

Court File No.:
CV-24-00719237-00CL

OSB Estate No.:
31-459880

1001138302 ONTARIO INC.

(Formerly ANTIBE THERAPEUTICS INC., in receivership)

SECOND INTERIM REPORT OF THE RECEIVER

(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)

May 30, 2025

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SECOND INTERIM REPORT OF THE RECEIVER
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)

In the Matter of the Receivership of
1001138302 ONTARIO INC.
(Formerly ANTIBE THERAPEUTICS INC., in receivership)

INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Justice Osborne (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 30, 2024, FTI Consulting Canada Inc. was appointed, effective retroactively from April 22, 2024 (the “**Date of Receivership**”), as receiver and manager (the “**Receiver**”) without security of all the assets, undertakings and properties (the “**Property**”) of Antibe Therapeutics Inc. (“**Antibe**”, or the “**Company**”) acquired for or used in relation to a business carried on by the Company. The application was brought pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and shall be referred to herein as the “**Receivership**”.
2. On November 18, 2024, the First Interim Report of the Receiver (the “**First Interim Report**”) was issued for the Receivership of Antibe pursuant to section 246(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), for the period from the Date of Receivership to October 31, 2024.

3. Pursuant to the approval and reverse vesting order of the Court dated January 29, 2025 (the “**RVO**”), the Court approved the Transaction Agreement between Antibe and Taro Pharmaceuticals Inc. (the “**Purchaser**”) dated January 15, 2025 (the “**Transaction Agreement**”), and the transaction contemplated therein (the “**Transaction**”) and ordered, among other things, that: (i) all of Antibe’s right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in 1001138302 Ontario Inc. (“**ResidualCo**”); and (ii) all of the Excluded Assets, Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo. Defined terms contained within this paragraph are as defined herein or in the Transaction Agreement. The Transaction closed on March 17, 2025.
4. This report (the “**Second Interim Report**”) has been prepared pursuant to section 246(2) of the BIA, and, following the closing of the Transaction, is the second interim report of the Receiver of ResidualCo (formerly Antibe).
5. A copy of the First Interim Report, as well as other documentation pertaining to the Receivership including the RVO and the Transaction, can be found on the website established by the Receiver at <http://cfcanada.fticonsulting.com/antibe> (the “**Case Website**”).
6. The purpose of this Second Interim Report is to provide information in respect of the following:
 - (a) activities of the Receiver undertaken since November 1, 2024;
 - (b) the Receiver’s interim statement of receipts and disbursements for the period from November 1, 2024 to April 30, 2025;
 - (c) details of the Property of which the Receiver took possession or control that has not yet been sold or realized;
 - (d) expected recoveries for unsecured creditors; and

- (e) information about the anticipated completion of the Receivership.

TERMS OF REFERENCE

7. In preparing this Second Interim Report, the Receiver has relied upon unaudited financial information of the Company, the Company's books and records, and discussions with various parties (collectively, the "**Information**").
8. Except as described in this Second Interim Report:
 - (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) The Receiver has not examined or reviewed any financial forecasts and projections referred to in this Second Interim Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. The Receiver has prepared this Second Interim Report pursuant to section 246(2) of the BIA and this Second Interim Report should not be relied on for any other purposes.
10. Future oriented financial information reported or relied on in preparing this Second Interim Report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order.

ACTIVITIES UNDERTAKEN SINCE THE DATE OF RECEIVERSHIP

REALIZATION OF PROPERTY AND PROPERTY THAT HAS NOT YET BEEN SOLD OR REALIZED

12. Pursuant to the Order of the Honourable Mr. Justice Osborne (the “**Sale Process Order**”), granted on June 24, 2024, the Court approved a sale process for the Property (the “**Sale Process**”). A copy of the Sale Process Order is available on the Case Website.
13. The Sale Process concluded with a successful bid for the Property, which formed the basis of the Transaction approved by the Court pursuant to the RVO. A copy of the RVO is available on the Case Website.
14. The RVO Transaction successfully closed on March 17, 2025. Excluded assets and excluded liabilities that were not part of the RVO Transaction were transferred to ResidualCo.
15. Following the closing of the Transaction, there are no further assets that may be realized by the Receiver except for the collection of certain sales tax refunds of ResidualCo.

ADMINISTRATION OF THE CLAIMS PROCEDURE

16. Pursuant to the Order of the Honourable Mr. Justice Osborne granted on June 24, 2024 (the “**Claims Procedure Order**”), the Court approved a claims procedure process to be administered by the Receiver (the “**Claims Procedure**”). The purpose of the Claims Procedure is to identify, quantify, and resolve claims against the Company and against its directors and officers.
17. The Claims Bar Date (as defined in the Claims Procedure Order) was August 30, 2024. The Receiver completed adjudicating the filed claims, and provide a comprehensive update to the Court in the First Supplemental Report to the Second Report of the Receiver dated January 15, 2025 (the “**First Supplemental Report**”), available on the Case Website.
18. The adjudication of the Claims Procedure resulted in the acceptance of the following proven claims:

- (a) a trust claim in the amount of approximately US\$519,000;
 - (b) a preferred claim in the amount of \$2,000; and
 - (c) approximately \$42.5 million of unsecured claims.
19. As noted in the First Supplemental Report, there were certain not-yet-proven Claims (the “**Unresolved Claims**”) totalling approximately \$500,000 as at March 26, 2025. All Unresolved Claims have since been resolved.

