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CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-058763-208

SUPERIOR COURT
Commercial Division

IN THE MATTER OF THE CCAA OF:

**FORMERXBC INC. (formerly, XEBEC
ADSORPTION INC.)**

**11941666 CANADA INC. (formerly, XEBEC
RNG HOLDINGS INC.)**

**1224933 ONTARIO INC. (formerly,
COMPRESSED AIR INTERNATIONAL INC.)**

APPLIED COMPRESSION SYSTEMS LTD.

**FORMERXBC HOLDING USA INC.
(formerly, XEBEC HOLDING USA INC.)**

**ENERPHASE INDUSTRIAL SOLUTIONS INC.
CDA SYSTEMS, LLC**

**FORMERXBC ADSORPTION USA INC.
(formerly, XEBEC ADSORPTION USA INC.)**

**FORMERXBC PENNSYLVANIA COMPANY
(formerly, THE TITUS COMPANY)**

**FORMERXBC NOR CORPORATION
(formerly, NORTEKBELAIR
CORPORATION)**

**FORMERXBC FLOW SERVICES –
WISCONSIN INC. (formerly, XBC FLOW
SERVICES – WISCONSIN INC.)**

CALIFORNIA COMPRESSION, LLC

- and -

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Debtors/Petitioners

- and -

DELOITTE RESTRUCTURING INC.

Monitor

**THIRTEENTH REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR**

(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
2. Unless otherwise stated, the Debtors/Petitioners in the Application (as defined hereafter) are collectively referred to herein as the "**Petitioners**" or the "**Debtors**."
3. The Petitioners and the other material direct or indirect subsidiaries of FormerXBC Inc. ("**BLA**"), which are not currently parties in the CCAA Proceedings (as defined hereafter), are collectively referred to herein as the "**Xebec Group**" or the "**Company**."
4. Capitalized terms not otherwise defined herein are as defined in the previous reports of the Monitor.
5. On September 28, 2022, the Petitioners filed an *Application for the Issuance of a First Day Initial Order, a Deemed Extension of the Stay Period and a Bidding Procedures Order* under the *Companies' Creditors Arrangement Act* ("**CCAA**").
6. On September 29, 2022, Deloitte Restructuring Inc., then in its capacity as Proposed Monitor, issued its First Report to the Court (as part of the Debtors' CCAA proceedings (the "**CCAA Proceedings**"). The purpose of the First Report was to provide information to the Court with respect of I) the business, financial affairs and financial results of Xebec Group; II) the Petitioners' main creditors; III) the proposed restructuring process; IV) the proposed sale and investment solicitation process; V) charges sought in the proposed "First Day Initial Order"; VI) payments to Critical Suppliers; VII) overview of the Cash Flow Projections as of the date of the First Report; VIII) Deloitte's qualification to act as Monitor; IX) Recognition Proceedings in the U.S.; and X) the Proposed Monitor's conclusions and recommendations.
7. On September 29, 2022, the Court issued the First Day Initial Order and the Bidding Procedures Order which provided for, *inter alia*, (i) a stay of proceedings against the Petitioners until and including October 9, 2022 (the "**Stay Period**"); (ii) a stay of proceedings against the directors and officers; (iii) the appointment of Deloitte Restructuring Inc. as monitor under the CCAA ("**Deloitte**" or the "**Monitor**"); (iv) the authorization to pay Critical Suppliers up to a maximum aggregate amount of \$700K; (v) an Administration Charge of \$250K, a D&O Charge of \$2.2M, a Transaction Charge of \$975K; and (vi) the approval of the SISP along with the bidding procedures for the conduct of same (the "**Bidding Procedures**").
8. On October 4, 2022, the Petitioners notified the Service List and filed with the Court an *Application for an Extension of the Stay of Proceedings*, seeking an extension of the First Day Initial Order until October 20, 2022.
9. On October 6, 2022, the Monitor issued its Second Report. The purpose of the Second Report was to provide information to the Court on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the Petitioners' demand for the issuance of the Order Extending the Stay of Proceedings. The Monitor provided, *inter alia*, updated information in respect to the SISP, payments to Critical Suppliers, as well as to cash-flow projections.
10. On October 7, 2022, the Court extended the Stay Period and the application of the First Day Initial Order up to and including October 20, 2022.
11. On October 18, 2022, the Petitioners filed an *Application for the Issuance of an Amended and Restated Initial Order*, seeking, *inter alia*, (i) the issuance of an Amended and Restated Initial Order (the "**ARIO**"); (ii) the extension of the Stay Period until November 28, 2022; (iii) an increase of the Administration Charge from \$250K to \$900K; (iv) an increase of the D&O Charge from \$2.2M to \$3.7M; (v) the approval of a DIP Facility for a total amount of \$3.0M and of a DIP Charge in the amount of \$3.6M; and (vi) the approval of KERPs and of a KERP Charge up to a maximum amount of \$1.08M.

12. On October 18, 2022, the Petitioners notified to the Service List the *Application for the Extension of the Stay of Proceedings to Certain Third Parties*, seeking *inter alia*, an order extending the stay of proceedings to any Person named as a defendant or respondent in the Class Actions (as these terms are defined in the aforementioned application). No presentation date has been scheduled in respect of this application.
13. On October 19, 2022, the Monitor issued its Third Report. The purpose of the Third Report was to provide information to the Court on the activities of Xebec and of the Monitor since the commencement of the CCAA Proceedings and to support the issuance of the ARIO.
14. On October 20, 2022, the secured lenders NBC and EDC put forward a term sheet to provide for a DIP Facility in a total amount of \$3M, on a *pari passu* basis.
15. On October 20, 2022, the Court issued the ARIO, and authorized the DIP Facility from NBC and EDC. On October 24, 2022, the Court issued its reasons in support of the issuance of the ARIO, which also included its reasons in respect of dismissing specific requests and addressing allegations from certain class action petitioners and from Mr. Simon Arnsby, a shareholder of Xebec Inc. ("**Mr. Arnsby**").
16. On November 22, 2022, the Petitioners notified to the Service List and filed with the Court an *Application for an Extension of the Stay of Proceedings and for Ancillary Relief*, seeking, *inter alia* (i) the extension of the Stay Period until February 3, 2023, and (ii) the approval of an amendment to the list of participants to the KERPs.
17. On November 24, 2022, the Monitor issued its Fourth Report. The purpose of the Fourth Report was to provide information to the Court on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the aforementioned Application.
18. On November 28, 2022, the Court issued the *Order Extending the Stay of Proceedings and Granting Ancillary Relief* (the "**Extension Order**"). This Extension Order was namely meant to allow for the substantial completion phase 2 of the SISP, and to allow the Petitioners, *inter alia*, to (i) select the Successful Bid(s), (ii) negotiate Definitive Documentation, and (iii) file the Approval Application in respect of the Successful Bid(s), as contemplated by the Bidding Procedures.
19. On November 29, 2022, the Court issued its reasons in support of the issuance of the extension, as well as its reasons in respect of dismissing Mr. Arnsby's *Urgent Ex Parte Application for Investigation*.
20. On January 28, 2023, the Petitioners filed an *Application for the Issuance of a Second Amended and Restated Initial Order and an Approval and Vesting Order* (as amended by the *Amended Application for the Issuance of a Second Amended and Restated Initial Order and an Approval and Vesting Order* dated February 1, 2023), seeking, *inter alia* (i) the extension of the Stay Period until February 13, 2023, (ii) the increase of the Administration Charge to a maximum amount of \$3M, and (iii) the issuance of an approval and vesting order (the "**ACS AVO**"), in respect of the proposed sale of substantially all of the assets of Applied Compression Systems Ltd. ("**ACS**").
21. On February 1, 2023, the Monitor issued its Fifth Report. The purpose of the Fifth Report was to report on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the issuance of the Second ARIO.
22. The Monitor also provided in the Fifth Report, *inter alia*, updated information in respect to (i) the SISP and certain transactions in connection thereto (Xebec UK/Tiger and ACS), (ii) operations of Petitioners and non-Petitioners and the impact of the results of phase 2 of the SISP on same, (iii) the need for a supplemental interim financing facility and ongoing discussions with EDC in connection thereto, (iv) subsequent exchanges with various stakeholders, and (v) actual cash flows and cash-flow projections until March 18, 2023.
23. On February 3, 2023, the Court issued the Second ARIO and the ACS AVO.

24. On February 8, 2023, the Petitioners served the *Application for the Issuance of a Third Amended and Restated Initial Order and Approval and Vesting Orders*, seeking *inter alia*:
- a. the approval of the Second DIP Facility provided by EDC in the amount of \$2.5M (the "**Second DIP Facility**") and the granting of a "**Second DIP Charge**" in the amount of \$3.0M;
 - b. the issuance of three approval and vesting orders (the "**Sullair AVO**", the "**Ivys AVO**" and the "**FSTQ AVO**") regarding, respectively:
 - i. the proposed sale of substantially all of the assets of CDA Systems, LLC ("**CDA**") and California Compression, LLC ("**CAL**") to Sullair;
 - ii. the proposed sale of substantially all of the assets of Xebec Inc. and Compressed Air International Inc. ("**CAI**") to Ivys Inc. and Ivys Adsorption, Inc., as purchasers (the "**Ivys Transaction**"); and
 - iii. the sale of Xebec Inc.'s limited partnership interests in the capital of GNR Québec Capital L.P. and the shares of RNG Holdings in the capital of GNR Québec Capital Management Inc.; and
 - c. the extension of the Stay Period up and until March 17, 2023.
25. On February 10, 2023, the Monitor issued its Sixth Report. The purpose of the Sixth Report was to report on the activities of Xebec and of the Monitor since the Fifth Report and to support the Petitioners' request for the issuance of the Third ARIO, including (i) an extension of the Stay Period until March 17, 2023, (ii) the approval of a Second DIP Facility from EDC in an amount of \$2.5M, (iii) the granting of a Second DIP Charge of \$3.0M, the (iv) reduction of the Administration Charge to \$2.25M following the disbursement of the first tranche of the Second DIP, and (v) the issuance of the Sullair AVO, Ivys AVO and FSTQ AVO.
26. The Monitor provided, in the Sixth Report, updated information in respect to, *inter alia*, (i) the SISP, certain completed transactions in connection thereto (Xebec UK/Tiger, ACS and Hygear) and certain transactions to be approved and closed (CDA, CAL, BLA, CAI and GNR), (ii) the supplemental DIP facility and ongoing discussions with EDC, as well as (iii) information in respect to the 8-week cash-flow projections contained in the Fifth Report.
27. On February 13, 2023, the Court issued the Third ARIO.
28. On February 17, 2023, the Court issued the Ivys AVO, as well as its reasons for issuing the Third ARIO, which included reasons in respect of dismissing submissions of opponents to the Ivys Transaction, namely Shanghai Shenergy Energy Innovation & Development Co. Ltd and Shanghai Lihuan Investment Corp.
29. On March 11, 2023, the Petitioners filed an *Application for the Issuance of a Fourth Amended and Restated Initial Order, Approval and Vesting Orders, a Wage Earner Protection Program Act Order and Ancillary Relief*, seeking *inter alia*:
- a. the issuance of two approval and vesting orders (the "**TIT AVO**" and the "**XBC AVO**") in relation to, respectively:
 - i. the proposed sale of substantially all of the assets of The Titus Company ("**TIT**") to FAD Pennsylvania Inc.; and
 - ii. the proposed sale of substantially all of the assets of XBC Flow Services – Wisconsin Inc. ("**XBC**") to Total Energy Systems, LLC.

- b. the termination of the First DIP Charge, the Second DIP Charge and of the Transaction Charge, further to the mechanism set forth in the Monitor's Application for Payments (as defined hereunder) and in accordance with the order sought in relation thereto;
 - c. the approval of an amendment to the list of participants to the KERPs and of an increased KERP amount;
 - d. the issuance of an order (the "**WEPP Order**") declaring that pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 that FormerXBC Inc., ACS and CAI meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Relief**");
 - e. the increase of the aggregate amount for transactions subject to the Monitor's approval (as it then was provided for under para. 60c) of the Third ARIO); and
 - f. the extension of the Stay Period up and until May 5, 2023.
30. The Monitor concurrently filed an *Application for Authorization to Make Payments in Connection With the CCAA and Related Relief* (hereinafter, the "**Application for Payments**") seeking, *inter alia*, an order (the "**Monitor Payments Order**"):
 - a. authorizing the Monitor to pay, from the Net Proceeds of Transactions (as defined in the Application for Payments), amounts owing to the beneficiaries of CCAA Charges, including in respect of the DIP Charge, the Second DIP Charge, the Transaction Charge and the KERP Charge; and
 - b. providing a mechanism for the discharge and/or reduction of the above-mentioned CCAA Charges, pursuant to the issuance of certificates of the Monitor and without further order of the Court.
31. On or about March 14, 2023, the Petitioners notified the *Amended Application for the Issuance of a Fourth Amended and Restated Initial Order, Approval and Vesting Orders, a Wage Earner Protection Program Act Order and Ancillary Relief*, following the execution of an Asset Purchase Agreement entered into between Xebec Systems USA LLC ("**UEC**"), as seller, and EnergyLink US Inc., as purchaser. In light of same, the Application was amended in order to also seek the issuance of an approval and vesting order (the "**UEC AVO**") in relation to the proposed sale of substantially all the assets of UEC.
32. Also on March 14, 2023, the Petitioners filed an *Urgent Application for the Issuance of an Order Directing Payment in Trust to the Court-Appointed Monitor*, seeking, *inter alia*, to order (i) NBC to direct any payment to be made pursuant to the irrevocable standby letter of credit No. OGU58735 (the "**London RNG LC**") in trust to the Monitor, and (ii) the Monitor to maintain in its trust account any payment made by NBC in connection with the London RNG LC, until determination of the parties' respective rights under the London RNG LC is made in a final judgment of a Court or other forum having jurisdiction, or until an agreement is entered into by the parties (the "**London RNG LC Order**").
33. On March 15, 2023, the Monitor issued its Seventh Report. The purpose of the Seventh Report was to report on the activities of Xebec and of the Monitor since the Sixth Report and to support the issuance of the Fourth ARIO and related orders, including (i) an extension of the Stay Period until May 5, 2023, (ii) the approval of an amendment to the list of participants to the KERPs and of an increased KERP amount, (iii) the approval of the WEPP Relief, (iv) the issuance of the London RNG LC Order, (v) the increase of the aggregate amount for transactions subject to the Monitor's approval, and (vi) the issuance of the TIT AVO, XBC AVO and UEC AVO.
34. The Monitor provided in the Seventh Report, *inter alia*, updated information in respect of (i) completed transactions as part of the SISP (GNR, CDA, CAL, BLA and CAI), closed transactions subject to the Monitor's approval (AIR and NOR) and transactions to be approved by the Court (TIT,

XBC and UEC), (ii) the financing of the restructuring process and ongoing discussions with EDC in relation to the Third DIP Facility, (iii) recognition proceedings in the U.S., (iv) the security held by NBC and EDC, and (v) actual cash flows as of the week-ending March 4, 2023, and cash-flow projections until the week-ending May 6, 2023.

