenses (as defined below), including all legal and advisory fees and expenses, of the DIP Lender as such DIP Expenses are incurred and invoiced to the Borrower;
- l) the Borrower shall pay the fees, if any, owing to the DIP Lender in connection with the DIP Loan (as set out herein or otherwise) promptly when such fees are due;
- m) the Borrower shall update the Approved Cash Flows and provide a copy thereof to the DIP Lender and the Proposal together with a comparison to the prior version for the DIP Lender's approval, it being understood that such updated Approved Cash Flows, if approved, become the Approved Cash Flows for purposes hereof; and
- n) the Borrower shall provide such other information that the DIP Lender may reasonably request in relation to the BIA Proceedings, the Collateral, or the DIP Loan generally.

Security:

As security (the "**DIP Security**") for the prompt payment of all amounts payable by the Borrower to the DIP Lender under the DIP Term Sheet and as security for the due and punctual performance by the Borrower of their existing and future obligations pursuant to the DIP Term Sheet (the "**DIP Obligations**"), the Borrower hereby grants, conveys, assigns, transfers, mortgages and charges as and by way of a fixed and specific security interest, mortgage and charge, to and in favour of the DIP Lender, all of their property, assets, rights and undertakings, real and personal, moveable or immovable, tangible and intangible, legal or equitable, of whatsoever nature and kind, wherever located, both present

and future, and now or hereinafter owned or acquired (collectively, the "**Collateral**").

The DIP Security shall be elevated by way of a Court-ordered super-priority charge (the "**DIP Charge**"). The DIP Charge shall rank in priority on the Collateral in priority to any security interests, claims, or deemed trusts (statutory or otherwise) but subordinated to the Administration Charge, without any other formality or requirement, such as without limitation under the Personal Property Security Act (British Columbia) or registrations in land registration office(s) or otherwise.

Events of Default:

Each of the following shall constitute an "**Event of Default**":

- a) the Borrower's default in the payment of any amount due and payable to the DIP Lender (whether of principal, interest or otherwise) pursuant to this DIP Term Sheet;
- b) any representations and warranties made by the Borrower in the DIP Term Sheet prove to be incorrect as of the date given;
- c) the Borrower fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in the DIP Term Sheet or any other document between the Borrower and the DIP Lender;
- d) the stay of proceedings expires without being extended or the BIA Proceedings being dismissed or terminated or the Borrower becoming subject to a proceeding in bankruptcy or receivership or similar insolvency proceeding;
- e) the entry of an order staying, amending, reversing, vacating or otherwise modifying or having a material adverse effect with respect to, in each case without the prior written consent of the DIP Lender, the DIP Loan or the DIP Charge;
- f) the Borrower undertakes any actions with respect to their assets, business operations and/or capital structure which would, in the sole determination of the DIP Lender, has a material adverse effect on the Borrower or the Collateral;
- g) if the Borrower makes any payments of any kind not permitted by this DIP Term Sheet, or contemplated by the Approved Cash Flows;

- h) the occurrence of any other event or circumstance that has, or could reasonably be expected to have, a material adverse effect on either of the Borrower or on the Collateral, including a material adverse change from the Approved Cash Flow budget as determined by the DIP Lender in its sole discretion; and
- i) if there is a change in the ownership, control, existing senior operating management arrangements or governance of the Borrower that is not acceptable to the DIP Lender.

Upon the occurrence of an Event of Default, without any notice, protest, demand or other act on the part of the DIP Lender, all indebtedness of the Borrower to the DIP Lender shall become immediately due and payable and the DIP Lender shall be able to take all steps necessary to enforce its security. The DIP Lender shall also have the right to exercise all other customary remedies, including, without limitation, the right to enforce and realize on any or all of the Collateral, in each case, upon providing two (2) days prior written notice to the Borrower and the Proposal Trustee, without the necessity of obtaining further relief or an order from the Court.

Conditions Precedent, to first advance:

The conditions precedent to any advance being made under this DIP Term Sheet are:

- a) the representations and warranties made by the Borrower in this DIP Loan Term Sheet being true and correct as of the date given; and
- b) the issuance of a Court order approving the DIP Loan and the DIP Term Sheet, creating the DIP Charge, and authorizing the payment by the Borrower of all of the fees and expenses in respect of DIP Loan (the "DIP Order").

Illegality:

In the event that it becomes illegal for the DIP Lender to lend or continue to lend, the DIP Lender will be repaid and/or the DIP Lender's commitment will be cancelled.

Taxation:

All payments of principal, interest and fees will be made free and clear of all present and future taxes, levies, duties or other deductions of any nature whatsoever, levied either now or at any future time.

Fees and Expenses:

The Borrower shall pay all of the DIP Lender's due diligence and other out-of-pocket expenses (including the fees and expenses of its counsel and advisors), whether or not any of the transactions contemplated hereby are consummated and

whether incurred prior to or after the date of the DIP Order, as well as all expenses of the DIP Lender in connection with the ongoing monitoring, interpretation, administration, protection and enforcement of the DIP Loan, and the enforcement of any and all of its remedies at law (collectively, the "**DIP Expenses**").

Governing Law, Jurisdiction: Laws of the Province of British Columbia and the federal laws of Canada applicable in the Province of British Columbia. The Borrower agrees to submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

IN WITNESS HEREOF, the parties hereby execute this DIP Term Sheet as of the date first written above.

LAMBDA SOLUTIONS INC.

Per: _____

Date: _____

Name:

Title:

LEVY, BATCHEVA

Date: _____