



Deloitte Restructuring Inc.
1190, avenue des Canadiens-de-
Montréal
Suite 500
Montreal, QC H3B 0M7
Canada

Tel: 514-393-7115
Fax: 514-390-4103
www.deloitte.ca

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF TERREBONNE
COURT. No.: 700-11-022385-241

S U P E R I O R C O U R T
Commercial Division

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

THE LION ELECTRIC COMPANY, a legal person
having its elected domicile at 921 chemin de la
Rivière-du-Nord, Saint-Jerome, Quebec, Canada
J7Y 5G2

-&-

LION ELECTRIC FINANCE CANADA INC., a
legal person having its elected domicile at 921
chemin de la Rivière-du-Nord, Saint-Jerome,
Quebec, Canada J7Y 5G2

-&-

**LION ELECTRIC VEHICLE FINANCE CANADA
INC.**, a legal person having its elected domicile at
921 chemin de la Rivière-du-Nord, Saint-Jerome,
Quebec, Canada J7Y 5G2

-&-

LION ELECTRIC HOLDING USA INC., a legal
person having its elected domicile at 2915
Ogletown Road, Newark, Delaware, 19713

-&-

NORTHERN GENESIS ACQUISITION CORP., a
legal person having its elected domicile at 2915
Ogletown Road, Newark, Delaware, 19713

-&-

THE LION ELECTRIC CO. USA INC., a legal
person having its elected domicile at 915
Ogletown Road, Newark, Delaware, 19713

-&-

LION ELECTRIC MANUFACTURING USA INC.,
a legal person having its elected domicile at 915
Ogletown Road, Newark, Delaware, 19713

-&-

LION ELECTRIC FINANCE USA INC., a legal
person having its elected domicile at 915
Ogletown Road, Newark, Delaware, 19713

Applicants

-&-

DELOITTE RESTRUCTURING INC., a legal
person having a place of business at 500-1190
ave des Canadiens-de-Montréal, in the city and
district of Montreal, province of Quebec,
H3B 0M7.

Monitor

**FOURTH 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 US dollars.
2. On December 17, 2024, the Lion Electric Company ("**Lion Electric**"), Lion Electric Finance Canada Inc. ("**Lion Finance**"), Lion Electric Vehicle Finance Canada Inc. ("**Lion Vehicle Finance**"), Lion Electric Holding USA Inc. ("**Lion Holding USA**"), Northern Genesis Acquisition Corp. ("**Northern Genesis**"), The Lion Electric Co. USA Inc. ("**Lion USA**"), Lion Electric Manufacturing USA Inc. ("**Lion Manufacturing USA**"), Lion Electric Finance USA Inc. ("**Lion Finance USA**"), (collectively "**Lion**", the "**Company**" or the "**Applicants**") filed an *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process* ("**SISP**") order (the "**Application**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), before the Superior Court of Quebec (the "**Court**") seeking the appointment of Deloitte Restructuring Inc. ("**Deloitte**") as the CCAA monitor in these proceedings (the "**Proposed Monitor**" or the "**Monitor**") and various other reliefs.
3. On December 17, 2024, Deloitte, then in its capacity as Proposed Monitor, issued its first report to the Court (the "**First Report**"). The purpose of the First Report was to provide information to the Court with respect to i) Deloitte qualification to act as monitor, ii) the business, financial affairs and financial results of Lion, iii) The proposed restructuring process (the "**Restructuring Process**"), iv) the SISP, v) the KERP, vi) Lion's cash flow forecast, vii) the interim facility, viii) the charges sought in the Proposed First Day Initial Order and the Proposed Initial Order, ix) recognition proceedings in the United States, and x) the Proposed Monitor's conclusions and recommendations.