35. On March 16, 2023, the Court issued a series of orders, namely the Fourth ARIO, the TIT AVO, the XBC AVO, the UEC AVO, the WEPP Order, the London RNG LC Order and the Monitor Payments Order.
36. On March 22, 2023, the Petitioners filed an *Application for the Issuance of a Fifth Amended and Restated Initial Order (Interim Financing)* seeking *inter alia*, (i) the approval of the Third DIP Facility provided by EDC in the amount of \$3.45M (the "**Third DIP Facility**"), (ii) the granting of a "**Third DIP Charge**" in the amount of \$4.1M, and (iii) a mechanism for the reduction of the Administration Charge, upon receipt of disbursements from EDC under the Third DIP Facility and subject to the issuance of a certificate by the Monitor.
37. On March 24, 2023, the Monitor issued its Eighth Report. The purpose of the Eighth Report was to support the Petitioners' request for the issuance of the Fifth ARIO, including principally the approval of the Third DIP Facility, and to report on the activities of Xebec and the Monitor since the Seventh Report, including on the following items: (i) a general update since the Seventh Report, (ii) the SISP and sales of the Xebec Group's Remaining Assets, (iii) the Third DIP Facility, Third DIP Charge and reduction of the Administration Charge, and (iv) general comments on the updated 9-Week Cash-Flow Projections contained in the Seventh Report.
38. On March 27, 2023, the Court issued the Fifth ARIO.
39. On April 28, 2023, the Petitioners notified the *Application for an Extension of the Stay of Proceedings*, seeking an extension of the Stay Period up and until May 24, 2023.
40. On April 28, 2023, the Petitioners also notified the *Application for a de Bene Esse Authorization to Execute a Settlement Agreement and for Partial Lift of the Stay of Proceedings*, seeking, *inter alia*, (i) a partial lift of proceedings so as to allow the filing of all necessary materials required in order to obtain the approval of a settlement agreement in Court file No. 500-06-001135-215 (the "**Class Action File**"), (ii) authorizing Xebec Inc. to execute the settlement agreement in the Class Action File (the "**Class Action Settlement**"), and (iii) authorizing Xebec Inc. to execute and deliver, or cause to be executed and delivered, such further documents and instruments or to take, or cause to be taken, such further actions as may be necessary or may be ordered or requested by the Superior Court of Québec (Class Action Division) to make effective the Class Action Settlement.
41. On April 28, 2023, the Monitor notified its *Application of the Monitor for Authorization to Make Payments in Connection With the Third DIP Facility and the Third DIP Charge*, seeking the Court's authorization to (i) pay, from the Net Proceeds, amounts owed by the Petitioners to EDC under the Third DIP Facility and secured by the Third DIP Charge, and to (ii) issue a Monitor's certificate upon EDC's receipt of the amounts owed under the Third DIP Facility, thereby effecting a cancellation and discharge of the Third DIP Charge.
42. On May 3, 2023, the Monitor issued its Ninth Report. The purpose of the Ninth Report was, *inter alia*, to support the Class Action Settlement Action, the extension of the stay period up and until May 24, 2023, and to report on the activities of Xebec and the Monitor since the Eighth Report, including on the following items: (i) the transactions completed as part of the SISP and sales of the Xebec Group's Remaining Assets and Other Remaining Assets, (ii) an update on various aspects of the restructuring process since the Eighth Report, (iii) an update on recognition proceedings, (iv) an update on the Intercompany Payments, (v) an update on the Intercompany Transactions Report and on the Proposed Allocation to be filed by the Monitor, (vi) the payments to Critical Suppliers, (vii) an update on Letters of credit, (viii) an update on Actual Receipts and Disbursements, and (ix) on the 6-Week Cash-Flow Projections.

43. On May 5, 2023, the Court issued a series of orders namely, the (i) *Order Authorizing the Monitor to Pay Amounts Owed Under the Third DIP Facility and Secured by the Third DIP Charge*, the (ii) *Order Extending the Stay of Proceedings*, and (iii) the *Order Partially Lifting the Stay of Proceedings (Class Action Settlement)*, but solely as to allow the partial lift of the stay of proceedings to allow the filing materials in order to seek the approval of settlement agreement.
44. On May 19, 2023, the Petitioners filed an *Application for (i) an Extension of the Stay of Proceedings*, seeking an extension of the Stay Period up and until September 29, 2023 (ii) *the Establishment of a Claims Process*, (iii) *the authorization to Use Net Proceeds to Fund Cash-Flow Requirements*, and (iv) *the Issuance of an Approval and Vesting Order*.
45. On May 19, 2023, the Monitor issued its Tenth Report. The purpose of the Tenth Report was, *inter alia*, to support the Biostreams AVO, the extension of the stay period up and until September 29, 2023, and to report on the activities of Xebec and the Monitor since the Ninth Report, including *inter alia*: (i) the transactions completed as part of the SISP and realization of the Xebec Group's remaining assets, (ii) an update on various aspects of the restructuring process since the Ninth Report, (iii) an update on recognition proceedings, (iv) an update on the Intercompany Transactions Report and on the Proposed Allocation to be filed by the Monitor, (v) information about the proposed Claims Process, (vi) an update on Actual Receipts and Disbursements and on the 20-Week Cash-Flow Projections.
46. On May 24, 2023, the Court issued a series of orders namely, the (i) *Approval and Vesting Order in Respect of the Biostream Assets of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC)* (the "**Biostreams AVO**"), the (ii) *Claims Procedure Order* (the "**CPO**"), the (iii) *Order Authorizing the Use of Net Proceeds to Fund Cash-Flow Requirements*, and the (iv) *Order Extending the Stay of Proceedings*.
47. On May 26, 2023, the Court issued its reasons in support of the issuance of the abovementioned orders.
48. On June 9, 2023, following payment of amounts owed thereunder, the Monitor issued its *Certificate of the Monitor (Cancellation and Discharge of the KERP Charge)*, thereby effecting the cancellation and discharge of the KERP Charge.
49. On June 14, 2023, the Monitor issued the *Notice of an Information Session in Respect of the Proposed Allocation Method Report* to the service list and posted same on its website.
50. On June 16, 2023, the Monitor issued its *Proposed Allocation Method Report, including the Intercompany Transactions Report* (the "**Allocation Method Report**") and filed an *Application of the Monitor for the Approval of a Proposed Allocation Method* (the "**Proposed Allocation Application**"), seeking the approval of the Proposed Allocation Method (as defined and set forth therein).
51. On June 20, 2023, the Monitor held a virtual information session with stakeholders of the Xebec Group. It also published the minutes and the video recording of such meeting on its website.
52. On June 29, 2023, further to the hearing held on June 27, 2023, on the Proposed Allocation Application, the Court issued the *Order to Approve a Proposed Allocation Plan* (the "**Allocation Order**").
53. On September 25, 2023, the Petitioners filed an *Application for an Extension of the Stay of Proceedings and Settlement Approval Order*, seeking an extension of the Stay Period up and until December 15, 2023, the approval of the Xebec UK Settlement (as defined hereinafter) and certain clarifications in respect of the CPO.

54. On September 27, 2023, the Monitor issued its Eleventh Report. The purpose of the Eleventh Report was to support the relief sought in the above-mentioned application, including in respect of providing an update on (i) various aspects of the restructuring process since the Tenth Report, (ii) recognitions proceedings in the United States, (iii) intercompany payments, (iv) non-Petitioner entities, (v) upcoming steps to the filing of plans of compromise, and (vi) actual receipts and disbursements.
55. On September 29, 2023, the Court issued the *Order Extending the Stay of Proceedings, Approving a Settlement Payment and Other Ancillary Relief*, whereby, *inter alia* it (i) extended the Stay Period until December 15, 2023, (ii) authorized the settlement agreement in relation to the Earn-Out Claim payable by Xebec UK, and (iii) issued a clarification in relation to paragraph 14 of the Claims Procedure Order.
56. On October 19, 2023, the Court issued the *Judgment (Approval of Transaction and Fees)* in the Class Action File.
57. On October 26, 2023, the Petitioners notified the *Application for the Issuance of a Plan Filing and Meeting Order and Ancillary Relief, inter alia* (i) authorizing each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU (each, a "**Plan Debtor**", and collectively the "**Plan Debtors**") to file plans of compromise pursuant to the CCAA (each the "**Plan**", and collectively the "**Plans**"), (ii) convening meetings of creditors (which will all be held together), (iii) setting a date for the hearing on the sanction order to be sought, (iv) approving the EDC Support Agreement (as defined herein), and (v) authorizing the review of late claims.
58. On October 27, 2023, the Monitor issued its Twelfth Report. The purpose of the Twelfth Report was to provide an update on (i) various aspects of the restructuring proceedings since the Eleventh Report, (ii) recognition proceedings in the United States, (iii) certain non-Petitioner entities, (iv) the claims process, (v) the EDC Support Agreement, (vi) Plans to be submitted to Creditors, and on the (vii) Monitor's conclusions and recommendations relating thereto.
59. On November 1, 2023, the Court issued the *Plan Filing and Meeting Order*, authorizing the filing of the Plans and the convening of the Creditors' Meeting, and the *Order Authorizing the Review of Certain Late Claims*. The written reasons supporting the issuance of these orders were issued on November 3, 2023.
60. On November 15, 2023, the Monitor notified to the service list, sent to the relevant creditors and published on its website, the Reports on the Plans filed by each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU (each, a "Report on the Plan", and collectively, the "**Reports on the Plans**"), filed as Exhibit P-4 *en liasse* in support of the Application (referred to hereunder). The purpose of the Reports on the Plans was to provide the Affected Creditors with relevant and necessary information in connection with the Plans, the Creditors' Meeting and the Monitor's recommendations that the Affected Creditors vote in favor of the resolutions to approve the Plans.
61. On November 30, 2023, the Creditors' Meeting was duly held and all Plans were approved by the requisite majority of the Plan Debtors' Affected Creditors with a Proven Claim, as will be further detailed herein.
62. On December 8, 2023, the Petitioners notified the *Application for the Issuance of an Order Sanctioning Plans of Compromise and Ancillary Relief* (the "**Application**") seeking, *inter alia*, the (i) sanction of the Plans by the Court, (ii) approval of the BLA Releases (as defined in the Application), (iii) the extension of the Stay Period up and until March 27, 2024, (iv) authorization provided to the Monitor in relation to the use of funds forming part of the Administrative Reserve Account and of the bank accounts of the Debtors, (v) authorization to review two additional late claims, and (vi) the granting of expanded powers to the Monitor in connection with the winding up of the CCAA Proceedings including necessary assignments in bankruptcy of any Petitioner entities.

63. On December 12, 2023, following the execution of the London RNG Settlement (as defined below) the Petitioners also notified the *Application for the Issuance of an Order Approving a Settlement Agreement (LRNG)* (the "**London RNG Settlement Application**"), seeking *inter alia* the approval of the London RNG Application and a declaration that certain sums (\$850K) to be kept in a Monitor's trust account shall be treated as a *pro forma* cash inflow of BLA, which will effectively reduce the BLA Shortfall Repayment (as such term is defined in the Allocation Method) by an equivalent amount, as will be further detailed in a specific section herein.
64. In support of the relief sought in the Application, the Monitor hereby issues its thirteenth report to the Court (the "**Thirteenth Report**"), the purpose of which is to provide the Court with information with respect to the following:
- I. Update Since the Twelfth Report on Certain Aspects of the Restructuring Process and on Certain Non-Petitioner Entities;
 - II. Update on the Claims Process Since the Twelfth Report;
 - III. The Creditor's Meeting and the Approval of the Plans;
 - IV. Releases and Discharges;
 - V. Actual Receipts and Disbursements;
 - VI. Overview of the Cash-Flow Projections;
 - VII. Reserves Provided for in the Plans and in the Sanction Order;
 - VIII. Other Ancillary Relief;
 - IX. Settlement with London RNG;
 - X. Extension of the Stay Period; and
 - XI. Monitor's Conclusions and Recommendations.
65. In preparing this Thirteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, the Petitioners' books and records and financial information prepared by the same and discussions with management ("**Management**") of the Petitioners (collectively, the "**Information**"). Except as described in this Thirteenth Report in respect of the Debtors' Cash Flow Statement (as defined below):
- (i) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (ii) Some of the information referred to in this Thirteenth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants Canada Handbook, has not been performed.
66. Future oriented financial information referred to in this Thirteenth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
67. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Thirteenth Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

I. UPDATE SINCE THE TWELFTH REPORT ON CERTAIN ASPECTS OF THE RESTRUCTURING PROCESS AND ON CERTAIN NON-PETITIONER ENTITIES

a. General Status and Update

68. **Appendix A** to this Thirteenth Report includes the following update:

- a. a summary of the Xebec Group entities (both Petitioners and non-Petitioners) for which transactions have been completed as part of the SISP process; and
- b. a summary of the Other Remaining Assets (in relation to the Petitioners) for which transactions have been completed or are expected to be completed in the near term, subject to ongoing negotiations and to Court approval and recognition proceedings, as the case may be and as required.

69. **Appendix B** to this Thirteenth Report provides a breakdown of the net proceeds resulting from these transactions that have been deposited in the Monitor's trust account as well as a detailed breakdown of the payments made out of these net proceeds with the approval of this Court.

b. Payroll and Employees

70. Given the advanced stage of the Restructuring Process and the completion of substantially all restructuring measures required to be implemented, the Petitioners have informed all remaining employees of the Company that their employment will end on or around December 15, 2023.

71. The Petitioners, in consultation with the Monitor, will initiate all necessary steps to terminate the employment of such individuals.

72. After December 15, 2023, certain individuals could be retained on a contractual and part-time basis in order to provide assistance and support to the Petitioners in the context of the wind-down and termination of the file, including for instance in relation to the preparation and filing of tax returns, finalizing the claims process, as the case may be, or otherwise.

c. Bank Accounts

73. As indicated in the Application and as further detailed herein, the Petitioners also intend to proceed with the closure of all current bank accounts and to wire any remaining balances to the Monitor, which shall be included in the Administrative Reserve Account.

74. The Monitor will provide assistance in the process of closing the bank accounts in the coming weeks.

d. Dissolution of Xebec UK

75. As previously reported, given that Xebec UK has no assets and following the execution of the Xebec UK Settlement, the Petitioners determined that it was appropriate to initiate the wind-down and dissolution of Xebec UK.