INTERIM DISTRIBUTION TO CREDITORS

20. On April 3, 2025 following closing of the Transaction, the Honourable Mr. Justice Osborne of the Court granted an order (the “**Interim Distribution Order**”), authorizing the Receiver to issue interim distributions totalling approximately \$17.8 million to unsecured creditors, and \$2,000 to preferred creditors (collectively, the “**Interim Distributions**”). A copy of the Interim Distribution Order is available on the Case Website.
21. The Receiver has issued the Interim Distributions in accordance with the Interim Distribution Order. For Unresolved Claims that have since become proven Claims, the Receiver has issued Interim Distributions from the holdback established for such Claims.

EMPLOYEE MATTERS

22. As at the Date of Receivership, the Company employed thirteen individuals which included three independent contractors. Three employees and one independent contractor were retained to assist with the Sale Process, Claims Process, regulatory matters and administration of the Receivership. All of the Company’s employees were terminated prior to the closing of the RVO Transaction.
23. All required filings under the *Wage Earner Protection Program Act* (“**WEPPA**”) were made by the Receiver and former employees were notified of their eligibility or ineligibility for payments under WEPPA.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS TO APRIL 30, 2025

24. The Receiver's interim statement of receipts and disbursements for the period from November 1, 2024 to April 30, 2024 were as follows:

(CAD, \$)	Total
Receipts	
Sale proceeds	4,499,955
Interest income	338,425
Refunds, returned deposits and other misc. receipts	1,261
Total Receipts	\$ 4,839,641
Operating Disbursements	
Payroll-related	(291,642)
Other professional and consulting fees	(130,604)
GST/HST paid	(185,809)
Operating expenses	(9,828)
Total Operating Disbursements	(617,882)
Receivership Disbursements	
Receiver's fees	(788,730)
Legal fees and disbursements	(480,023)
Total Receivership Disbursements	(1,268,753)
Non-Operating Disbursements	
Interim distributions to creditors	(17,317,488)
Foreign exchange gains / (losses)	6,015
Total Non-Operating Disbursements	(17,311,473)
Total Disbursements	\$ (19,198,108)
Excess of Cash Receipts over Disbursements	\$ (14,358,467)
Beginning Balance (November 1, 2024)	16,971,272
Ending Cash Balance (April 30, 2025)	\$ 2,612,805

EXPECTED RECOVERIES FOR UNSECURED CREDITORS

25. As outlined in the First Interim Report of the Receiver, the Receiver identified approximately US\$519,000 subject to a constructive trust (the "**Priority Amount**") to Nuance Pharma Ltd. ("**Nuance**"). Pursuant to an ancillary order issued by the Honourable Mr. Justice Osborne of the Court on June 24, 2025 (the "**Ancillary Order**"), the Priority Amount was recognized in favour of Nuance and the Receiver was authorized to distribute the Priority Amount to Nuance. In accordance with the Ancillary Order, the Receiver distributed the Priority Amount to Nuance. A copy of the Ancillary Order is available on the Case Website.

26. As outlined above and pursuant to the Interim Distribution Order, the Receiver was authorized to issue Interim Distributions totalling \$17.8 million to unsecured creditors. The distributions approved under the Interim Distribution Order represent a recovery of approximately 42% for unsecured proven claims.
27. The Receiver established a Holdback Reserve of \$2.5 million to, among other things, settle all remaining costs to complete administration of the Receivership and bankrupt ResidualCo. Should the Receiver determine there are excess funds available for distribution to unsecured creditors, the Receiver intends to seek approval of the Court to make a final distribution to unsecured creditors. At this time, the Receiver is not able to reasonably estimate the quantum of any final distribution, if any, that may be available for the benefit of unsecured creditors.

INFORMATION REGARDING THE COMPLETION OF THE RECEIVERSHIP

28. The current plan for the completion of the Receivership includes the following:
 - (a) complete any required statutory tax returns and filings;
 - (b) collect outstanding sales tax refunds;
 - (c) seek Court approval for a final distribution, if any, to the Company's unsecured creditors;
 - (d) seek Court approval of the fees and expenses of the Receiver; and
 - (e) obtain a discharge order from the Court discharging the Receiver.
29. It is currently anticipated that the administration of the Receivership will be completed within six to twelve months, subject to the requirement for the Receiver to make a final distribution to unsecured creditors and any unforeseen delays in completing the tasks identified above.

30. Creditors who wish to receive a copy of this Second Interim Report may request a copy from the Receiver at the following address:

FTI Consulting Canada Inc.
79 Wellington Street West
Suite #2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jonathan Joffe

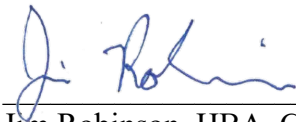
Email: antibe@fticonsulting.com

Dated this 30th day of May, 2025.

FTI CONSULTING CANADA INC.

solely in its capacity as Court-appointed receiver and manager of
1001138302 Ontario Inc.,
and not in its personal or corporate capacity

Per:



Jim Robinson, HBA, CPA•CA, CIRP, LIT
Senior Managing Director