4. On December 18, 2024, the Superior Court of Quebec, Commercial Division (the "**Court**") granted the Application, issued a First Day Initial Order (the "**First Day Order**") and issued an order approving the SISP ("**SISP Order**") which provided for, *inter alia*, i) a stay of proceedings against Lion until January 7, 2025 (the "**Stay Period**"), ii) a stay of proceedings against the Directors and Officers, iii) the appointment of Deloitte Restructuring Inc. as the Monitor under the CCAA ("**Deloitte**" or the "**Monitor**"), iv) the approval of the Interim Facility in the amount of \$6M, and v) the granting of various charges including a General Administration Charge of \$0.8M, a D&O Charge of \$2.5M, an Interim Lender Charge of \$7.2M, a KERP Charge of \$1.5M and a Financial Advisor Charge of a maximum of \$4M.
5. On January 7, 2025, Deloitte, in its capacity as Monitor, issued its second report to the Court (the "**Second Report**") as part of the Debtors' CCAA proceedings (the "**CCAA Proceedings**"). The purpose of the Second Report was to provide information to the Court with respect to i) Lion's communications to stakeholders and operations, ii) Recognition proceedings in the United States, iii) the Monitor's activities since the First Report, iv) the SISP, v) the modifications sought in the amended and restated initial order ("**ARIO**"), vi) the cash flow results for the period ending on December 29, 2024, vii) the cash flow projections until February 15, 2025, viii) the request for an extension of the Stay Period, and ix) the Monitor's conclusions and recommendations.
6. On January 7, 2025, following the comeback hearing, the Court issued the Amended and Restated Initial Order ("**ARIO**"), which, *inter alia* i) extended the Stay Period until February 14, 2025, ii) authorized an increase in the Interim Facility up to an aggregate amount of \$10M, along with an increase in the Interim Lender Charge up to \$12M, iii) reduced the D&O Charge to \$1.9M, and iv) increased the General Administration Charge to \$1.3M.
7. On February 12, 2025, the Company filed an Application for the Issuance of a Second Amended and Restated Initial Order (the "**Second ARIO Application**") seeking the following reliefs, *inter alia* i) the extension of the Stay Period until April 4, 2025, ii) an increase in the authorized Interim Facility from \$10.0M to a maximum amount of \$17.0M and in the Interim Lender Charge to a total amount of \$20.4M to reflect the increased borrowing capacity under the Amended and Restated Interim Financing Loan Agreement (the "**A&R Interim Financing Loan Agreement**"), and (iii) the authorization for the Company to incur no further expenses in relation to filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") and an order confirming that none of the directors, officers, employees, and other representatives of the Company, nor the Monitor (and their respective directors, officers, employees or representatives), shall have any personal liability for any failure by the Company to make any Securities Filings.
8. On February 12, 2025, the Monitor issued its third report to the Court (the "**Third Report**").
9. On February 14, 2025, the Court issued the second amended and restated initial order ("**Second ARIO**"), which, *inter alia*, i) extended the Stay Period until April 4, 2025, ii) authorized an increase in the Interim Facility up to an aggregate amount of \$17M, along with an increase in the Interim Lender Charge up to \$20.4M, and iii) authorized the Company to incur no further expenses in relation to Securities Filings and confirming that none of the directors, officers, employees, and other representatives of the Company, nor the Monitor (and their respective directors, officers, employees or representatives), shall have any personal liability for any failure by the Company to make any Securities Filings.
10. On March 31, 2025, the Company filed an Application for the Issuance of Stay Extension Order.
11. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them as defined in the previous reports, or in the Initial Application or in the Second ARIO Application.

PURPOSE OF THIS REPORT

12. The purpose of this fourth report of the Monitor (the "**Fourth Report**") is to provide information to the Court with respect to:

- (i) Lion's communications to stakeholders and its operations;
- (ii) Recognition proceedings in the United States of America;
- (iii) The Monitor's activities since the Third Report;
- (iv) Update on the SISP;
- (v) *De bene esse* Motion;
- (vi) The cash flow results for the 6-week period ended March 23, 2025;
- (vii) The Cash Flow Projections until April 27, 2025;
- (viii) The modifications sought to the Second ARIO; and,
- (ix) The Monitor's conclusions and recommendations.

13. In preparing this Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, Lion's books and records and financial information prepared by Lion and discussions with management ("**Management**") of Lion (collectively, the "**Information**"). Except as described in this Fourth Report in respect of the Applicants' 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 Fourth 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.

14. Future oriented financial information referred to in this Fourth 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.

15. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in the Fourth Report concerning Lion and their business is based on the Information, and not independent factual determinations made by the Monitor.

LION'S COMMUNICATIONS TO STAKEHOLDERS AND ITS OPERATIONS

16. Since the Second ARIO, Lion has had communications with many of the Company's suppliers and other key stakeholders in order to explain the current situation and the next steps relating to the Restructuring Process.

17. The Company and the Monitor have continued to collaborate with the Company's principal

secured creditors, including the Bank Syndicate also acting as DIP Lender, amongst other things by providing all requested information and documentation relating to the Restructuring Process.

18. Lion has been proactive in responding to the different stakeholders' inquiries relating to the CCAA Proceedings and the Restructuring Process, including special attention on inquiries related to the SISP process or coming from the participants to the SISP process. Lion has been fully dedicated in supporting the SISP process conducted by FBN as well as the process conducted by the Monitor to solicit offers from the liquidators and auctioneers.
19. Lion has remained vigilant in managing its liquidities. Lion has focused on limiting costs by halting production and cancelling various contracts when possible and justified, as explained in the next section of this Fourth Report.
20. As part of its operations, Lion has continued its work to collect the different grants due. Since the Second ARIO, Lion has collected grants that were receivable and, as agreed with Finalta and CDPQ, remitted these grants to them to reduce the amount owed in relation to their credit facility.
21. While the manufacturing and delivery operations of Lion have been suspended, the Company continues to assist its customers with the maintenance and servicing of their vehicles to the extent possible, taking into consideration its present circumstances and the CCAA proceedings.
22. To the Monitor's knowledge, Lion has complied and continues to comply with the provisions of the Second ARIO and the SISP Order since their issuance.