76. The Monitor is informed by the Petitioners that this process has been initiated and is in progress. No impact on the Petitioners cashflow is expected from this process. The Monitor will report further in due time.

e. Inmatec

77. The insolvency proceedings of Inmatec are continuing in Germany. The Monitor was advised by the Petitioners that, based on information obtained from its counsel in Germany, these proceedings are expected to conclude in mid-2024. The Monitor will report further in due time.

f. Xebec Italy

78. The Company has informed the Monitor that, based on information obtained from its counsel in Italy, it is at this time uncertain whether there will be any distribution in the bankruptcy of Xebec Italy, including in respect of the Company's claim which was accepted by the trustee. However, depending on the outcome of the adjudication of a claim relating to tax reimbursements as well as the sale of certain assets, there remains a possibility that a distribution will occur. Further information in this regard is expected by early 2024. The Monitor will report further accordingly.

II. UPDATE ON THE CLAIMS PROCESS SINCE THE TWELFTH REPORT

79. Defined terms in this section and not otherwise defined shall have the meaning ascribed to them in the Claims Procedure Order (the "CPO").

80. In its Twelfth Report, the Monitor provided detailed information in relation to all relevant aspects of the Claims Process and of Claims forming part thereof. The information provided below is meant to provide an update since the Twelfth Report and to reflect any relevant changes since then.

i. General status and Update

81. Since the issuance of the CPO, the Monitor sent the Claims Package by regular mail to known potential Creditors, as identified further to the review of the Petitioners' books and records and, since the Claims Bar Date, the Monitor has proceeded with the compilation, review and determination of Claims received, in collaboration with the Petitioners (except for unsecured claims brought against BLA, as there is currently no distribution to unsecured creditors expected in this estate, and against GNR, as no plan has been filed).

82. The Monitor has also been in regular communications with creditors in relation to documentation and information included in their claims, and to obtain certain clarifications or complements of information when required.

83. The Monitor has completed the review and determination of the claims received as part of the claims process, excluding with respect to the unsecured claims related to BLA. The final determination of the Proven Claims is the result of careful and thorough work performed by the Monitor and its advisors, with the assistance of the Petitioners. The exercise of reviewing and investigating Claims has also been rendered challenging given the fact that the Claims are spread out in 11 different Petitioner entities, each with a different local management structure and team, the whole in the context of minimal employment to assist the Monitor in its review.

84. As at the date of this Thirteenth Report, there is a total of 281 Proven Claims (unsecured and against the 11 Plan Debtors) including 240 Proven Claims from Affected Creditors other than EDC and intercompany Claims. **Appendix C** to this Thirteenth Report provides the detailed information regarding the Claims Process, including regarding the values of the claims received and the breakdown of information by estate.

85. As at the date of this report, 65 Notices of Revision or Disallowance were sent by the Monitor to claimants (excluding the Notices of Revision or Disallowance pertaining to intercompany Claims or D&O Claims), as presented at **Appendix D**. From this number, a single Claim in the amount of €67K (initially claimed under BLA as a secured claim and revised by the Monitor as being an unsecured claim of BLA) is still within the delay to file an appeal application following the issuance of a Notice of Revision or Disallowance. The appeal application period will expire on December 19, 2023. There are no remaining Claims under review or investigation.

86. The main reasons for the Notices of Revision or Disallowance issued and upcoming include, *inter alia*, (i) Claims filed against the incorrect Debtor, (ii) Claims that are incomplete or unsupported by the requisite evidence and documentation and/or that do not match the Petitioners' books and records (despite follow up questions by the Monitor), (iii) Restructuring Claims for a quantum that

is overstated, (iv) Claims filed as secured when it is unsecured, (iv) Claims that were incorrectly filed as a Restructuring Claim, and (vi) Claims that do not have a sufficient legal basis.

87. As of the date of this Thirteenth Report, only one (1) appeal application relating to Notices of Revision or Disallowance was filed by a Creditor of UEC (which has since been resolved).

ii. D&O Claims

88. As reported in the Twelfth Report, the Monitor received a total 36 D&O Claims as at the Claims Bar Date, which were thereafter reviewed. Please refer to **Appendix E** for additional detail in respect of the D&O Claims and Notices of Revision or Disallowance relating to D&O Claims sent by the Monitor, a summary of which is provided below:

Claims Process Overview As at December 8, 2023	Claims received (D&O)		
	Received	Disallowed / Withdrawn	Outstanding
CDA	1	1	0
CAL	3	3	0
CAI	1	1	0
ACS	2	2	0
UEC	11	11	0
XBC	1	1	0
TIT	0	0	0
NOR	3	2	1
AIR	0	0	0
XSU	0	0	0
XHU	0	0	0
BLA	14	13	1
GNR	0	0	0
Total	36	34	2

89. As at the present date, there remained one (1) D&O Claim against BLA, namely the Proof of Claim filed by Haffner Energy SA (the "**Haffner D&O PoC**"). The Haffner D&O PoC has just been settled by the parties in principle shortly before the filing of this Report and the settlement is in the process of being documented. It is expected that the settlement documentation will be finalized and agreed to in advance of the Court hearing on December 15, 2023. In accordance with the terms of the settlement, the Petitioners' D&O insurers will be providing a payment to Haffner Energy SA in consideration for a full and final release of the BLA D&Os. Accordingly, there are no pending unresolved claims in the Claims Process against the BLA D&Os.

90. The Monitor further notes that the Brozelco PoC referred to in previous reports included a D&O Claim premised on an alleged personal guarantee that would have been granted by the former manager of NOR. This claim appears to be governed by the laws of Tennessee.

91. On November 24, 2023, a Notice of Revision or Disallowance was issued in relation to the unsecured claim included in the Brozelco PoC. While the Monitor noted certain concerns as regards the D&O claim, it did not make a final determination with respect to same as it is based on an alleged personal guarantee.

iii. Secured Claims

92. As part of the Claims Process, 31 Proofs of Claim asserted a secured status, including the Proofs of Claim filed by NBC (12 Proofs of Claim) and EDC (12 Proofs of Claim) in relation to their respective claims and security interests, as well as London RNG in connection with the monies held in trust by the Monitor in accordance with the London RNG LC Order.

93. Following its review of all Secured Claims received, the Monitor has issued 7 Notices of Revision or Disallowance in relation to same. As explained previously in the Twelfth Report, the Suspense Account Agreement also provides for a deemed partial reduction of the EDC PSG Guarantee Subrogation Claim and the EDC Support Agreement provides for a determination of the EDC Secured Claim (in the estates of CAL, NOR, UEC and XBC) and the EDC Deficiency Claim (in the estates of

CAL, CDA, NOR, UEC, XBC and XHU), without the need for the Monitor to issue a Notice of Revision or Disallowance.

94. The estimated aggregate EDC recovery provided at Appendix D of the Twelfth Report and at Appendix A of the EDC Support Agreement have been updated and are provided as **Appendix F** hereof, which illustrates the updated estimated aggregate EDC recovery and which accounts for the hypotheses set forth in the Cash-Flow Statement presented herein.

iv. Late Claims

95. As at the date of this Thirteenth Report and since the issuance of the *Order Authorizing the Review of Certain Late Claims* issued by the Court on November 1, 2023 (the "**Late Claim Order**"), the Monitor has received two (2) additional Proofs of Claim which were filed after the Claims Bar Date, namely an unsecured claim of USD \$1K against UEC and an unsecured claim of CAD \$5K against CAI.

96. The Monitor has proceeded to a preliminary review of the late claims received since the Late Claim Order and has shared the information with the Petitioners. The Petitioners have included relief in relation to the approval of the filing of these late claims for subsequent review and determination by the Monitor, which the Monitor supports.

97. The Monitor has no reason to believe that these additional late claimants have not acted in good faith.

98. At this stage, the Monitor has not made any final determination relating to these late claims and will review and treat such claims in accordance with the CPO and the Plans.

III. THE CREDITORS' MEETING AND THE APPROVAL OF THE PLANS

a. Steps Taken Prior to the Creditors' Meeting

99. In accordance with the Plan Filing and Meeting Order, the Monitor provided the requisite notices in order to convene and hold the Meeting on November 30, 2023, at 1 p.m. (Montreal time), by videoconference.

100. On November 9, 2023, the Notice of Meeting and Sanction Hearing was published in the Globe and Mail (National Edition), La Presse + and USA Today (National Edition), in accordance with the Plan Filing and Meeting Order.

101. On November 15, 2023, the Monitor filed its Reports on the Plans, all dated November 14, 2023. These Reports on the Plans were notified to the service list and posted on the Monitor's website. In accordance with the Plan Filing and Meeting Order, the Monitor also sent, by regular mail and by email, a copy of the Meeting Materials (including notably the Reports on the Plans and other documents identified in the Plan Filing and Meeting Order), to the Affected Creditors under each Plan. The Monitor also published same on its website as soon as practicable. The service list was also informed (at the time of notification of the Reports on the Plans) that the Meeting Materials were available on the Monitor's website.

102. In accordance with the Plan Filing and Meeting Order and the foregoing notices, the Creditors' Meeting was duly convened and held on November 30, at 1 p.m. (Montreal time), by Microsoft Teams Meeting. The credentials and information to attend the Creditors' Meeting was provided to all who had registered by providing a Registration Form.

103. In advance of the Creditors' Meeting, the Monitor communicated with creditors to answer certain questions and coordinate their registration. The Monitor also collected and compiled the Proxy and Voting Forms provided by Affected Creditors. A daily report of the progress was provided to the Company in advance of the Creditors' Meeting.

b. Conduct of the Creditors' Meeting and Results

104. On November 30, 2023, the Creditors' Meeting was held via Microsoft Teams for the purposes of considering and voting on the Plans, the whole in accordance with the terms of the Plan Filing and Meeting Order. Other than the Monitor, the Petitioners, the Company and counsel and team members, 17 participants attended the Creditors' Meeting and all other Affected Creditors' having exercised their vote did so by providing a Proxy and Voting Form in accordance with the Plan Filing and Meeting Order.
105. The minutes of the Creditors' Meeting, prepared by the appointed secretary of the Creditors' Meeting, are enclosed as **Appendix G** and include an attendance report and the voting results overview.
106. Approximately 88% (in number), representing over 97% in value, of the total creditors entitled to vote on the Plans did vote on such Plans prior to or at the Creditors' Meeting.
107. The resolution to approve each Plan was approved by an overwhelming majority of each Plan Debtor's Affected Creditors with a Proven Claim. The overview of the results is available below:

Xebec Adsorption Inc. & AI Voting Results Overview - Count		ENTITIES										
		ACS	AIR	CAI	CAL	CDA	ITI	NOR	UEC	XBC	XHU	XSH
Total Votes For - Including BLA Interco voted by EDC	20	10	16	20	8	19	16	91	13	5	5	
Total Votes - Including BLA Interco voted by EDC	20	10	16	21	8	19	17	91	13	5	5	
Total Votes For (% of Voting Creditors)	100%	100%	100%	95%	100%	100%	94%	100%	100%	100%	100%	
Intercompany Claims other than BLA	1	2	2	3	2	1	5	2	3	0	1	
Total Votes For - Including Intercompany Claims	21	12	18	23	10	20	21	93	16	5	6	
Total Votes - Including Intercompany Claims	21	12	18	24	10	20	22	93	16	5	6	
Total Votes For (% of Voting Creditors)	100%	100%	100%	96%	100%	100%	95%	100%	100%	100%	100%	
Participation Rate	77%	91%	100%	91%	89%	100%	81%	85%	93%	100%	100%	

Xebec Adsorption Inc. & AI Voting Results Overview - Value 000s CAD		ENTITIES										
		ACS	AIR	CAI	CAL	CDA	ITI	NOR	UEC	XBC	XHU	XSH
Total Votes For - Including BLA Interco voted by EDC	3,917	1,412	737	12,437	11,240	1,266	12,998	24,452	14,332	46,882	6,759	
Total Votes - Including BLA Interco voted by EDC	3,917	1,412	737	12,565	11,240	1,266	13,086	24,452	14,332	46,882	6,759	
Total Votes For (% of Voting Creditors)	100%	100%	100%	99%	100%	100%	99%	100%	100%	100%	100%	
Intercompany Claims other than BLA	6	524	524	652	572	475	1,563	3,074	1,033	-	165	
Total Votes For - Including Intercompany Claims	3,923	1,936	1,261	13,089	11,812	1,741	14,561	27,526	15,365	46,882	6,925	
Total Votes - Including Intercompany Claims	3,923	1,936	1,261	13,217	11,812	1,741	14,649	27,526	15,365	46,882	6,925	
Total Votes For (% of Voting Creditors)	100%	100%	100%	99%	100%	100%	99%	100%	100%	100%	100%	
Participation Rate	97%	99%	100%	96%	100%	100%	97%	97%	97%	100%	100%	

Note
 Participation Rate is calculated excluding intercompany claims other than BLA.

108. These results are a testament to the resounding support of the Plans brought forward in this file, including in relation to the significant participation of Affected Creditors in the process.
109. Furthermore, these results also demonstrate that the assignment to the Monitor of votes in relation to intercompany claims did not change the results of the votes.
110. The Monitor remains of the view that each Plan is fair and reasonable, represents the best available alternative for each Plan Debtor's Affected Creditors and other stakeholders in the circumstances, and accordingly, should be sanctioned by the Court.

IV. RELEASES AND DISCHARGES

i. Releases for the Released Parties of the Plan Debtors

111. The Plans provide for the full and final release and discharge, at the Implementation Date, of (i) the Plan Debtor, as well as (ii) the Directors, Officers and the Plan Debtor's employees, (iii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to the CCAA Proceedings and the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case, (v) the Monitor and the Monitor's legal counsel in relation to the CCAA Proceedings and the U.S. Case, and of (vi) certain other persons forming part of the definition of Released Parties, in respect to any and all claims except, in relation to the Plan Debtor, an (1)

Unaffected Claim, (2) any Claim that cannot be released pursuant to the CCAA, or (3) any Claim listed in subsection 19(2) CCAA to the extent that such Claim is held by a Creditor who has not voted in favor of the Plan and who is not deemed to have voted in favor of the Plan.

112. As provided in the Plans and in the proposed Sanction Order, no release shall be provided in respect of matters set out at Section 5.1(2) CCAA.

113. The Monitor is of the opinion that the releases sought as part of the Plans, which have been approved by the overwhelming majority of Affected Creditors having a Voting Claim, are fair, just and reasonable, and are moreover generally accepted as customary in similar circumstances.

ii. Releases for the Directors and Officers of BLA

114. As appears from the Application, the Petitioners also seek the issuance of releases in favor of the present and former directors and officers of BLA, the parent company of the group of Petitioners, who did not file a plan of compromise given the absence of sums available for distribution.

