

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE
No.: 700-11-022385-241

SUPERIOR COURT
Commercial Division

IN THE MATTER OF THE PLAN OF
ARRANGEMENT OR COMPROMISE OF:

THE LION ELECTRIC COMPANY

- and -

LION ELECTRIC FINANCE CANADA INC.

- and -

LION ELECTRIC VEHICLE FINANCE CANADA
INC.

- and -

LION ELECTRIC HOLDING USA INC.

- and -

NORTHERN GENESIS ACQUISITION CORP.

- and -

THE LION ELECTRIC CO. USA INC.

- and -

LION ELECTRIC MANUFACTURING USA INC.

- and -

LION ELECTRIC FINANCE USA INC.

Applicants

- and -

DELOITTE RESTRUCTURING INC.

Monitor

APPLICATION FOR THE ISSUANCE OF
A STAY EXTENSION ORDER
(Section 11 of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C. OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF TERREBONNE, THE APPLICANTS RESPECTFULLY SUBMIT THE FOLLOWING:

1. **ORDERS SOUGHT**

1. The Applicants, which are comprised of The Lion Electric Company ("**Lion Electric**"), Lion Electric Finance Canada Inc. ("**Lion Finance Canada**"), Lion Electric Vehicle Finance Canada Inc. ("**Lion Vehicle Finance Canada**"), Lion Electric Holding USA Inc. ("**Lion Holding USA**"), Northern Genesis Acquisition Corp. ("**Northern Genesis**"), The Lion Electric Co. USA Inc. ("**Lion Electric USA**"), Lion Electric Manufacturing USA Inc. ("**Lion Manufacturing USA**") and Lion Electric Finance USA Inc. ("**Lion Finance USA**" and, together with Lion Electric, Lion Finance Canada, Lion Vehicle Finance Canada, Lion Holding USA, Northern Genesis, Lion Electric USA and Lion Manufacturing USA, the "**Lion Group**" or the "**Applicants**"), hereby submit the present *Application for the Issuance of a Stay Extension Order* (the "**Application**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") and the proceedings commenced thereunder, the "**CCAA Proceedings**").
2. As part of this Application, the Applicants seek from the Superior Court of Québec (Commercial Division) (the "**Court**") the issuance of an order (the "**Stay Extension Order**"), substantially in the form of the draft Stay Extension Order communicated herewith as **Exhibit R-1**, providing for an extension of the stay of proceedings against the Applicants, their respective assets, undertakings and properties (collectively, the "**Property**") and their respective directors and officers (collectively, the "**D&Os**"), until **May 5, 2025**.
3. As will be further discussed below, the Applicants respectfully submit that the issuance of the Stay Extension Order is necessary and appropriate in the circumstances and is in the best interest of the Lion Group and its stakeholders.
4. Unless indicated otherwise, all references to currency in this Application are in United States dollars.

2. **PROCEDURAL BACKGROUND**

5. On December 17, 2024, the Applicants commenced the present proceedings under the CCAA by filing an application entitled *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order* (the "**Initial Application**").
6. On December 18, 2024, the Honourable Michel A. Pinsonnault, J.S.C. partially granted the Initial Application and issued, pursuant to the CCAA, the following orders:
 - (a) an Initial Order (the "**Initial Order**"), which provided for, *inter alia*, the following relief:
 - (i) a stay of proceedings against the Applicants, their Property, and their D&Os (the "**Stay of Proceedings**") for an initial period of ten

(10) days (the "**Stay Period**"), which Stay Period would be deemed to be extended until the "*comeback hearing*" scheduled on January 7, 2025, unless a party filed an opposition to such "*deemed extension*" by no later than December 23, 2024 at 11:00 a.m.;

- (ii) the appointment of Deloitte as the Monitor of the Applicants;
 - (iii) the approval of an interim financing loan agreement (the "**Interim Facility**") entered into between the Applicants and National Bank of Canada, Fédération des Caisses Desjardins du Québec and Bank of Montreal (the "**Interim Lenders**"), and the authorization for the Applicants to borrow thereunder an initial amount of up to a maximum of US\$6,000,000, secured by super-priority charge against the Property in an initial amount of US\$7,200,000 (the "**Interim Lenders' Charge**");
 - (iv) the approval of a super-priority charge against the Property in an initial amount of US\$800,000 (the "**Administration Charge**") to secure the Applicants' obligations towards the undersigned counsel and Troutman Pepper Locke LLP, as legal advisors to the Applicants, Deloitte, as Monitor to the Applicants, and Deloitte's legal advisors, National Bank Financial Inc. ("**NBF**") as financial advisor to the Applicants, and, if required, financial advisors of the Interim Lenders;
 - (v) the approval of a super-priority charge in an initial amount of US\$2,500,000 (the "**D&O Charge**") to secure the Applicants' indemnification obligations towards their respective D&Os in connection with potential liabilities that could arise as and from the issuance of the Initial Order, to the extent that such potential liabilities are not covered by existing insurance policies;
 - (vi) the approval of a Key Employee Retention Plan providing for various retention bonuses to be paid to certain key employees and executives that are considered to be essential for the successful conduct of these CCAA Proceedings, and the establishment of a super-priority charge against the Property in an amount of US\$1,500,000 to secure the Applicants' obligations thereunder; and
 - (vii) a declaration that Canada is the "*centre of main interest*" of the Applicants;
- (b) a Sale and Investment Solicitation Process Order (the "**SISP Order**"), which provided for, *inter alia*, the following relief:
- (i) the authorization for Applicants and the Monitor (collectively, the "**SISP Team**"), in consultation with the Interim Lenders and with the assistance of NBF, to conduct and implement a sale and investment solicitation process (the "**SISP**") in accordance with

