



Robert Kofman

ksv advisory inc.

220 Bay Street, Suite 1300

PO Box 20

Toronto, Ontario, M5J 2W4

T +1 416 932 6228

F +1 416 932 6266

bkofman@ksvadvisory.com

ksvadvisory.com

---

**Notice and Statement of Receiver  
(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)**

**IN THE MATTER OF THE RECEIVERSHIP OF  
DROP TECHNOLOGIES INC. (FORMERLY KNOWN AS DROP LOYALTY INC.), DROP  
TECHNOLOGIES USA INC., AND DROP TECHNOLOGIES HOLDINGS ULC**

1. On December 11, 2025, the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued an order (the “**Receivership Order**”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Drop Technologies Inc. (“**Drop**”), Drop Technologies USA Inc. (“**Drop USA**”), and Drop Technologies Holdings ULC (“**Drop ULC**”, and together with Drop and Drop USA, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors.
2. The application to appoint KSV as Receiver over the Debtors was made by National Bank of Canada (“**NBC**”), the senior secured creditor of the Debtors.
3. Drop is the main operating entity and substantially all revenue is recorded in this entity. Drop USA was founded in 2019, was the employer of its US-based employees and pays certain US vendors.<sup>1</sup> The Receiver understands that Drop USA does not presently have any US-based employees, carry on active business operations, or hold any material contracts. Drop USA is a defendant in a class action litigation commenced in the US. Drop ULC was founded in 2021. The Receiver understands that Drop ULC holds the Debtors’ intellectual property.

---

<sup>1</sup> Although Drop USA historically paid some US-based vendors, it does not hold the underlying contracts. These are understood to be held by Drop.

4. The book value of Debtors' assets based on its most recent financial statements as at July 31, 2025, is as follows:

(CAD\$000s)	Book Value <sup>2</sup>
Cash	463
Accounts Receivable	3,984
Other Assets	84
<b>Total Assets</b>	<b>4,531</b>

The following information relates to the Debtors:

Head office of the Debtors: 120 Front St. East, Suite 200,  
Toronto, Ontario M5A 4L9

Principal line of business: Software development, loyalty rewards

5. Additional information regarding the Debtors and these proceedings is posted on the Receiver's website at: <https://www.ksvadvisory.com/experience/case/drop>.

6. Secured Creditors

Pursuant to a loan and security agreement dated September 14, 2017 (as amended, the **"Loan Agreement"**), Silicon Valley Bank ("SVB") provided lending facilities to Drop, with Drop USA and Drop ULC subsequently added as borrowers. In April 2023, NBC acquired SVB's Canadian loan portfolio, including the loans made to the Debtors under the Loan Agreement. The Loan Agreement grants NBC a security interest in all of the Debtors' present and after-acquired personal property, which security has been perfected by registrations under the applicable personal property security legislation, together with a registered pledge of the Debtors' intellectual property. NBC also holds security registrations against Drop in Ontario, Drop ULC in Alberta, and Drop USA under the Uniform Commercial Code.

As of December 3, 2025, the Debtors owed NBC approximately US\$7.3 million, before interest and costs, which continue to accrue under the terms of the Loan Agreement.

7. Unsecured Creditors

A preliminary list of the Debtors' unsecured creditors is provided in Appendix "A".

8. Estimated Realization and Proposed Plan

The amount available for distribution to creditors is currently unknown and will depend on the net realizations in the proceedings, which cannot be determined as of the date of this report.

---

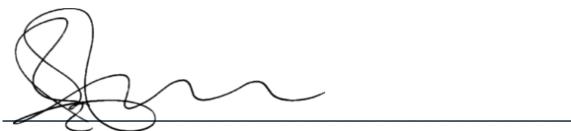
<sup>2</sup> Points Inventory is recorded on the Debtors' internal balance sheet. Since the points inventory and the points liability is offsetting, the points inventory amount has been excluded from the asset summary above. The points inventory balance was C\$20.7 million as of July 31, 2025. The asset and liability are recorded when Drop points are issued to consumers. Cash outflow occurs when points are redeemed by consumers.

9. Contact person for the Receiver:

Name: Dean Perlman  
Telephone No.: (437) 888-9842  
Facsimile No.: (416) 932-6266  
Email address: [dperlman@ksvadvisory.com](mailto:dperlman@ksvadvisory.com)

Dated at Toronto, Ontario this 17<sup>th</sup> day of December 2025.

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANGER OF  
DROP TECHNOLOGIES INC., DROP TECHNOLOGIES USA INC., AND  
DROP TECHNOLOGIES HOLDINGS ULC  
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**



Robert Kofman, Managing Director  
Licensed Insolvency Trustee