115. The Monitor is supportive of such relief, which it considers justified, fair and appropriate, for the reasons summarized below and detailed in the Application.

116. The directors and officers have been instrumental in the current Restructuring Process and have remained implicated and committed to the direction and management of the Company since the initiation of the proceedings. As further indicated in the Application, at least twenty-five (25) board meetings were held, to which the Monitor also participated, in addition to numerous exchanges, informal meetings and phone calls.

117. All these efforts deployed by Management and by the board of BLA were committed to the best interests and to maximizing value for all stakeholders and the Monitor has been a witness to these efforts which were put forward at all stages of the proceedings, which allowed, among others, for (i) securing interim financing required in order to maintain the Petitioners' businesses during the CCAA proceedings (ii) allowing for the preservation of the continued employment of the majority of employees and the continuation of business relationships with many suppliers and clients, (iii) closing of no less than 13 transactions, (iv) the monetization of substantially all assets of the Petitioners, and (v) the resolution of many complex business and legal issues and the implementation of several settlements in connection therewith.

118. Moreover, the resounding support and significant participation rate of the Affected Creditors in connection with the Plans are also demonstrations and the result of this commitment.

119. The Monitor considers that it would be unfair that the D&O's (as defined in the Application) do not benefit from releases given the upcoming wind-down and bankruptcy of BLA and the fact that this entity could not bring forward a Plan. The inability for BLA to file a plan of compromise is foreign to the D&O's implication and role and is a result in particular of the structure of capital, debt and security of the Company. It has nothing to do with the implication or contribution of these individuals, to the contrary.

120. Furthermore, the Class Action Settlement has been finalized and approved and a D&O claims process has now been completed such that no uncertain or unresolved D&O liabilities remain, including in respect of the Haffner D&O PoC which settlement is in the process of being documented by the parties as indicated hereinabove.

121. As such, the Monitor supports the relief sought by the Petitioners in respect to all releases and discharges sought, whether pursuant to the Plans or in relation to BLA.

V. ACTUAL RECEIPTS AND DISBURSEMENTS

122. Xebec Group's financial performance highlights for the ten-week period ended November 25, 2023, are presented in the Actual Cash Flow appended hereto as **Appendix H**. The Monitor's comments on the Petitioners' financial performance during this period are as follows:

- a. compared with the Cash Flow Statement, the actual Xebec Group's receipts and disbursements demonstrate a net cash balance as at November 25, 2023, of \$1M, which is \$0.5M higher than budgeted as further detailed in **Appendix H**. This favourable variance mainly results from:
 - i. an unfavourable variance of \$0.2M in total cash inflows mainly explained by lower transfer of funds from net proceeds (\$0.4M) due to lower cash requirements during the period. This unfavorable variance was compensated by higher transfers from related parties (\$0.1M) and higher various other collections (\$0.1M), and;
 - ii. a favourable variance of \$0.7M in cash outflows, which is mainly explained by lower disbursements in purchases (\$0.3M), professional fees (\$0.3M), payroll (\$0.1M) and lower sales tax payments. These favorable variances were, however, compensated by higher transfers to related parties (\$0.1M).

123. As described in this Thirteenth Report and for the extension of the Stay Period, the Cash Flow Statement indicates that, subject to the constitution of the Administrative Reserve as part of the Sanction Order, the Petitioners should have sufficient liquidity to continue to meet their obligations as part of the implementation of the Plans and completion of the insolvency proceedings of the Petitioners.

124. In respect of tax refund collections since the Twelfth Report and as at December 12, 2023, the Company has yet to receive a portion of the refund for the September and October sales tax returns in an aggregate amount of \$59K. The Company, with the assistance of the Monitor, is monitoring the situation closely and is in contact with the governmental authorities in that respect.

VI. OVERVIEW OF THE CASH-FLOW PROJECTIONS

125. The Company, with the assistance of the Monitor, has prepared the statement of projected cash-flow (the "**Cash Flow Statement**") for the four-month period from November 26, 2023 to March 30, 2024 (the "**Cash Flow Period**") for the purpose of projecting the Company's estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement is attached as **Appendix I** to this report, which presents the information separately between the use of funds from the Petitioners' cash-flow (until the projected closure of the bank accounts) and the use of funds from the Administrative Reserve Account.

126. The Cash Flow Statement has been prepared by the Company using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

127. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions relating to information supplied to it by Management. The Monitor's procedures with respect to the assumptions set forth in **Appendix I** were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the documents provided by Management and the preparation and presentation of the Cash Flow Statement.

128. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the Cash Flow Statement will be achieved. The Monitor expresses 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. Neither does the Monitor express any opinion as to the performance of the Company's statutory obligations with regard to projected payments to be made in accordance with the Cash Flow Statement, inter alia the payment of wages, the government remittances and the payroll deductions to be made by the Petitioners.
129. The Cash Flow Statement has been prepared solely for the purpose of this Report and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
130. Management has advised the Monitor that it believes that the forecast reflected in the Cash Flow Statement is reasonable.

VII. RESERVES PROVIDED FOR IN THE PLANS AND IN THE SANCTION ORDER

131. The Plans provide for the constitution of an "Administrative Reserve" to be held by the Monitor, the amount of which shall be approved by the Court at the time of the sanction of the Plans.
132. The Application seeks for the constitution of the Administrative Reserve in two accounts, one in CAD (in the amount of \$4M) and one in USD (in the amount of \$355K).
133. As indicated in the Reports on the Plans, the costs to be paid out the Administrative Reserve include all amounts outstanding in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtors' Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the respective Debtors including retainers to any proposed trustee in bankruptcy, amounts that may be claimed in relation to WEPP Relief, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion.
134. The proposed Sanction Order also provides conclusions allowing for the inclusion of amounts and costs to be incurred in relation to both Petitioner entities that are not Plan Debtors (BLA and GNR), given that measures will be implemented to wind-down same. The intent of the Petitioners, in consultation with the Monitor, has always been that such costs form part of the Administrative Reserve Costs and their estimates were included in the estimated recoveries included in the Reports on the Plans.
135. The Administrative Reserve estimates are calculated using the projected disbursements included in the Cash-Flow Statement up and until March 30, 2024. Readers should refer to the previous sections for more details. These estimates are dependent notably upon projected collections and disbursements from the week ending December 2, 2023, until the week ending December 30, 2023, as well as the various hypotheses contained in the Cash-Flow Statement and the Notes to the Cash-Flow Statement.
136. The Monitor highlights that the amounts of the Administrative Reserve based on the Cash-Flow Statement, along with recent developments, including with respect to foreign exchange rates, the London RNG Settlement (defined below) and post-filing obligations would result in a distribution to the Affected Creditors essentially within the estimated ranges of recoveries presented in the Reports on the Plans. As of the date hereof, distributions could be impacted by variations in the foreign exchange rates applicable at the time of distributions.

137. As indicated in the Application and in the proposed Sanction Order, the Monitor submits that it should be afforded the possibility, in its sole discretion, to reduce the Administrative Reserve and include any such funds to the Distribution Proceeds for distribution to the creditors under each Plan.
138. The proposed streamlined mechanism will allow for maximum flexibility and reduce potential costs and delays prior to distribution and, if a transfer does take place, it would result in an increase the distribution to creditors.
139. The Plans also provide for the constitution of a Disputed Claims Reserve in relation to any remaining Disputed Claims at the time of the distribution to the Affected Creditors, if any. Since there are no Disputed Claims, no such reserve will be constituted.
140. In the event that there is an immaterial amount remaining in the above-noted reserves, the Plans authorize the Monitor to determine the amount that should properly be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the Plans and the EDC Support Agreement (established with the consent of EDC or as determined by the Court) and to distribute such amount to EDC, and to donate any remaining balance to the charitable organizations Centraide du Grand Montréal and Welcome Collective equally. This is a fair solution in the context where the costs of a subsequent distribution would not be justified given the amount available to be distributed.

VIII. OTHER ANCILLARY RELIEF

141. As set forth in the Application, certain additional powers are sought to be entrusted to the Monitor, as the file progresses towards the implementation of the Plans and, should they be approved, towards distributions to creditors.
142. As stated in the previous section, this additional relief includes the possibility for the Monitor to reduce the Administrative Reserve as may be required and applicable, and to include any such funds in the Distribution Proceeds of the Plans, for the benefit of the creditors.
143. It also includes the ability for the Monitor, upon receipt of the remaining funds in the Petitioners' bank account, to include said amounts in the Administrative Reserve Account. This measure is necessary and justified for banking and administrative reasons, since the Cash-Flow Statement assumes that all of the amounts in the Petitioners' bank accounts are used in order to pay for ongoing expenses, which practically will not be the case, and there may be an overlap with payments made out of the Administrative Reserve Account.
144. In addition, the Petitioners intend to proceed with the orderly wind-down of the various corporate entities. This includes, from the onset, the dissolution of GNR and the bankruptcy of BLA for which no plan of compromise has been filed, as well as other entities that will be wind-down upon implementation of a plan.
145. As such, the Petitioners and the Monitor believe that it is appropriate to authorize the Monitor, without any obligation, to (i) execute, issue or endorse documents of whatever nature in respect of the Petitioners, whether in the Monitor's name or on behalf of any of the Petitioners (including without limitation corporate documents, financial statements, tax returns and tax filings), (ii) make payments, on behalf of the Petitioners, of Administrative Costs out of the Administrative Reserve Account, and (iii) file an assignment in bankruptcy in respect of any of the Petitioners.
146. This relief will ensure an efficient and controlled process over the remaining measures to be implemented as part of the Restructuring Process and the Monitor is supportive of same.
147. The proposed Sanction Order also authorizes the Monitor, on behalf of the Petitioners, upon closure of the Petitioners' bank accounts, to collect any and all receivables or amounts otherwise owing to the Petitioners, including any and all tax reimbursements payable to BLA, which amounts shall be paid to the Monitor and held in trust by the Monitor for distribution to the Petitioners' creditors.

148. These additional powers are justified in these circumstances to allow for the completion of the remaining steps in an effective and thorough manner and the Monitor is supportive of same.

IX. SETTLEMENT WITH LONDON RNG

149. On July 19, 2023, London RNG filed its Proof of Claim against BLA, in the total amount of \$8,478,754 (the "**London RNG PoC**"), of which London RNG asserts a secured Claim in the amount of the London RNG LC which has been drawn by London RNG and paid to the Monitor in trust by NBC, in conformity with the London RNG LC Order.

150. Further to the London RNG Order, the Monitor currently holds in trust, a total amount of \$2,477,770.64 (being the London RNG LC amount of \$2,394,010.18 paid by NBC to the Monitor plus accrued interest) (the "**London RNG Trust Amount**").

151. As reported previously, BLA also has a receivable in the approximate amount of \$1.6M which remains owing by London RNG, as well as additional amounts that could be owed by London RNG for work that has been performed and not invoiced as well as certain holdback amounts, in the approximate sum of \$1.18M, the whole according to the records of the Company and the review performed by Management.

152. The Claim set forth in the London RNG PoC is broken down into three (3) main categories, namely

- a. Estimated costs to remediate deficiencies in the work performed by BLA: \$2,427,505;
- b. Estimated costs to complete the project: \$1,048,000;
- c. Loss of revenue: \$5,607,249.

153. The issues pertaining to London RNG have been the object of ongoing discussions in the past months between the Monitor, the Petitioners and London RNG (and their respective counsel). The Monitor has kept EDC apprised of these discussions, as secured creditor of BLA.

154. The magnitude and technical nature of London RNG's asserted Claim render its determination complex and the parties acknowledge that any litigation in connection thereto would result in material costs and delays. In addition, the agreements between the parties contain arbitration and limitation of liability provisions that further complicate a potential debate.

155. As such, London RNG, the Petitioners and the Monitor, in consultation with EDC and its advisors, held discussions with the hope of reaching an economic and practical resolution and settlement, subject to the approval of the Court.

156. On or about December 12, 2023, the parties entered into a settlement (the "**London RNG Settlement**"), which provides, *inter alia*, for the following:

- a. withholding of a sum of \$850K from the London RNG Trust Amount to a trust account of the Monitor, for distribution to the creditors;
- b. Remittance of the balance of the London RNG Trust Amount to London RNG (the "**London RNG Payment**");
- c. Waiver by BLA of any other amount allegedly owed by London RNG, including in relation to receivables and work in progress (WIP); and
- d. Mutual release and transaction between BLA and London RNG.

157. To the extent that the settlement agreement is approved by the Court following the notification of the London RNG Application and further to the order sought therein, the Monitor, in the days following the issuance of such an order, will (i) remit the London RNG Payment out of the London RNG Trust Amount to London RNG, and (ii) withhold the sum of 850K from the London RNG Trust Amount to a trust account of the Monitor, for distribution to the creditors.

158. With respect to the sum of \$850K and its treatment as part of the Allocation Method, the Monitor that it should be treated as a pro forma cash inflow of BLA, which will effectively reduce the BLA Shortfall Repayment (as such term is defined in the Allocation Method) by an equivalent amount.

159. Given all relevant circumstances such as those described above, the Monitor is supportive of the London RNG Settlement and the order sought in the London RNG Settlement Application.

X. EXTENSION OF THE STAY PERIOD

160. The Stay Period currently expires on December 15, 2023. The extension of the Stay Period until March 27, 2024, sought by the Petitioners is namely required to, *inter alia*, (i) obtain recognition of eventual sanction orders in the United States (the hearing of which is scheduled for January 30, 2024), (ii) continue to communicate and answer creditors' questions pertaining to the restructuring process and the implementation of the Plans, (iii) manage and proceed with distributions to Creditors who are entitled to same, and (iv) wind-down and/or dissolve certain Petitioner and non-Petitioner entities.

161. As described in this Thirteenth Report, the Cash Flow Statement indicates that, subject to the constitution of the Administrative Reserve as part of the Sanction Order, the Petitioners should have sufficient liquidity to continue to meet their obligations as part of the implementation of the Plans and completion of the insolvency proceedings of the Petitioners.

XI. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

162. For the reasons previously explained in the Reports on the Plans, and for the reasons reiterated herein, the Monitor is of the view that the Plans are fair and reasonable and beneficial to the Company, its creditors and stakeholders and that they should be sanctioned by the Court.

163. The Monitor also supports the other relief sought in the Application, including the releases of the BLA directors and officers, the constitution of the Administrative Reserve, and additional powers entrusted to the Monitor in the context of the envisaged distributions and wind-down and the extension sought by the Petitioners in order to proceed with the remaining steps and milestones in the file.

