



**Supplement to the First Report to Court  
of KSV Restructuring Inc.  
as CCAA Monitor of  
Hakim Optical Laboratory Limited,  
Lawrence Ophthalmic Lab Inc. and  
Hakim Optical Worldwide Lenses Inc.**

July 8, 2025

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COURT FILE NUMBER: CV-25-00743383-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF HAKIM OPTICAL LABORATORY  
LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM  
OPTICAL WORLDWIDE LENSES INC.**

**SUPPLEMENT TO THE FIRST REPORT OF KSV  
RESTRUCTURING INC.  
AS MONITOR**

**July 8, 2025**

## **1.0 Introduction**

1. This report (the “**Supplemental Report**”) supplements the Monitor’s first report to Court dated June 24, 2025 (the “**First Report**”).
2. Capitalized terms not otherwise defined herein have the meanings given to them in the First Report.
3. Background information regarding the Applicants is summarized in the First Report and is not repeated herein.

## **1.1 Purposes of this Supplemental Report**

1. The purposes of this Supplemental Report are to:
  - a) summarize the Applicants’ cash flow forecast for the period July 7 to August 10, 2025 (the “**Updated Cash Flow Forecast**”); and
  - b) recommend that the Court issue an Order extending the Stay Period from July 14, 2025 until August 8, 2025, to allow the Applicants additional time to finalize the terms of the Stalking Horse APA and SISP.

## **1.2 Restrictions**

1. This Supplemental Report is subject to the same restrictions as the First Report.

## 1.3 Currency

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

## 2.0 Cash Flow Forecast

### 2.1 Cash Flow Comparison

1. A comparison of the Applicants' actual cash flow from June 23 to July 6, 2025 (the "**Forecast Period**") to the cash flow forecast provided in the First Report is provided below.

(unaudited; \$)	Actual	Projected	Variance
Receipts			
Deposits from stores	834	807	27
Deposits from insurance companies	170	183	(13)
HST refunds	-	-	-
Transfer from RBC	323	-	323
	<b>1,326</b>	<b>990</b>	<b>336</b>
Disbursements			
Utilities	56	120	64
Payroll	610	637	27
Benefits	52	-	(52)
Rent	710	712	2
Lab supplies	134	270	136
Insurance	2	-	(2)
Interest and principal	-	-	-
DIP - interest and fees	-	-	-
Moneris fees	23	35	12
Other suppliers	146	105	(41)
Professional fees	-	350	350
Repairs and maintenance	7	100	93
	<b>1,741</b>	<b>2,329</b>	<b>588</b>
Net Cash Flow	<b>(415)</b>	<b>(1,339)</b>	<b>924</b>
Opening cash balance	727	727	-
Net cash flow	(415)	(1,339)	924
Advances under the DIP Facility	400	900	(500)
Closing cash balance	<b>712</b>	<b>288</b>	<b>424</b>
DIP advances through June 22, 2025	700	700	-
DIP advances from June 23 – July 6, 2025	400	900	(500)
Total DIP advances	<b>1,100</b>	<b>1,600</b>	<b>(500)</b>

2. As set out above, during the Forecast Period, the Applicants' cash receipts from operations were generally in line with projections. The Applicants received approximately \$323,000 from RBC, the Applicants' former secured lender and bank, which was not projected. The Applicants' disbursements were approximately \$588,000 less than projected. The variance in disbursements is largely due to timing differences associated with lab supplies, repair and maintenance and professional fees.

## 2.2 Updated Cash Flow Forecast

1. The Applicants, with the assistance of the Monitor, prepared the Updated Cash Flow Forecast for the period July 7 to August 10, 2025. The Updated Cash Flow Forecast and the Applicants' statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix "A"**.
2. As of July 6, 2025, the Applicants had a consolidated cash balance of approximately \$712,000.
3. The Updated Cash Flow Forecast reflects that, with the benefit of the DIP Facility, the Applicants are projected to have sufficient liquidity to fund their obligations during the proposed stay extension period. In this regard, the Updated Cash Flow Forecast reflects that the Applicants will receive additional advances of \$1.4 million under the DIP Facility by the end of the Forecast Period.
4. Based on the Monitor's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable. The Monitor's report on the Updated Cash Flow Forecast is attached hereto as **Appendix "B"**.

## 3.0 Stay Extension

1. The stay of proceedings expires on July 14, 2025. The Applicants are requesting a brief extension of the Stay Period to August 8, 2025.
2. On June 23, 2025, the Monitor met with representatives of the Applicants and the DIP Lender to discuss, among other things, the Applicants' operations, the SISP and the Stalking Horse APA. Thereafter, on July 3, 2025, the Monitor met with representatives of the Applicants, the DIP Lender and their respective counsel to discuss the SISP and the Stalking Horse APA, with the objective of resolving certain outstanding issues between the parties. The parties all expressed a strong interest in expediting completion of the Stalking Horse APA such that a SISP could commence shortly. Based on that meeting, there appears to be an agreement on the terms of a Stalking Horse APA, subject to internal approvals required from the DIP Lender, the 855 Affiliate (being the potential stalking horse bidder), and the Applicants. The Monitor is cautiously optimistic that with the benefit of an additional short extension of the stay of proceedings the parties will be able to execute the Stalking Horse APA and present it, along with the SISP, to the Court for approval prior to the end of the proposed Stay Period.
3. The Monitor supports the request for an extension of the Stay Period for the following reasons:
  - a) the Applicants are acting in good faith and with due diligence;