the procedures annexed to the SISP Order (the "**SISP Procedures**"); and

- (ii) the appointment of NBF as financial advisor to the Applicants (in such capacity, the "**Financial Advisor**") with the mandate to assist the Applicants in the conduct of the SISP, and the establishment of a super-priority charge against the Property in favour of NBF in an amount of US\$4,000,000 to secure the Applicants' obligations towards the Financial Advisor.
- 7. On December 20, 2024, the United States Bankruptcy Court for the Northern District of Illinois (the "**US Court**"), granted a provisional order recognizing, among other things, the CCAA Proceedings and giving full force and effect, in the United States, to the Initial Order on an interim basis, including, without limitation, the sale procedures and financing provisions, as well as the Stay of Proceedings, as well as an order authorizing the joint administration and consolidation of the foreign recognition proceedings of the Applicants in the United States pursuant to Chapter 15 of the United States Bankruptcy Code.
- 8. On December 23, 2024, no opposition was filed with respect to "*deemed extension*" of the Stay Period, as set out in the Initial Order, such that the Stay Period was deemed to be extended until January 7, 2025.
- 9. On January 7, 2025, the Applicants attended the "*comeback hearing*" on their Initial Application, following which the Honourable Michel A. Pinsonnault, J.S.C. granted the balance of the relief sought by the Applicants in the Initial Application, and issued an Amended and Restated Initial Order (the "**ARIO**"), which provided for, *inter alia*, the following relief:
 - (a) an extension of the Stay Period until February 14, 2025;
 - (b) an increase in the Interim Facility up to a maximum aggregate amount of US\$10,000,000, and a corresponding increase to the quantum of the Interim Lenders' Charge to an aggregate amount of US\$12,000,000;
 - (c) an increase in the quantum of the Administration Charge to a total amount of US\$1,300,000; and
 - (d) a reduction in the quantum of the D&O Charge to a total amount of US\$1,900,000.
- 10. On January 21, 2025, the US Court granted the final recognition order, which, *inter alia*, recognized the CCAA Proceedings as the foreign main proceedings, and granted and gave full force and effect in the United States, on a final basis, to the relief sought under the Initial Order, the ARIO and the SISP Order.
- 11. On February 12, 2025, the Applicants submitted to this Court an *Application for the Issuance of a Second Amended and Restated Initial Order* (the "**Second ARIO Application**"), essentially seeking an extension of the Stay Period as well as increase in the amount of the Interim Facility and of the Interim Lenders' Charge.

12. On February 14, 2025, the Honourable Michel A. Pinsonnault, J.S.C. granted the Second ARIO Application and issued a Second Amended and Restated Initial Order (the "**Second ARIO**"), which provided for, *inter alia*, the following relief:
 - (a) an extension of the Stay Period until April 4, 2025;
 - (b) the approval of a supplemental interim financing in accordance with the terms and conditions set forth in an Amended and Restated Interim Financing Loan Agreement entered into between the Applicants and the Interim Lenders, and the authorization for the Applicants to borrow from the Interim Lenders an additional amount of up to US\$7,000,000, for an Interim Facility in the aggregate amount of US\$17,000,000, secured by an increased Interim Lenders' Charge against the Property in an additional amount of US\$8,400,000, for an Interim Lenders' Charge in the aggregate amount of US\$20,400,000, subject to the ranking set out in the Second ARIO; and
 - (c) the authority for Lion Electric to incur no further expenses in relation to any securities filings and declare that none of the directors, officers, employees and other representatives of the Lion Group, or the Monitor (and its directors, officers, employees and representatives) shall have any personal liability for any failure by Lion Electric to make the securities filings.
13. On February 26, 2025, the US Court granted a motion, which, *inter alia*, recognized the Second ARIO, and gave full force and effect in the United States to the relief granted in the Second ARIO.
14. On March 31, 2025, the Applicant submitted to this Court an *Application for the Issuance of a Stay Extension Order* essentially seeking an extension to the Stay Period until April 25, 2025.
15. On April 3, 2025, the Honourable Michel A. Pinsonnault, J.S.C. granted the above application and issued an order extending the Stay Period until April 25, 2025.
16. On April 22, 2025, the Applicants submitted to this Court a second *Application for the Issuance of a Stay Extension Order* seeking a further extension to the Stay Period until April 30, 2025, and advising all parties on the Service List that unless a written contestation was received by no later than April 24, 2025, at noon, the Court would grant such application without a court hearing, *sur le vu du dossier*.
17. On April 25, 2025, given that no written contestation in respect of the above application was received by April 24, 2025, at noon, the Honourable Michel A. Pinsonnault, J.S.C. granted such application and issued an order extending the Stay Period until April 30, 2025, *sur le vu du dossier*.