164. The Monitor considers that the Petitioners have complied with the provisions of the CCAA and the orders of the Court in the context of the CCAA Proceedings generally. The Monitor is also of the opinion that the Petitioners have acted in good faith and with due diligence in the CCAA Proceedings and in developing the Plans.

165. The Monitor supports the London RNG Settlement and the order sought in the London RNG Settlement Application.

166. For the reasons set forth herein, the Monitor supports the relief sought by the Petitioners in the Application.

DATED AT MONTREAL, this 14th day of December 2023.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of the
Petitioners



Jean-François Nadon, CPA, CIRP, LIT
President



Julie Mortreux, CPA, CIRP, LIT
Senior Vice President

Appendix A – Summary of Transactions

XEBEC ADSORPTION INC. & AI.
Transaction summary
As of December 13, 2023

Bidder	Notes	Closing Date	Petitioners										Non-Petitioners					
			BLA	CAI	ACS	GNR	CAL	CDA	NOR	AIR	TIT	XBC	UEC	Note 1 XSU	TIGER	Shanghai	HyGear	Note 2 ITA
Transactions part of the SISP Process																		
Forum Family Office		27-Jan-23																*
HoSt Bioenergy Systems		6-Feb-23																*
1396905 B.C. LTD		7-Feb-23			*													
FSTQ		15-Feb-23				*												
Sullair		21-Feb-23					*											
Ivys Energy Solutions		24-Feb-23	*															*
Next Air & Gas		14-Mar-23							*									
Curtis-Toledo		15-Mar-23							*									
Fluid-Aire Dynamics		20-Mar-23								*								
Total Energy Systems		23-Mar-23									*							
EnergyLink		5-Apr-23										*						
BOGE Kompressoren		1-Aug-23											*					*

1 XSU did not receive an acceptable binding offer, as further detailed in the Fifth Report.

2 Xebec Italy filed an assignment in bankruptcy under applicable Italian laws. These assets are being liquidated as part of the bankruptcy. BLA submitted a claim in the bankruptcy of Xebec Italy and may benefit from a potential distribution following the liquidation of the assets and the administration of the bankruptcy.

3 Inmatec Gemany filed formal insolvency proceedings under applicable German laws at the end of March 2023. The Monitor understands that a transaction has occurred for the business of Inmatec and that BLA filed a proof of claim for amounts owed by Inmatec, which amounts were reviewed by the Monitor. To the extent that there is a distribution to BLA as unsecured creditor, this could impact the realization proceeds available to distribution to the Petitioners' creditors.

Other Remaining Assets

Air Products	4	22-Apr-23										*						
Western Midstream	5	19-Jul-23										*						
Biostream	6	11-Oct-23										*						
Enerphase Vehicles	7	4-May-23							*									
Filters	8	11-Oct-23											*					
Claims to non-petitioners (ITA)	2	TBD	*														Claim	
Claims to non-petitioners (Inmatec)	3	TBD	*															Claim
London RNG	9	12-Dec-23	*															

4 A transaction took place on April 22, 2023 with Air Products for the inventory related to their contract with UEC. This inventory was specifically excluded from the transaction with Energy Link.

5 Specific assets related to the contract between UEC and Western Midstream were excluded from the transaction with Energy Link. A Settlement and Mutual Release Agreement between Western Midstream and UEC was executed on July 7, 2023 and the Western transaction closed on July 19, 2023.

6 The closing of the Biostream/Brightmark Assets Transaction occurred on October 11, 2023, at which date the Monitor received the balance of the purchase price (including taxes) in the amount of \$2,087,940.60 from Ivys (excluding the deposit in the amount of \$100k which was already held by the Monitor). As indicated in the Eleventh Report, the Biostream/Brightmark Assets Transaction includes the XSU Filters which have no significant or nominal net value. It should also be noted that the purchase price includes sales taxes that will need to be remitted by the Petitioners and that have been included in the Cash Flow Statement.

7 Management, with the support of the Monitor, concluded the sale of the vehicles owned by Enerphase Industrial Solutions Inc. (AIR).

8 Filters are part of the Biostream transaction (refer to Note 6).

9 Pursuant to the Order Directing Payment In Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUA58735 (the "LRNG LC") are currently held in a Monitor's distinct trust account until determination of the parties' respective rights under the LRNG LC is made in a final judgment of a Court or other forum having jurisdiction or until an agreement is entered into by the parties. On December 12, 2023, an agreement, subject to Court approval, was reached between the parties. The agreement contemplates that \$850K will be kept in a Monitors' trust account for distribution to creditors and the balance of the London RNG Trust Amount will be remitted to LRNG.

Appendix B – Breakdown of Net Proceeds

XEBEC ADSORPTION INC. & AI.

Breakdown of net proceeds and transactions from the Monitor's trust accounts
In \$000s CAD, as of November 25, 2023

	Petitioners	Note	Amounts
PROCEEDS FROM TRANSACTIONS			
Transactions - Part of the SISP process			
1396905 B.C. LTD	ACS	1	400
FSTQ	GNR		100
Sullair	CDA & CAL	2	12,222
Ivys Energy Solutions	BLA & CAI		7,900
Next Air & Gas	NOR	2	209
Curtis Toledo	AIR	2	895
Fluid-Aire Dynamics	TIT	2	1,402
Total Energy Systems	XBC	2	1,477
EnergyLink	UEC	2	4,037
			28,643
Closed transactions - Remaining Other Assets			
Air Products	UEC	2	236
Enerphase - Vehicle Fleet sales	AIR	2	109
Western Midstream	UEC		250
Biostreams	UEC		2,000
Total proceeds		A	31,238
PAYMENTS MADE TO THE BENEFICIARIES OF THE CCAA CHARGES AND OTHER COLLECTIONS AND DISBURSEMENTS			
Professional fees			(1,489)
Interest and fees on DIP Financing			(31)
Transaction Fee			(975)
KERP			(432)
Funds from net proceeds - Transfer to operation accounts		4	(2,637)
Payment pursuant to the Settlement Agreement relating to the Xebec UK Transaction			(420)
Interest revenues (net of bank fees)			446
Sales tax collected on behalf of debtors to be remitted			185
Foreign exchange loss (gain)			46
		B	(5,308)
DIP Facility - Reimbursement to NBC			(1,500)
DIP Facility - Reimbursement to EDC			(1,500)
Second DIP Facility - Reimbursement to EDC			(2,500)
Third DIP Facility - Reimbursement to EDC			(3,450)
		B	(8,950)
Outstanding balance as of November 25, 2023		3	C=(A+B) 16,980
UPCOMING COLLECTIONS AND DISBURSEMENTS FROM THE TRUST ACCOUNTS			
Funds from net proceeds - Transfer to the operation accounts as previously approved by the Court		4	(363)
Funds from net proceeds - Transfer to the Administrative Reserve accounts		5	(4,485)
Sales tax collected on behalf of debtors to be remitted (Biostreams Transaction)			(185)
Other forecasted collections			466
London RNG - Settlement	BLA	6	850
		D	(3,717)
Outstanding balance after priority charges			E=(C+D) 13,263
OTHER REMAINING ASSETS			
Claims to Non-Petitioners	IGT		TBD
Claims to Non-Petitioners	ITA		TBD
Other potential proceeds		F	-
Estimated net proceeds and transactions from the Monitor's trust accounts		G=(E+F)	13,263
ESTIMATED DISTRIBUTIONS			
EDC Subrogated Claim - Enbridge LC		7	(200)
EDC Subrogated Claim - London RNG LC - Unpaid portion			(205)
Amounts distributed on the account of the EDC Secured Claim			(4,560)
EDC Secured Claim collections from BLA Shortfall Repayment			(169)
Additional EDC Secured Claim collections from dividends under other debtors' plans			(3,038)
EDC Unsecured Claims			(2,273)
Other Unsecured Claims		8	(2,819)
Outstanding balance			-

Note 1: These proceeds do not include Tiger's proceeds that were paid directly to NBC.

Note 2: Assuming closing FX rates at the date of the transactions as per the Bank of Canada.

Note 3: Assuming FX rate of 1.3623 USD as per the Bank of Canada on November 25, 2023.

Note 4: In accordance with the order rendered by the Court on May 24, 2023 authorizing the Monitor to transfer funds from the Net Proceeds to the Petitioners for a maximum amount of \$3M, the Monitor has transferred funds from the Net Proceeds to the Petitioners' account from time to time to meet the cashflow requirements. On December 8, 2023, the remaining amount of \$363K has been transferred from the Net Proceeds to the Petitioners' account.

Note 5: The Plans provide for the constitution of an "Administrative Reserve" to be held by the Monitor, the amount of which shall be approved by the Court at the time of the sanction of the Plans. The Administrative Reserve estimates are calculated using the projected disbursements included in the Cash-Flow Statement up and until March 30, 2024. These estimates are dependent notably upon projected collections and disbursements from the week ending December 2, 2023, until the week ending December 30, 2023, as well as the various hypotheses contained in the Cash-Flow Statement and the Notes to the Cash-Flow Statement.

Note 6: Pursuant to the Order Directing Payment In Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUAS8735 (the "LRNG LC") are currently held in a Monitor's distinct trust account until determination of the parties' respective rights under the LRNG LC is made in a final judgment of a Court or other forum having jurisdiction or until an agreement is entered into by the parties. On December 12, 2023, an agreement, subject to Court approval, was reached between the parties. The agreement contemplates that \$850K will be kept in a Monitors' trust account for distribution to creditors and the balance of the London RNG Trust Amount will be remitted to LRNG.

Note 7: As further detailed in the 12th Monitor's Report, the Estimated Distribution reflects the application of the Allocation Method approved by the Allocation Order and the sharing formula agreed to under the EDC Support Agreement and also presents the estimate of the distributions to the Affected Creditors who will be entitled to a distribution under the various plans of the Petitioners (other than BLA and GNR). The Estimated Distribution, which will be updated at the time of Distribution, contains certain hypotheses and estimates, such that the figures contained therein are not final and remain subject to change.

Note 8: Refer to the next page of Appendix B for the detailed Estimated Distribution by estate in relation to Other Unsecured Claims.

Appendix B – Breakdown of Net Proceeds (cont'd)

Estimated Distribution - Other unsecured claims	
<i>Based on information as of November 25, 2023 In \$000 CAD</i>	
ACS	283
AIR	481
BLA	-
CAI	411
CAL	39
CDA	14
GNR	-
NOR	54
TIT	343
UEC	1,113
XBC	18
XHU	7
XSU	56
Total	2,819

Notes

The Estimated Distribution illustrates the updated estimated distributions in each estate and accounts for the hypotheses set forth in the Cash-Flow Statement up and until March 30, 2024 presented in this report.

The Estimated Distribution, which will be updated at the time of Distribution, contains certain hypotheses and estimates, such that the figures contained therein are not final and remain subject to change, including the impact of variations of the foreign exchange rates.

Appendix C – Summary of Claims, excluding D&O claims

Claims Process Overview As at Dec 12, 2023 In \$000s CAD		Claims Received				Notices of Revision		Proven Claims			
		Unsecured		Secured		Combined		Unsecured		Secured	
	Note	#	\$	#	\$	#	\$	#	\$	#	\$
BLA											
EDC	1, 2	0	-	1	18,303	0	-	1	12,176	1	5,134
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		8	29,777	0	-	8	10,848	1	18,929	0	-
Other		N/A	N/A	4	652	6	1,352	N/A	N/A	0	-
		8	29,777	6	19,154	14	12,200	2	31,106	2	5,134
UEC											
EDC	1, 2	0	-	1	18,303	0	-	1	12,176	1	5,134
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		4	11,564	0	-	3	8,490	2	3,074	0	-
Other		107	14,885	1	139	22	580	106	14,443	0	-
		111	26,449	3	18,642	25	9,070	109	29,694	2	5,134
XSU											
EDC	1	0	-	1	405	0	-	0	-	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		7	8,526	0	-	6	1,851	2	6,675	0	-
Other		7	2,116	0	-	4	1,867	4	250	0	-
		14	10,642	2	605	10	3,717	6	6,925	2	405
ACS											
EDC	1	0	-	1	405	0	-	0	-	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		3	3,386	0	-	2	146	2	3,240	0	-
Other		26	979	0	-	4	175	25	804	0	-
		29	4,364	2	605	6	321	27	4,043	2	405
CAI											
EDC	1	0	-	1	405	0	-	0	-	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		3	937	0	-	2	67	3	871	0	-
Other		15	390	0	-	1	1	15	390	0	-
		18	1,328	2	605	3	67	18	1,261	2	405
AIR											
EDC	1	0	-	1	405	0	-	0	-	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		3	1,387	0	-	1	27	3	1,360	0	-
Other		10	593	0	-	2	5	10	588	0	-
		13	1,980	2	605	3	32	13	1,948	2	405
NOR											
EDC	1, 2	0	-	1	18,303	0	-	1	12,176	1	5,134
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		6	3,420	0	-	3	199	6	3,221	0	-
Other		20	1,211	0	-	5	207	20	1,004	0	-
		26	4,631	2	18,503	8	407	27	16,401	2	5,134
ITI											
EDC	1	0	-	1	405	0	-	0	-	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		2	1,115	0	-	2	246	2	869	0	-
Other		19	1,520	0	-	4	648	17	872	0	-
		21	2,634	2	605	6	894	19	1,741	2	405
XBC											
EDC	1, 2	0	-	1	18,303	0	-	1	12,176	1	5,134
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		4	4,206	0	-	2	20	4	4,186	0	-
Other		13	700	0	-	2	2	12	698	0	-
		17	4,906	2	18,503	4	21	17	17,061	2	5,134
CDA											
EDC	1, 2	1	17,898	1	405	0	-	1	12,176	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		4	909	0	-	1	27	3	882	0	-
Other		7	55	1	1	4	16	7	40	0	-
		12	18,862	3	605	5	43	11	13,098	2	405
CAL											
EDC	1, 2	0	-	1	18,303	0	-	1	12,176	1	5,134
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		5	2,249	0	-	4	275	4	1,975	0	-
Other		21	985	1	3	7	83	21	905	0	-
		26	3,235	3	18,506	11	358	26	15,057	2	5,134
XHU											
EDC	1, 2	1	17,898	1	405	0	-	1	12,176	1	405
NBC	3	0	-	1	200	0	-	0	-	1	-
Interco		1	35,286	0	-	0	-	1	35,286	0	-
Other		5	1,506	0	-	4	805	3	701	0	-
		7	54,690	2	605	4	805	5	48,163	2	405
Total											
EDC		2	35,796	12	94,349	0	-	7	85,234	12	28,506
NBC		0	-	12	2,400	0	-	0	-	12	-
Interco		51	102,763	0	-	34	22,195	34	80,567	0	-
Other		250	24,941	7	794	65	5,740	240	20,695	0	-
		303	163,499	31	97,542	99	27,935	281	186,496	24	28,506

Appendix C cont'd – Summary of Claims, excluding D&O claims

Notes

Note 1

EDC PSG Guarantee Subrogated Claim

Claimed Amount	
London RNG and Enbridge LC	2,594,010
Calgon LC	490,680
	<u>3,084,690</u>
Suspense Agreement: Payment of the Excess Proceeds to EDC	
Held in NBC's Suspense Account	(2,416,789)
Held in the Monitor's trust account	(262,936)
	<u>(2,679,725)</u>
Deemed EDC PSG Claim Amount	<u>404,965</u>

Note 2

EDC Secured Claim and EDC Deficiency Claim

Claimed Amount	17,897,856
EDC - Secured debt - Fees/Interest recharacterization	(992,236)
	<u>16,905,620</u>
Amounts distributed on the account of the EDC Secured Claim	4,559,883
EDC Secured Claim collections from BLA Shortfall Repayment	169,409
Estimated Proven Secured Claim	<u>4,729,292</u>
Estimated Proven Deficiency Claim	<u>12,176,328</u>

Note 3

This claim is a double proof of claim, as it relates to the Enbridge LC that also forms part of the EDC PSG Guarantee Subrogated Claim.

