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Estate File No.: 31-3150222

**IN THE MATTER OF THE BANKRUPTCY OF
FISKER CANADA LTD.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**TRUSTEE'S REPORT TO CREDITORS ON
PRELIMINARY ADMINISTRATION**

1. Introduction

1. On November 6, 2024, Fisker Canada Ltd. (the "**Company**") filed an assignment in bankruptcy (the "**Assignment**"). KSV Restructuring Inc. ("**KSV**") was appointed by the Office of the Superintendent of Bankruptcy (Canada) as Licensed Insolvency Trustee of the Company's bankrupt estate (in such capacity, the "**Trustee**"), subject to affirmation of the Trustee's appointment at the first meeting of creditors to be held on November 26, 2024.

1.2 Currency

1. All currency references in this report ("**Report**") are to Canadian dollars unless otherwise noted.

1.3 Restrictions

1. In conducting its review and preparing this Report, the Trustee has relied upon financial and other information supplied by the Company.

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

3. The Trustee accepts no responsibility for any reliance placed by any third party on the Company's financial information presented herein, nor for any information concerning potential recoveries in these proceedings, which are presently based on preliminary estimates.

2. Background

1. The Company was incorporated in Quebec on January 17, 2022, and subsequently continued under the *Business Corporations Act (Ontario)* on September 26, 2023. The Company's registered head office is in Ontario and the Company's sole director is Geeta Gupta-Fisker.

2. It operated as the wholly owned Canadian subsidiary of Fisker Group Inc. (the "**Parent**"), a U.S.-based manufacturer and seller of electric vehicles ("**EVs**"). The Company's business involved importing and selling Fisker Ocean battery EVs, which were supplied by the Parent.

3. All employees were terminated prior to the date of the Assignment. The Company advised that all employees were paid all accrued wages, vacation, termination and severance pay, if applicable.

4. The Parent entered Chapter 11 proceedings in the United States on June 17, 2024. The Company was not included in those proceedings. The Company made an assignment in bankruptcy due to a lack of profitability as a result of a weak market for EV sales.

3. The Bankrupt Estate

1. Based on the Company's books and records, the book value of the Company's assets on the date of bankruptcy is summarized in the table below.

Description	Amount ($000s)
Cash	1,707
HST receivable	834
Prepaid expenses and other	476
Intercompany receivable	4,021
	7,038

3.1 Cash

1. As at the date of bankruptcy, there was approximately $1,707,000 in the Company's bank accounts. The Trustee has transferred these funds to its estate bank account.

3.2 HST Receivable

1. The Company was in a Harmonized Sales Tax ("**HST**") receivable position at the commencement of the bankruptcy proceedings. The Trustee has collected the full amount of this receivable.

3.3 Prepaid Expenses and Other

1. Prepaid expenses represent customer deposits which are being held at JP Morgan Bank ("**JP Morgan**"). The Trustee is corresponding with JP Morgan to transfer these funds to the Trustee's estate bank account.

3.4 Intercompany Receivable

1. The intercompany receivable balance is due from Fisker GmBH ("**Fisker Austria**") which manufactured the global fleet of Fisker EVs. The Trustee understands that the Company was one of several Fisker entities that transferred funds to Fisker Austria for EV production. This payment arrangement bypassed the Parent, which supplied EVs to the Company.

2. Fisker Austria is subject to a restructuring process in Austria. The Trustee was advised by the Chief Restructuring Officer ("**CRO**") of Fisker Austria that the Trustee can file a claim in respect of the amount owing. Accordingly, the Trustee intends to file a claim in the Austrian proceedings.

3. The Trustee is inquiring with Fisker Austria regarding potential recoveries.

4. Creditors

4.1 Secured Creditors

1. The Trustee is not aware of any secured creditors and no secured claims have been advanced against the Company as at the date of this Report.

4.2 Priority Claims

1. The Trustee is not aware of any priority or trust claims.

4.3 Unsecured Creditors

1. According to the Company's internal accounting information, the Company's unsecured obligations totaled approximately $21.1 million at the date of bankruptcy, which is primarily comprised of an obligation owing to the Parent of approximately $19.0 million (the "**Parent Obligation**") and various amounts owing to customers with respect to deposits, vehicle warranty obligations and deferred revenue.

2. The Trustee's preliminary understanding is that the Parent Obligation is in respect of:

   a) approximately $17.4 million for EVs shipped to the Company for sale in Canada, which remain unpaid; and

   b) approximately $1.6 million in intercompany loans related to startup costs for the Company including rental of office space, initial payroll and overhead.

3. The Company has confirmed that interest does not accrue on the Parent Obligation.

5. Books and Records

1. The Trustee has taken possession of the books and records it requires to complete its duties and obligations under the *Bankruptcy and Insolvency Act* ("**BIA**"), including bank statements for the year preceding the date of bankruptcy and the Company's minute books.

6. Preferences and Transfers at Undervalue

1. As part of its statutory duties, the Trustee is required to conduct a review for preferences and transfers at undervalue by reviewing the Company's bank statements and books and records for the year preceding the Assignment. In respect of non-arm's length transactions, the look-back period under the BIA is five years. The Trustee is in the process of carrying out that review.

2. The Trustee will advise the Inspector(s), once appointed, and/or creditors should it become aware of any transaction(s) which require further investigation.

7. Anticipated Realization and Projected Distribution

1. Based on the current cash balance and the absence of secured creditors, the Trustee anticipates making a distribution to unsecured creditors in due course.

8. Other Matters

1. The Trustee has been advised that a representative of the Parent will be nominated for appointment as an Inspector in this estate. As of the date of this report, no other individuals have expressed a desire to be nominated.

2. There are no other matters to discuss at this time.

* * *

DATED at Toronto, Ontario, this 26th day of November, 2024.

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS LICENSED INSOLVENCY TRUSTEE OF
FISKER CANADA LTD.
AND NOT IN ITS PERSONAL CAPACITY