3. PROGRESS IN RESPECT OF THE CCAA PROCEEDINGS AND THE SISP¹

18. Over the course of the past few weeks and months, the Applicants have continued working closely with the Monitor, as well as US counsel, to address all questions

¹ Capitalized terms used in this section and not otherwise defined herein shall have the meaning ascribed to them in the SISP Order and in the SISP Procedures.

and concerns raised by the Applicants' stakeholders in relation to these CCAA Proceedings, as well as to conclude the SISP.

19. To this end, the Applicants, together with the Monitor, have maintained lines of communication with the Applicants' various creditors and stakeholders, including customers and suppliers, so as to communicate the contemplated path moving forward and have also addressed the inquiries and concerns of such creditors and stakeholders.
20. While manufacturing and delivery operations of the Lion Group have been suspended, the Lion Group has continued to assist its customers with the maintenance and servicing of their vehicles to the extent possible, taking into consideration its present circumstances.
21. As for the SISP, as previously discussed in prior applications submitted to the Court, the Applicants have worked extensively with the Monitor and with the Financial Advisor, in consultation with the Interim Lenders, in order complete the SISP and secure a transaction that would allow the maximization of the value of the Applicants' business and assets, and ensure the pursuit of their operations as a going concern.
22. As previously set out in the Applicants' *Application for the Issuance of a Stay Extension Order dated April 22, 2025*, on April 6, 2025, the SISP Team, in consultation with the Financial Advisor and the Interim Lenders, declared a Successful Bid pursuant to the SISP Procedures.
23. Since declaring the Successful Bid, the SISP Team, in consultation with the Financial Advisor, has worked diligently to negotiate and finalize with the Successful Bidder the definitive transaction documents reflecting the terms and conditions of the Successful Bid, which would then be submitted to this Court for approval.
24. As things currently stand, additional time is required in order to finalize the parameters of the transaction envisioned by the Successful Bid, as well as the definitive transaction documents.
25. That being said, the Applicants expect that they will be able to file an application to approve the Successful Bid in short order, so that it can be presented to the Court for approval on May 5, 2025. As part of this upcoming application, the Applicants will provide a more fulsome description of the solicitation efforts undertaken as part of the SISP, as well as of the transactions contemplated in the Successful Bid.
26. Given the foregoing, the Applicants hereby request a short extension of the Stay Period until such date (i.e. May 5, 2025).

4. THE EXTENSION OF THE STAY PERIOD

27. The Applicants request an extension of the Stay Period until May 5, 2025, so as to allow them to finalize the definitive transaction documentation and to file and present an application for approval on May 5, 2025.

28. It is respectfully submitted that the requested extension of the Stay Period is necessary to provide the Applicants with sufficient time and the requisite continued stability in order to, *inter alia*:
- (a) finalize the definitive transaction documentation in respect of the Successful Bid;
 - (b) prepare the Approval Application in respect of the Successful Bid; and
 - (c) present such Approval Application.
29. The Applicants have acted in good faith and with due diligence throughout these CCAA Proceedings.
30. The Applicants are of the view that the requested extension of the Stay Period provided for in the Stay Extension Order will not negatively impact any of their creditors, as the Applicants continue to satisfy their post-filing obligations in the normal course and will close the Transaction in the best interest of their creditors and other stakeholders.
31. The Applicants are also informed that the Monitor is of the view that the requested extension of the Stay Period is necessary and reasonable in the circumstances. Accordingly, the extension sought to the Stay Period is appropriate under the present circumstances.

5. CONCLUSIONS

32. In light of the foregoing, the Applicants respectfully submit that the extension of the Stay Period should be ordered by this Court.
33. The Applicants understand that the Monitor supports the relief sought in the present Application.

FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

GRANT the Application.

ISSUE an order substantially in the form of the draft Stay Extension Order communicated in support of the Application as Exhibit R-1.

WITHOUT COSTS, save and except in case of contestation.

MONTREAL, April 28, 2025

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NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the *Application for the Issuance of a Stay Extension Order* (the "**Application**") will be presented virtually for adjudication to the Honourable Michel A. Pinsonnault, J.C.S., of the Superior Court of Quebec, Commercial Division, District of Terrebonne, on April 30, 2025, at a time and in a room to confirmed by the Court.

TO THE EXTENT THAT NO WRITTEN CONTESTATION IS FILED BY TUESDAY, APRIL 29, 2025, AT 3 PM, THE COURT WILL GRANT THE APPLICATION AND EXTEND THE STAY PERIOD UNTIL MAY 5, 2025.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, April 28, 2025

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