Appendix D –Notices of Revision and Disallowance

FORMERXBC & AL.		Amount Claimed (CAD)				Proven Claim (Unsecured)	Notice of Revision Date Sent	Reasons for Revision or Disallowance
Notice of Revision or Disallowance Summary (excluding D&O)		Unsecured	Secured	Restructuring				
Entity	Creditor Name							
1	ACS Argo Sales LP	141,723.75	-	141,723.75	136,142.25	3-Nov-23	C, E	
2	ACS AUTOMATION DIRECT.COM INC	36,851.08	-	-	29,580.58	20-Oct-23	C	
3	ACS Hazloc Heaters inc.	18,935.45	-	18,935.45	18,935.45	21-Sep-23	E	
4	ACS Sauer Compressors USA, Inc.	1,668.91	-	-	-	20-Oct-23	C	
5	AIR Ingersoll-Rand Industrial U.S. Inc (dba Zeks Compressed Air Solutions)	80,707.60	-	3,735.72	80,707.60	24-Oct-23	E	
6	AIR Raymond Chabot Grant Thornton	5,932.50	-	-	4,882.50	20-Oct-23	C	
7	BLA MTA-USA LLC	-	410,490.38	-	TBD	21-Sep-23	D	
8	BLA H.C. VIDAL LTEE	-	143,820.51	-	TBD	21-Sep-23	D	
9	BLA Nuova General Instruments Inc ***	89,034.24	89,034.24	89,034.24	TBD	4-Dec-23	D	
10	BLA CNESST	9,145.77	-	9,018.69	9,145.77	3-Nov-23	C, E	
11	BLA METIER PLUS INC	-	8,197.49	-	8,197.49	21-Sep-23	D	
12	BLA GRAYBAR ELECTRIC COMPANY INC	517,542.82	-	3,863.00	-	24-Oct-23	A	
13	CAI FAI FILTRI CANADA INC	5,947.21	-	-	5,416.67	25-Oct-23	C	
14	CAL Samuel, Son & Co (USA) Inc dba Samuel Pressure Vessel Group	56,374.27	-	-	20,156.58	25-Oct-23	C	
15	CAL Consolidated Parts	15,051.71	-	-	13,091.65	20-Nov-23	C	
16	CAL Ingersoll-Rand Industrial U.S. Inc (dba Zeks Compressed Air Solutions)	12,849.17	-	30,754.85	12,849.17	17-Nov-23	E	
17	CAL West Alamo Motorsports Inc.	2,947.01	-	2,947.01	2,947.01	21-Sep-23	E	
18	CAL TurboPro, Inc.	1,111.10	-	1,111.10	1,111.10	21-Sep-23	E	
19	CAL D&D Compressor Service Inc.	2,225.65	2,831.72	5,057.36	439.50	21-Sep-23	C, D, E	
20	CAL Aaction Rents	435.50	-	-	382.26	24-Oct-23	C	
21	CDA ADVANCED AIR LEAK DETECTION SERVICES INC.	10,280.25	-	10,280.25	10,280.25	20-Oct-23	E	
22	CDA THREE WAY LOGISTICS INC	11,881.02	-	-	7,338.45	20-Oct-23	C	
23	CDA Hycomp Inc	-	503.68	-	503.68	24-Oct-23	D	
24	CDA Raymond Chabot Grant Thornton	1,050.00	-	-	-	20-Oct-23	C	
25	NOR Brozelco Inc.	239,867.73	-	205,896.96	420,064.06	24-Oct-23	C	
26	NOR Technical Heat Transfer Services, Inc.	34,246.94	-	34,246.94	34,246.94	21-Sep-23	E	
27	NOR AKG THERMAL SYSTEM INC	27,896.76	-	-	15,681.77	25-Oct-23	C	
28	NOR TOTAL SOURCE PACKAGING INC	4,598.70	-	4,598.70	4,598.70	21-Sep-23	E	
29	NOR TENNESSEE DEPARTMENT OF REVENUE	131,808.88	-	-	1,235.40	17-Nov-23	B	
30	TIT STEPHEN E. TITUS	616,815.00	-	-	-	14-Nov-23	C	
31	TIT KELTEC TECHNO LAB	8,722.30	-	-	6,114.54	20-Oct-23	C	
32	TIT Metal research inc.	13,353.03	-	-	-	17-Nov-23	C	
33	TIT STEPHEN E. TITUS	282,364.20	-	-	267,372.96	14-Nov-23	F, G	
34	UEC Gardner Denver Inc	1,951,199.47	-	150,717.16	2,010,707.53	22-Nov-23	B, C	
35	UEC AEROTEK INC	423,347.66	-	-	398,039.52	17-Nov-23	C	
36	UEC Wesco Distribution Inc.	-	138,738.58	5,000.85	138,738.58	17-Nov-23	D, E, F	
37	UEC CADET SHEET METAL INC.	104,777.03	-	-	94,054.05	25-Oct-23	C	
38	UEC TRANSCEND SOLUTIONS, LLC	95,099.99	-	-	91,192.75	3-Nov-23	C	
39	UEC YSTAAS ELECTRICAL SERVICE LLC	65,382.39	-	65,382.39	65,382.39	21-Sep-23	E	
40	UEC ADVANCED AIR LEAK DETECTION SERVICES INC.	38,036.93	-	38,036.93	38,036.93	21-Sep-23	E	
41	UEC JMC Instruments Inc.	36,048.16	-	36,048.16	36,048.16	21-Sep-23	E	
42	UEC TECH TRANSFER INC	39,750.30	-	-	34,733.54	25-Oct-23	C	
43	UEC CUSTOM FIBERGLASS	41,401.99	-	-	33,709.63	17-Nov-23	C	
44	UEC QUALITY BROKERS AND LOGISTICS, LLC	26,454.51	-	26,454.51	26,454.51	24-Oct-23	E	
45	UEC CASTER SOLUTIONS INC	24,661.25	-	24,661.25	24,661.25	21-Sep-23	E	
46	UEC General Air Service and Supply Co	22,028.89	-	22,028.89	22,028.89	21-Sep-23	E	
47	UEC DISCOUNT STEEL, INC DBA COREMARK METALS	20,866.67	-	20,866.67	20,866.67	21-Sep-23	E	
48	UEC HeiTek Automation, LLC	17,992.97	-	17,992.97	17,992.97	21-Sep-23	E	
49	UEC Heabler Metal Products Inc	16,174.26	-	16,174.26	16,174.26	21-Sep-23	E	
50	UEC RHINEHART OIL CO. LLC	15,261.50	-	-	13,096.59	25-Oct-23	C	
51	UEC PEERLESS DYNAMICS LLC	27,414.00	-	-	6,853.50	25-Oct-23	C	
52	UEC Filters and More LLC dba GALLES FILTER & EXHAUST	538.41	-	538.41	538.41	21-Sep-23	E	
53	UEC THE HAYMON COMPANY	479.96	-	493.67	479.96	21-Sep-23	C, E	
54	UEC APPLIED INDUSTRIAL TECHNOLOGIES INC.	337.07	-	-	337.06	21-Sep-23	A	
55	UEC AGILIS	139,750.00	-	-	-	17-Nov-23	C	
56	XBC FIRST SUPPLY LLC	999.02	-	-	659.40	24-Oct-23	C	
57	XBC BRK GLOBAL MARKETING INC	1,319.30	-	-	-	25-Oct-23	C	
58	XHU STEPHEN E. TITUS	282,364.20	-	-	-	14-Nov-23	G	
59	XHU Raymond Chabot Grant Thornton	23,698.24	-	-	22,108.02	20-Oct-23	C	
60	XHU GRAYBAR ELECTRIC COMPANY INC	517,542.82	-	3,863.00	-	24-Oct-23	A	
61	XHU STEPHEN E. TITUS	616,815.00	-	-	616,815.00	14-Nov-23	A	
62	XSU Raymond Chabot Grant Thornton	8,352.23	-	-	7,302.23	20-Oct-23	C	
63	XSU GRAYBAR ELECTRIC COMPANY INC	517,542.82	-	3,863.00	-	24-Oct-23	A	
64	XSU TIGER FILTRATION LIMITED	1,329,676.42	-	-	-	21-Sep-23	F	
65	XSU WELLS FARGO FINANCIAL LEASING INC	14,517.88	-	-	-	3-Nov-23	A	
		8,801,200	793,617	993,326	4,848,434			
		A	A	A	B			

Notes

Revision & Disallowance (\$) **5,739,708**

The following are the main reasons for the Notices of Revision or Disallowance issued:

IA-B

- A) Claims filed against the incorrect Debtor
- B) Claims that are incomplete or unsupported by the requisite evidence and documentation and/or do not match the Petitioners' books and records
- C) Claims for a quantum that is overstated
- D) Claims filed as secured when it is unsecured
- E) Claims that were incorrectly filed as Restructuring Claims or Claims that were duplicated as unsecured Claims and Restructuring Claims
- F) Claims that do not have a sufficient legal basis
- G) Stephen E. Titus \$450K Claim is admitted in XHU, but rejected in TIT

Appendix E D&O Claims

FORMERXBC & AL.
Claims Process Summary (D&O)
As at December 13, 2023

	Entity	Creditor	Date sent	D&O	Currency	Notice sent / Withdrawn
1	NOR	Brozelco Inc.		174,996.52	USD	Alleged Personal Guarantee
2	BLA	Haffner Energy SA		2,725,188.30	EUR	Settlement being documented
3	ACS	EC&M Electric 1934 Ltd	29-Aug-23	2,350.08	CAD	Notice sent
4	ACS	Micro-Watt Control Devices Ltd	29-Aug-23	-	CAD	Notice sent / Withdrawn
5	BLA	NUOVA GENERAL INSTRUMENTS SRL	29-Aug-23	66,527.86	EUR	Notice sent
6	BLA	ROMAG CONTROLES INC.	29-Aug-23	59,362.74	CAD	Notice sent
7	BLA	HY-LOK DISTRIBUTION INC.	29-Aug-23	22,556.29	CAD	Notice sent
8	BLA	LES INDUSTRIES COLOR 3I (L.I.C.) INC.	29-Aug-23	20,322.05	CAD	Notice sent
9	BLA	CNESST	3-Nov-23	18,164.46	CAD	Notice sent
10	BLA	LES POMPES DIASPEC INC	30-Aug-23	4,581.75	CAD	Notice sent
11	BLA	ROBIN NERON LTEE	29-Aug-23	3,531.00	CAD	Notice sent
12	BLA	BARTEC US CORPORATION	29-Aug-23	2,910.00	USD	Notice sent
13	BLA	BRENNTAG CANADA INC	29-Aug-23	1,464.27	CAD	Notice sent
14	BLA	CLASS ACTION	27-Nov-23	-	CAD	Withdrawn
15	BLA	CLASS ACTION	27-Nov-23	-	CAD	Withdrawn
16	BLA	DALIAN CIMC SPECIAL LOGISTICS EQUIPMENT CO, LTD	29-Aug-23	-	USD	Notice sent / Withdrawn
17	BLA	USINAGE MAXIMUM	29-Aug-23	-	CAD	Notice sent / Withdrawn
18	CAI	ROYAL FLUID POWER INC.	29-Aug-23	580.13	CAD	Notice sent
19	CAL	UNITED TEXTILE INC	29-Aug-23	2,519.98	USD	Notice sent
20	CAL	West Alamo Motorsports Inc.	29-Aug-23	2,150.00	USD	Notice sent
21	CAL	D&D Compressor Service Inc.	29-Aug-23	1,623.73	USD	Notice sent
22	CDA	ADVANCED AIR LEAK DETECTION SERVICES INC.	29-Aug-23	7,500.00	USD	Notice sent
23	NOR	Technical Heat Transfer Services, Inc.	29-Aug-23	24,985.00	USD	Notice sent
24	NOR	TOTAL SOURCE PACKAGING INC	29-Aug-23	3,355.00	USD	Notice sent
25	XBC	HERTZ KOMPRESSOREN USA INC.	29-Aug-23	67,822.96	USD	Notice sent
26	UEC	ADVANCED AIR LEAK DETECTION SERVICES INC.	29-Aug-23	27,750.00	USD	Notice sent
27	UEC	JMC Instruments Inc.	29-Aug-23	26,299.09	USD	Notice sent
28	UEC	CASTER SOLUTIONS INC	29-Aug-23	17,991.72	USD	Notice sent
29	UEC	DISCOUNT STEEL, INC DBA COREMARK METALS	29-Aug-23	15,223.37	USD	Notice sent
30	UEC	HeiTek Automation, LLC	29-Aug-23	13,126.85	USD	Notice sent
31	UEC	Kenco International Inc DBA Kenco Engineering	29-Aug-23	7,486.05	USD	Notice sent
32	UEC	CLARK-RELIANCE LLC	29-Aug-23	9,913.72	USD	Notice sent
33	UEC	TOP FOX MARKETING	29-Aug-23	2,478.50	USD	Notice sent
34	UEC	WESTERN STORAGE AND HANDLING	29-Aug-23	2,782.43	USD	Notice sent
35	UEC	Filters and More LLC dba GALLES FILTER & EXHAUST	29-Aug-23	392.80	USD	Notice sent
36	UEC	HOERBIGER SERVICE INC.	29-Aug-23	-	USD	Notice sent / Withdrawn