- b) the Updated Cash Flow Forecast reflects that, with the DIP Facility, the Applicants are projected to have sufficient liquidity to fund their post-filing obligations;
- c) it will allow the Applicants additional time to finalize the terms of the Stalking Horse APA and SISP for the purposes of identifying a value maximizing transaction for the benefit of the Applicants' stakeholders;
- d) 855 Ontario, in its capacities as both the Applicants' senior secured creditor and the DIP Lender, supports the stay extension;
- e) absent an extension of the stay of proceedings, the Applicants would likely be subject to the continuation and/or initiation of enforcement proceedings by landlords and other creditors which would erode the value of the Applicants' business and jeopardize the Applicants' ability to complete a going-concern transaction;
- f) the 855 Affiliate has indicated it expects that negotiations of the Stalking Horse APA can be completed within the stay extension period such that the Applicants can seek approval of the SISP and Stalking Horse APA at the next Court attendance;
- g) the Monitor believes that the extension is appropriate and in the best interests of the Applicants' stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
- h) as of the date of this Supplemental Report, neither the Applicants nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

## 4.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court issue an Order extending the Stay Period to August 8, 2025.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR OF  
HAKIM OPTICAL LABORATORY LIMITED,  
LAWRENCE OPHTHALMIC LAB INC. AND  
HAKIM OPTICAL WORLDWIDE LENSES INC  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

COURT FILE NO.: BK-25-00743383-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND  
HAKIM OPTICAL WORLDWIDE LENSES INC.

APPLICANTS

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)

The management of Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (the "**Applicants**") has developed the assumptions and prepared the attached statement of projected cash flow as of the 7<sup>th</sup> day of July, 2025 for the period June 7, 2025 to August 10, 2025 (the "**Cash Flow**"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in the notes to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in the Cash Flow using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 8<sup>th</sup> day of July, 2025.

Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.



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Doug Robertson



**Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.**

**Projected Statement of Cash Flows**

**For the period ending August 10, 2025**

(\$000s; unaudited)

		For the weeks ending					Total	
		13-Jul-25	20-Jul-25	27-Jul-25	03-Aug-25	10-Aug-25		
Receipts								
	Deposits from stores	400	400	400	400	333	1,933	
	Deposits from insurance companies	100	100	100	100	83	483	
	Transfer from RBC	-	-	-	-	-	-	
	HST refunds	-	-	-	225	-	225	
Total Receipts		500	500	500	725	417	2,642	
Disbursements								
	Utilities	60	40	40	40	40	220	
	Payroll	2	17	620	-	637	-	1,274
	Benefits	-	-	-	-	52	52	
	Rent	3	-	-	712	-	712	
	Lab supplies	4	50	120	50	120	50	390
	Insurance	3	45	-	-	3	52	
	Moneris fees	5	-	-	35	-	35	
	Other suppliers	5	65	65	40	40	65	275
	Professional fees	6	280	-	-	300	580	
	Repairs and maintenance	50	50	50	25	25	200	
Total Disbursements		525	940	180	1,609	535	3,789	
Opening cash balance		712	987	547	1,567	683	712	
Net cash flow		(25)	(440)	320	(884)	(119)	(1,148)	
Advances under the DIP Facility		7	300	-	700	-	400	1,400
Closing cash balance		987	547	1,567	683	964	964	
DIP balance, beginning		1,100	1,400	1,400	2,100	2,100	1,100	
DIP advances		300	-	700	-	400	1,400	
DIP balance, ending		1,400	1,400	2,100	2,100	2,500	2,500	

Notes to Projected Statement of Cash Flow

For the period ending August 10, 2025

(Unaudited; \$CAD, 000's)

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**Purpose and General Assumptions**

1. The cash flow projection has been prepared on the assumption that Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (collectively, the "**Companies**") continue to be afforded protection under the *Companies' Creditors Arrangement Act* (the "**CCA**") up to and including August 8, 2025.

The cash flow projection has been prepared based on hypothetical and most probable assumptions developed and prepared by the Companies.

**Probable Assumptions**

2. The Companies pay payroll bi-weekly. Includes a \$17,000 monthly pension obligation.
3. Represents rent for the leased locations that are occupied. Excludes any rent in respect of properties that are owned by Evelyn Aimis Holding Inc. ("**Evelyn Aimis**"), a related party, which will continue to accrue.
4. Represents payments made by Hakim Optical Laboratory Limited on behalf of Lawrence Ophthalmic Lab Inc. in respect of the purchase of frames and lenses on a cash on delivery basis.
5. Other suppliers include waste management, office supplies, other vendors to the retail locations and property tax on leased locations owned by Evelyn Aimis. Moneris represents merchant fees.
6. Represents an estimate of the fees of the Companies' counsel, the Monitor and the Monitor's counsel.
7. Represents funding to be provided under the debtor in possession ("**DIP**") loan facility. Assumes that interest and any DIP lender fees are capitalized to the loan rather than paid in cash.

## **Appendix “B”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND  
HAKIM OPTICAL WORLDWIDE LENSES INC.

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (collectively the "**Applicants**") as of the 7<sup>th</sup> day of July, 2025, consisting of a weekly projected cash flow statement for the period July 7, 2025 to August 10, 2025 (the "**Cash Flow**") has been prepared by management of the Applicants for the purpose described in the notes, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by management. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in in the notes and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 8<sup>th</sup> day of July, 2025.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS CCAA MONITOR OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND  
HAKIM OPTICAL WORLDWIDE LENSES INC.  
AND NOT IN ANY OTHER CAPACITY**