Appendix F – EDC Aggregate Recovery Overview

EDC - Recovery Overview		
As at November 25, 2023 - In thousands CAD		
	Notes	Distribution
EDC Subrogated Claim		
Drawn LC		(491)
Drawn LC - London RNG	1	(2,394)
Outstanding LC		(200)
Total - EDC Subrogated Claim		A (3,085)
EDC Claim - EDC Support Agreement and Plans		
Amounts distributed on account of the EDC Secured Claim	2	(4,559)
EDC Secured Claim collections from BLA Shortfall Repayment	2	(169)
EDC - collections arising from distributions in other Plans	3	(3,039)
Unsecured - External EDC	4	(2,273)
Total - EDC Claim		B (10,040)
EDC - Amounts collected post-filing from the Debtors' bank accounts		
EDC - Secured debt - Reimbursement		(1,007)
EDC - Secured debt - Fees and Interest (Capital reimbursement after recharacterization)	5	(996)
Total - EDC - Amounts collected post-filing from the Debtors' bank accounts		C (2,003)
Total - EDC projected distribution		ΣA to C (15,128)
EDC outstanding debt as at Filing Date (before post filing capital reimbursement)	6	21,990
EDC - Global recovery %	7	68.8%

Notes

- 1 Pursuant to the Order Directing Payment In Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUA58735 (the "LRNG LC") are currently held in a Monitor's distinct trust account until determination of the parties' respective rights under the LRNG LC is made in a final judgment of a Court or other forum having jurisdiction or until an agreement is entered into by the parties. On December 12, 2023, an agreement, subject to Court approval, was reached between the parties. The agreement contemplates that \$850K will be kept in a Monitors' trust account for distribution to creditors and the balance of the London RNG Trust Amount will be remitted to LRNG.
- 2 Result of the sharing of the Allocated Net Proceeds and the BLA Shortfall Repayment between the secured and unsecured creditors as further detailed in the EDC Support Agreement and in the Twelfth Report.
- 3 Subsequent amount distributed to EDC as secured creditor of Debtors entitled to a dividend from other Debtors' Plans, in accordance with the EDC Support Agreement.
- 4 EDC collections as an unsecured creditor for its EDC Deficiency Claim, in accordance with the EDC Support Agreement.
- 5 Post-filing interest paid to EDC are being recharacterized as capital reimbursements since EDC will not recover 100% of the pre-filing amounts owed, in accordance with the Allocation Order.
- 6 EDC Claim (\$16.9M CAD) + EDC Subrogated Claim (\$3.1M CAD) + Capital reimbursements, including after recharacterization, collected from the Debtors' bank accounts (\$2.0M CAD).
- 7 This calculation is based on the most recent information available, Management estimates, Cash Flow projections for the period from November 26, 2023 to March 30, 2024 and based on the foreign exchange rate as of November 25, 2023.

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-061483-224

IN THE MATTER OF THE CCAA OF:

FORMERXBC INC. (FORMERLY XEBEC ADSORPTION INC.)
11941666 CANADA INC. (FORMERLY XEBEC RNG HOLDINGS INC.)
APPLIED COMPRESSION SYSTEMS LTD.
1224933 ONTARIO INC. (FORMERLY COMPRESSED AIR INTERNATIONAL INC.)
FORMERXBC HOLDING USA INC. (FORMERLY XEBEC HOLDING USA INC.)
ENERPHASE INDUSTRIAL SOLUTIONS, INC.
CDA SYSTEMS, LLC
FORMERXBC ADSORPTION USA INC. (FORMERLY XEBEC ADSORPTION USA INC.)
FORMERXBC PENNSYLVANIA COMPANY (FORMERLY THE TITUS COMPANY)
FORMERXBC NOR CORPORATION (FORMERLY NORTEKBELAIR CORPORATION)
FORMERXBC FLOW SERVICES – WISCONSIN INC. (FORMERLY XBC FLOW SERVICES – WISCONSIN INC.)
CALIFORNIA COMPRESSION, LLC
FORMERXBC SYSTEMS USA, LLC (FORMERLY XEBEC SYSTEMS USA, LLC)
Debtors / Petitioners

and

DELOITTE RESTRUCTURING INC.
Monitor

MEETING MINUTES
CREDITORS’ MEETING – FORMERXBC INC. ET AL.
NOVEMBER 30, 2023, 1pm EST - OFFICES OF DELOITTE RESTRUCTURING INC.
(MONTREAL, QC) AND BY MICROSOFT TEAMS

- **Persons present at the head table:**
 - Deloitte Restructuring Inc. in its capacity as court-appointed monitor (the “**Monitor**”): Julie Mortreux (**JM**) and Jean-François Nadon (**JFN**)
 - McCarthy Tétrault LLP, Monitor’s counsel: Mtre Jocelyn T. Perreault (**JP**)
 - Osler, Hoskin & Harcourt LLP, Petitioners’ counsel: Mtre Sandra Abitan
 - Xebec: Dimitrios (Jim) Vounassis

- **Other persons present in the room, at the Monitor’s offices:**
 - Monitor: Frédéric Turbide, Frédéric Beaudoin (scrutineer), Xavier Hainault and Sarah Li (scrutineer)
 - McCarthy Tétrault LLP: Mtre Marc-Étienne Boucher (secretary)
 - Osler, Hoskin & Harcourt LLP: Mtre Julien Morissette & Mtre Iliia Kravstov

- **Present on Teams Virtual Meeting:** see list attached as **Schedule 1**

[These minutes summarize the presentation made by the Monitor at the Creditors’ Meeting and are prepared for information purposes. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Plans.]

TIME	DESCRIPTION
1.00	Registered participants are admitted in the conference.
1.01	Introductory remarks by JFN. <ul style="list-style-type: none"> - Tests for sound - Meeting will be conducted in EN. Offers translation to FR speakers if required - Presents the head table: JFN (appointed as Chair), JM, JP, Jim Vounassis and Sandra Abitan
1.03	JFN details purpose and conduct of the meeting: <ul style="list-style-type: none"> - To review and approve plans of 11 Debtors (lists every entity, with related acronym) - Vote will be held on resolution to approve the Plans, further to the Meeting Order, as issued by Superior Court of Québec pursuant to the CCAA - Appointment of F. Beaudoin and S. Li of the Monitor as scrutineers

TIME	DESCRIPTION
	<ul style="list-style-type: none"> - Appointment of M. Boucher as secretary of the meeting - Lists the main items that will be reviewed at the meeting (i.e. overview of the Plans, Convenience Creditors, releases and discharges provided in the Plans, and conditions to implementation of the Plans)
1.07	<p>Quorum is reached by way of the receipt of at least one proxy per Plan Debtor, and the meeting may go forward for all Plans.</p>
1.07	<p>JM presents an overview of the Plans. A few elements are summarily reviewed, but it is recommended that the Plans and Reports be reviewed by Affected Creditors before voting.</p> <ul style="list-style-type: none"> - General Structure: Pursuant to the Plans, the Affected Creditors are Creditors of the Plan Debtor with an Affected Claim. Each Plan Debtor's Affected Creditors shall comprise a single class for purposes of considering and voting on such Debtor's Plan. So, there will be 11 separate votes – one for each Plan Debtor. - Convenience Creditors: All Affected Creditors will receive up to the first \$CAD 2000 in connection with their Proven Claim. Those creditors who will be paid in full as a result of this payment are defined as Convenience Creditors and they are deemed to vote in favour of the Plan, since their claim is repaid in full. - Releases and Discharges: The Plan provides for the full and final release and discharge, at the Implementation Date, of the Plan Debtors, their directors and officers, employees and advisors as well as the Monitor and its advisors, as further detailed in the Plans. The releases contain certain exceptions as required by the CCAA. - Plan Implementation Conditions: <ul style="list-style-type: none"> i. Approval of each and all of the Plans by the Required Majority of Affected Creditors of each Plan Debtor at the Creditors' Meeting; the required majority is at least 50% plus one in number representing at least 2/3 in value of the voting creditors of each plan debtor. ii. Issuance of the Sanction Order at the latest by December 31, 2023 (Hearing is planned on December 15, 2023) iii. Issuance of the U.S. Recognition Order at the latest by February 9, 2024, which shall become a Final Order (Hearing is planned on January 30, 2023)
1.11	<p>A technical amendment has been made to the Plans of ACS and CAI, at the request of the Canada Revenue Agency. There is no impact on the general terms or estimated distributions.</p>

TIME	DESCRIPTION
1.11	<p>JM reviews the distributions to be made pursuant to the Plans.</p> <p>Distributions have been reported upon in each Report on the Plans and are specifically provided for in the Plans. The Plans provide that Distribution Proceeds (as described and provided in each Plan) are to be distributed to Affected Creditors, as applicable, in the form of the convenience amount (as described earlier) with the balance of the Distribution Proceeds being distributed on a pro-rata basis of any remaining portion of the Proven Claim.</p> <p>Estimated recoveries have been provided and included in each Report on the Plans.</p> <p>Distributions on each Debtor's plan are expected to occur between February 15, 2024 and March 29, 2024. It is the Monitor that will be handling all distributions.</p>
1.12	<p>Appears to be a question on Teams (a virtual hand has been raised). No question asked in the end.</p>
1.13	<p>JFN presents the Monitor's recommendations on the Plans.</p> <p>Superior outcome for creditors than what is presented in the Liquidation Analysis. Xebec and its management's team has acted with due diligence and good faith in developing the Plans. They have been committed in achieving this result.</p> <p>Plans are fair and reasonable and the Monitor recommends voting in favor of the Plans.</p>
1.15	<p>JFN opens the floor for questions and explains the procedure to ask questions in writing or verbally. There are no questions from any party.</p>
1.16	<p>JM presents the voting procedure. Only Affected Creditors with a Voting Claim may vote, or their proxyholders. All Convenience Creditors are deemed to vote in favor. Monitor has also tallied proxies.</p> <p>Affected Creditors present who have not already submitted their vote or who wish to change their vote have 5 minutes to do so, by sending an email to the Monitor's dedicated email address. JM explains what information must be provided in order to register a vote.</p>
1.18	<p>JFN reads the resolution that is brought forward to vote on the Plans and that was circulated in the Meeting Materials.</p>
1.21	<p>JP reminds the room that if a vote has already been casted, there is no need to do so again, unless the person wishes to change their vote.</p> <p>The vote is now open for a period of 5 minutes [See Schedule 1 for votes received during meeting, by email].</p>

TIME	DESCRIPTION
1.26	<p>Closing remarks from JFN, who presents the result of the vote on screen.</p> <p>F. Beaudoin shows votes in all estates.</p> <p>JFN presents results. Very high approval and participation rate. Mr. Vounassis would like to say a few words.</p>
1.27	<p>Jim Vounassis: on behalf of the management team, thank you to all creditors, suppliers, employees for their support.</p>
1.28	<p>Technical issue reported with table. Table shared on screen for the participants to see. The table will also be included as Schedule 2 to the Minutes and in future documentation.</p> <p>Closing remarks.</p>
1.29	<p>End of Meeting.</p>

Schedule 1: Attendance Report

Xebec Adsorption Inc. & AI					
Creditors' Meeting - Attendance Report					
Entity	Creditor Name (per POC)	Contact	Vote	Proxy Date	Vote by Email at Creditors' Meeting
ACS	CANADA REVENUE AGENCY	Michael Lopes	FOR		30-Nov-23
ACS	His Majesty the King in Right of the Province of British Columbia (the Povince)	Aaron Welch	FOR		30-Nov-23
CAI	CANADA REVENUE AGENCY	Michael Lopes	FOR		30-Nov-23
CAI	GTA COMPRESSOR SOLUTIONS INC.	Steve Gray	FOR	23-Nov-23	
CAL	BEKO TECHNOLOGIES CORP.	Sharon Herndon	FOR	17-Nov-23	
CAL	Standpoint Technologies LLC	Jeff Carter	FOR	16-Nov-23	
TIT	Beko Technologies Corp.	Sharon Herndon	FOR	17-Nov-23	
TIT	WALKER FILTRATION INC.	Domenic Divito	FOR	21-Nov-23	
UEC	BEKO TECHNOLOGIES CORP.	Sharon Herndon	FOR	17-Nov-23	
UEC	DELTA TEE INTERNATIONAL, INC	Essa Firooz	FOR	21-Nov-23	
UEC	HOERBIGER SERVICE INC.	Tamare Denis	FOR	20-Nov-23	
UEC	MACHINERY MOUNTING SOLUTIONS, INC.	Bill Varnecky	FOR	24-Nov-23	
UEC	PALMER DRIVES CONTROLS & SYSTEMS, INC	Lynn Weberg	FOR	17-Nov-23	
UEC	REXEL USA INC.	Cindy Thoele	FOR	27-Nov-23	
XBC	HERTZ KOMPRESSOREN USA INC.	Stephanie Brockman	FOR		30-Nov-23
XHU	Sean Dempsey	Sean Dempsey	FOR	16-Nov-23	
XSU	TRILLIUM USA COMPANY LLC	Collie Morris	FOR	21-Nov-23	

Schedule 2: Voting Results Overview

Xebec Adsorption Inc. & AI Voting Results Overview - Count	ENTITIES										
	ACS	AIR	CAI	CAL	CDA	III	NOR	UEC	XBC	XHU	XSU
Total Votes For - Including BLA Interco voted by EDC	20	10	16	20	8	19	16	91	13	5	5
Total Votes - Including BLA Interco voted by EDC	20	10	16	21	8	19	17	91	13	5	5
Total Votes For (% of Voting Creditors)	100%	100%	100%	95%	100%	100%	94%	100%	100%	100%	100%
Intercompany Claims other than BLA	1	2	2	3	2	1	5	2	3	0	1
Total Votes For - Including Intercompany Claims	21	12	18	23	10	20	21	93	16	5	6
Total Votes - Including Intercompany Claims	21	12	18	24	10	20	22	93	16	5	6
Total Votes For (% of Voting Creditors)	100%	100%	100%	96%	100%	100%	95%	100%	100%	100%	100%
Participation Rate	77%	91%	100%	91%	89%	100%	81%	85%	93%	100%	100%

Xebec Adsorption Inc. & AI Voting Results Overview - Value 000s CAD	ENTITIES										
	ACS	AIR	CAI	CAL	CDA	III	NOR	UEC	XBC	XHU	XSU
Total Votes For - Including BLA Interco voted by EDC	3,917	1,412	737	12,437	11,240	1,266	12,998	24,452	14,332	46,882	6,759
Total Votes - Including BLA Interco voted by EDC	3,917	1,412	737	12,565	11,240	1,266	13,086	24,452	14,332	46,882	6,759
Total Votes For (% of Voting Creditors)	100%	100%	100%	99%	100%	100%	99%	100%	100%	100%	100%
Intercompany Claims other than BLA	6	524	524	652	572	475	1,563	3,074	1,033	-	165
Total Votes For - Including Intercompany Claims	3,923	1,936	1,261	13,089	11,812	1,741	14,561	27,526	15,365	46,882	6,925
Total Votes - Including Intercompany Claims	3,923	1,936	1,261	13,217	11,812	1,741	14,649	27,526	15,365	46,882	6,925
Total Votes For (% of Voting Creditors)	100%	100%	100%	99%	100%	100%	99%	100%	100%	100%	100%
Participation Rate	97%	99%	100%	96%	100%	100%	97%	97%	97%	100%	100%

Note

Participation Rate is calculated excluding intercompany claims other than BLA.

Appendix H – Actual Cash-flow
(period from September 16, 2023 to November 25, 2023)

Consolidated - North America Budget-to-Actual Analysis ("BTA") In \$000s CAD	For the 10-week period ended Nov 25, 2023				
	Actual	Projections	Var. (\$)	Var. (%)	Notes
Collections					
Sales from operation	12	-	12	-	1
Sales taxes - Collection	371	386	(15)	-4%	2
Other collections	47	-	47	-	3
Transfer from related party - Collection	92	-	92	-	
Funds from net proceeds	1,637	2,000	(363)	-18%	4
	2,159	2,386	(227)	-10%	
Disbursements					
Payroll	381	517	136	26%	5
Purchases	150	461	311	67%	6
Professional fees	1,620	1,957	337	17%	7
Transfer to related party - Disbursements	92	-	(92)	-	
Sales Taxes - Payment	4	36	32	89%	
	2,247	2,971	724	24%	
Net cash flow	(88)	(585)	497		
Net cash (Shortfall) - Beginning - Xebec	1,115	1,115	-		
Net cash (Shortfall) - Ending - Xebec	1,027	530	497		
Net cash (Shortfall) related to NewCo in the petitioners bank accounts					
Xebec Adsorption Inc.	37	-	37		8
	37	-	37		
Net cash (Shortfall) - Ending - Including NewCo	1,064	530	534		
<hr/>					
Trust Account Budget-to-Actual Analysis ("BTA") In \$000s CAD	For the 10-week period ended Nov 25, 2023				
	Actual	Projections	Var. (\$)	Var. (%)	Notes
Collections					
Proceeds from transactions - Trust	2,000	2,000	-	-	9
Interest revenue	144	150	(6)	-4%	10
Sales Tax Collection - To be Remitted	185	-	185	-	11
	2,329	2,150	179	8%	
Disbursements					
Sales Taxes - Payment	24	23	(1)	-4%	11
Funds from net proceeds - Advance to operation accounts	1,637	2,000	363	18%	4
Settlement - Xebec UK Transaction	420	420	-	-	12
	2,081	2,443	362	15%	
Net cash flow	247	(293)	(183)		
Foreign Exchange gain (loss)	118	-	118		13
Net cash (Shortfall) - Beginning	16,615	16,615	-		
Net cash (Trust accounts) - Ending	16,980	16,322	658		
<hr/>					
Total net cash related to the Petitioners (Operations + Trust accounts)	18,007	16,852	1,155		
Funds held in reserve not included in the net cash (Trust account)					
LRNG - Reserve account	2,468				14
Suspense account	2				14
Total cash under the control of the Monitor	20,477				

Appendix H – Actual Cash-flow (cont'd)

Consolidated - North America

Notes on Budget-to-Actual Analysis ("BTA")

For the 10-week Period ended Nov 25, 2023 (the "Period")

Note 1	Sales from operation	Collections of sales from operation were \$12K higher than projected during the Period.
Note 2	Sales Tax - Collection	Sales tax of \$371K were collected during the Period. At the date of this report, amounts totaling \$100K (QST only) in relation to the September Sales tax declaration has been received since November 25, 2023. However, amounts of \$59K (GST & QST combined) for the September and October Sales tax declaration are still outstanding.
Note 3	Other collections	During the Period, a petitioner received an unbudgeted reimbursement from a supplier for an amount of \$47K (USD \$34K) in relation to post-filing deposits that were reimbursed.
Note 4	Funds from net proceeds	According to the order rendered by the Court on May 24, 2023 authorizing the Monitor to transfer funds from the Net Proceeds to the Petitioners for a maximum amount of \$3M, the Monitor has transferred funds from the Net Proceeds to the petitioners account from time to time to meet the cashflow requirements. Before the Period, a transfer of \$1M was made by the Monitor. During the Period, transfers totaling \$1.6M were made to the Petitioners account. The remaining portion was transferred on December 8, 2023.
Note 5	Payroll	Disbursements for payroll were \$136K lower than projected. This favorable variance is due to certain employee resignations.
Note 6	Purchases	Disbursements for purchases were \$311K lower than projected during the Period. The favorable variance is mainly due to the timing of disbursements.
Note 7	Professional fees	During the Period, payments of \$1.6M were made to professionals. The favorable variance is due to the timing of payments. As at the date of this report, an aggregate amount of \$1.9M professional fees have been invoiced but remain unpaid. It mainly represents invoices for services rendered in October and November 2023.
Note 8	Net cash (shortfall) pertaining to Newco	<p>Petitioners whose assets were sold have been receiving funds on behalf of the buyers. Periodically, Management remits the funds to the buyers' new bank accounts after reviewing the transactions.</p> <p>Note that most bank accounts were closed by Management. Certain accounts for BLA, XSU and AIR were temporarily kept active to finalize the restructuring process.</p>
Note 9	Proceeds from transactions - trust	During the Period, the Monitor collected proceeds of \$2M following the closing of the Biostream Transaction.
Note 10	Interest Revenue	Interest revenues of \$144K in the trust bank accounts were collected during the Period.
Note 11	Sales Tax Collection and payments	Sales tax which amounts to \$185K was collected at closing of the Biostreams Transaction and will be remitted in the coming weeks. In addition, sales tax of \$24K related to the Western Midstream transaction has been remitted to the local tax authorities during the Period.
Note 12	Settlement - Xebec UK Transaction	In accordance with the Order rendered by the Court on September 29, 2023, the Monitor proceeded with the payment of the settlement agreement.
Note 13	Foreign Exchange	Note that funds in the USD Trust Account are presented in CAD and converted at the closing date of each period for presentation purposes. The FX rate (USD to CAD) variance generated an unrealized gain during the Period.
Note 14	Funds held in other Monitor trust accounts	<p>Pursuant to the Order Directing Payment In Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUA58735 (the "LRNG LC") are currently held in a Monitor's distinct trust account until determination of the parties' respective rights under the LRNG LC is made in a final judgment of a Court or other forum having jurisdiction or until an agreement is entered into by the parties. On December 12, 2023, an agreement, subject to Court approval, was reached between the parties. The agreement contemplates that \$850K will be kept in a Monitors' trust account for distribution to creditors and the balance of the London RNG Trust Amount will be remitted to LRNG.</p> <p>Following discussions held between the Petitioners, Xebec UK, the Monitor, EDC and NBC, it was agreed that all of the proceeds held by NBC in its suspense account and the NBC Fees Amount held in the Monitor's trust account would be paid to EDC, as a direct reduction of the EDC PSG Guarantee Subrogation Claim. The Monitor has been involved with the Petitioners, Xebec UK, NBC and EDC in the drafting and negotiation of an agreement in respect of the release of the aforementioned surplus funds (the "Suspense Account Agreement"). The Suspense Account Agreement was finalized and funds were remitted accordingly (\$263K). Interests of 2k were subsequently collected and will be remitted by the Monitor.</p>

Appendix I – Cash-flow statement

Consolidated - North America

Projected cash flow transactions

For the month	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	Notes
In 000 CAD - Period #	Dec-23	Jan-24	Feb-24	Mar-24	Total	
	1	2	3	4	Total	
Collections						
Other collections	20	-	-	-	20	
Transfer from related party - Collection (in & out)	20	-	-	-	20	
Sales taxes - Collection	159	-	-	-	159	Note 1
Funds from net proceeds	363	-	-	-	363	Note 2
Collections - Total	562	-	-	-	562	
Disbursements						
Former employee contractors	337	-	-	-	337	
Payments to service providers	72	-	-	-	72	
Professional fees	1,160	-	-	-	1,160	Note 4
Transfer to related party - Disbursements (in & out)	20	-	-	-	20	
Disbursements - Total	1,589	-	-	-	1,589	
Net cash flow - Total	(1,027)	-	-	-	(1,027)	
Net Cash (Shortfall) - Beginning	1,027	-	-	-	1,027	
Net Cash (Shortfall) - End	-	-	-	-	-	

Administration Reserve

Projected cash flow transactions

For the month	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	Notes
In 000 CAD - Period #	Dec-23	Jan-24	Feb-24	Mar-24	Total	
	1	2	3	4	Total	
Collections						
Sales taxes - Collection	-	-	-	-	-	
Funds from net proceeds	4,485	-	-	-	4,485	
Collections - Total	4,485	-	-	-	4,485	
Disbursements						
Payroll	-	20	20	30	70	
Payments to service providers	214	285	426	120	1,045	Note 3 & 4
Professional fees	1,177	670	557	575	2,979	Note 4
Tax related Payments	266	-	100	-	366	
Employee Priority Claims	-	-	25	-	25	Note 5
Disbursements - Total	1,657	975	1,128	725	4,485	
Net cash flow - Total	2,828	(975)	(1,128)	(725)	-	
Net Cash (Shortfall) - Beginning	-	2,828	1,853	725	-	
Net Cash (Shortfall) - End	2,828	1,853	725	-	-	

Consolidated - Monitor's trust accounts

Projected cash flow transactions

For the month	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	Notes
In 000 CAD - Period #	Dec-23	Jan-24	Feb-24	Mar-24	Total	
	1	2	3	4	Total	
Collections						
Sales taxes - Collection	-	221	121	124	466	Note 1
LRNG Settlement	-	850	-	-	850	
Collections - Total	-	1,071	121	124	1,316	
Disbursements						
Tax related Payments	185	-	-	-	185	Note 6
Funds from net proceeds - Advance to operation accounts	363	-	-	-	363	
Funds from net proceeds - Advance to Administrative Reserve	4,485	-	-	-	4,485	
Disbursements - Total	5,033	-	-	-	5,033	
Net cash flow - Total	(5,033)	1,071	121	124	(3,717)	
Net Cash (Shortfall) - Beginning	16,980	11,947	13,018	13,139	16,980	
Net Cash (Shortfall) - End	11,947	13,018	13,139	13,263	13,263	Note 7

Appendix I – Cash-flow statement (cont'd)

1 Cash Flow projections are based on the assumption that the sales taxes declarations will be paid by the tax authorities in the month following the declaration.

2 According to the order rendered by the Court on May 24, 2023 authorizing the Monitor to transfer funds from the Net Proceeds to the Petitioners for a maximum amount of \$3M, the Monitor has transferred funds from the Net Proceeds to the petitioners account from time to time to meet the cashflow requirements. The remaining amount of \$363K has been transferred from the Net Proceeds to the petitioners account on December 8, 2023.

3 Payments to service provider are based on Management estimates. Note that a creditor of UEC has sent a communication on December 11, 2023 alleging that its claim should be considered as a post-filing obligation. The information received will be reviewed in the upcoming days.

4 Payments to service providers and professional fees include sales taxes for the purpose of the Administrative Reserve. It should be noted that the sales taxes collections will be collected in the Monitors' Trust account. Find below the disbursement professional fees schedule:

Professional Fees Disbursements Schedule	Actual ^(A)	Forecast ^(B)		Total
		Invoiced unpaid amounts	Remaining Estimated Fees	
Osler	267	662	633	1,561
McDonald Hopkins	98	41	148	286
Clifford Chance	35	17	60	112
Deloitte	720	719	851	2,290
McCarthy	239	355	426	1,019
Holland & Knight	-	23	18	41
PwC - NBC	-	-	-	-
Richter - EDC	51	-	70	121
EDC - NRF	97	40	78	216
NBC - BLG	41	-	-	41
Bielli & Klauder	73	-	-	73
	1,621	1,856	2,283	4,139

A- Professional fees disbursed from September 16, 2023 to November 25, 2023

B- Professional fees to be disbursed from November 26, 2023 to March 30, 2024

5 Pursuant to payment under the federal Wage Earner Protection Program Act, payment to Service Canada for the employee priority claims under the Bankruptcy and Insolvency Act.

6 Sales tax collected at the Biostream Transaction closing and will be remitted in the coming weeks.

7 The Cash Flow projections are based on an FX rate of 1.3623 USD as per the Bank of Canada on November 25, 2023. Any future variance may negatively impact the net cash available for distribution to creditors.

Appendix J

Notes to the Cash-flow statement

NOTE A – PURPOSE

The purpose of these cash-flow projections is to determine the liquidity requirements of the Petitioners during the CCAA Proceedings.

NOTE B

The Cash Flow Statement has been prepared by the Company using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

NOTE C - DEFINITIONS

(1) CASH-FLOW STATEMENT:

In respect of a Company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the Company as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the Company's planned course of action for the period covered.

(2) HYPOTHETICAL ASSUMPTIONS:

Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the Company's judgment, but are consistent with the purpose of the Cash-Flow Statement.

(3) PROBABLE ASSUMPTIONS:

Means assumptions that:

- (i) The Company believes reflect the most probable set of economic conditions and planned courses of action, **Suitably Supported** that are consistent with the plans of the Company; and
- (ii) Provide a reasonable basis for the Cash-Flow Statement.

(4) SUITABLY SUPPORTED:

Means that the Assumptions are based on either one or more of the following factors:

- (i) The past performance of the Company;
- (ii) The performance of other industries/market participants engaged in similar activities as the Company;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

Appendix J (cont'd)

Notes to the Cash-flow statement

NOTE D—ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on current bank balances.	X	
<u>Forecast cash receipts:</u>			
Sales taxes - Collection	Based on the latest declarations prepared by Management and the latest communications from the tax authorities.	X	
Funds from Net Proceeds	Based on the assumption that the Court will authorize the use of Net Proceeds sought by the Application.	X	
LRNG Settlement	Based on an agreement subject to Court approval.	X	
<u>Forecast cash disbursements:</u>			
Payroll and former employee contractor	Based on Petitioners' historical payroll reports and on budgeted number of employees and expected requirements over the coming months.	X	
Payments to service providers	Based on the latest forecasts available prepared by Management.	X	
Professional fees	Management estimate of professional fees to be incurred in the following months for the Monitor, financial advisors and legal services.		X
Transfer to related party	Management estimate of cash inflows or outflows to be allocated to a specific Petitioner.		X
Tax related Payments	Based on the latest forecasts available prepared by Management.	X	
Employee Priority Claims	Projected payment to Service Canada subrogated in the rights of the employees (priority claims) who received a payment under the WEPPA	X	