Employees

23. Lion, pursuant to the Second ARIO, continues to pay its remaining employees in the normal course of business.

RECOGNITION PROCEEDINGS IN THE UNITED STATES OF AMERICA

24. On February 26, 2025, Lion obtained an order recognizing and enforcing the Second ARIO.
25. All documents related to the recognition proceedings have been posted on the Monitor's Website.

THE MONITOR'S ACTIVITIES SINCE THE THIRD REPORT

26. On February 14, 2025, the Monitor posted a copy of the CCAA Proceedings' application materials, the Third Report and the Second ARIO on the Monitor's Website.
27. Since the previous report, the Monitor issued three (3) additional notices of stay of proceeding to suppliers who had begun enforcement measures or proceedings against the Company or who were attempting to proceed with such measures.
28. The Monitor assisted Lion in its discussions and negotiations with suppliers.
29. The Monitor, with the assistance of Lion, has been responding to questions of various stakeholders as to the status of the CCAA Proceedings.
30. The Monitor is in constant discussions with Management with regards to Lion's operations.

31. The Monitor communicates with the DIP Lenders, as well as CDPQ/Finalta, on a regular basis in order to keep them informed of the developments in the CCAA Proceedings.
32. The Monitor has also been in contact with NBF on a regular basis to assess the progress of the SISP and has provided support to NBF with the ongoing communications and negotiations with Phase 2 Qualified Bidders. At the same time, the Monitor also conducted a SISP with different liquidators and auctioneers, as more fully detailed in the next section of the Fourth Report
33. The Monitor also reviewed the receipts and disbursements transacted through Lion's bank accounts daily with the full co-operation of Management and was presented with all requests for payment of services provided to Lion since the First Day Order.

UPDATE ON THE SISP

34. As mentioned in the Third Report, on February 7, 2025, following discussions with Lion, the Monitor and the Interim Lenders, FBN and the Monitor notified in writing certain Phase 1 Qualified Bidders that they were selected as Phase 2 Qualified Bidders and were permitted to proceed to Phase 2 of the SISP. FBN and the Monitor also sent notice in writing to the other Phase 1 Qualified Bidders, when applicable, informing them that they were not determined to be Phase 2 Qualified Bidders and were not permitted to proceed to Phase 2 of the SISP.
35. The Phase 2 Bid Deadline, for delivery of definitive binding offers by the qualified bidders was initially scheduled to take place on March 7, 2025, at 5:00 p.m. EST. Following requests from certain Phase 2 Qualified Bidders and given the advancement in discussions, the Monitor and FBN, in consultation with the Interim Lenders, accepted to extend said deadline to March 14, 2025, at 5:00 pm EST (the "**Extended Bid Deadline**"). All the Phase 2 Qualified Bidders were informed on March 6, 2025, of said Extended Bid Deadline and the Monitor issued a notice of extension of the Phase 2 Bid Deadline.
36. Prior to the Extended Bid Deadline, FBN received four (4) offers from the Phase 2 Qualified Bidders and the Monitor also received four (4) additional offers from liquidators or auctioneers.
37. Since the Extended Bid Deadline, FBN, with the assistance of the Monitor and in consultation with the Interim Lenders, carefully reviewed and assessed the offers and reached out to all Phase 2 Qualified Bidders in order to obtain further clarification in respect of their bids. Given the complexity and the diversity of the offers received, the analysis and clarification took more time than anticipated.
38. As of the date of this report, none of the Phase 2 Qualified Bidders have been selected as the Successful Bidder and discussions are still ongoing, with certain conditions having not yet been met, including in particular, financing of the transaction, clarification around the inclusion or not of certain assets, confirmation from the Quebec Government of the continuity of the *Programme d'Électrification du Transport Scolaire* ("**PETS**") and the conditions associated with this program as well as the validation of the working capital of Lion.
39. FBN and the Monitor has requested that binding offers be submitted by April 2, 2025, at the latest.
40. Phase 2 Qualified Bidders have been informed that the planned closing of the transaction for the end of April remains in place.

DE BENE ESSE MOTION FOR DECLATORY JUDGMENT AND ALTERNATIVE NUNC PRO TUNC RELIEF FOR PARTIAL AND LIMITED LIFTING OF THE STAY OF PROCEEDINGS AGAINST THE IMPEADED PARTIES/RESPONDENTS (the "De bene esse Motion")

41. On March 13, 2025, Adam B. Mulhall, as plaintiff in class action file, notified the De bene esse Motion seeking an order of the Court (i) declaring that the filing of an *Application to authorize the bringing of a class action and to appoint the status of representative plaintiff* (the "**Class**

Action claim") against, *inter alia*, impleaded parties that are actual or former directors of Lion, was not in violation of the stay ordered by the Court under the First Day Order or the ARIO or, (ii) alternatively, lifting *nunc pro tunc* the stay of proceedings for the sole purpose of allowing the filing of the Class Action claim, any other action following the filing of the Class Action claim being stayed.

42. The parties involved and affected by conclusions sought under the *De bene esse* Motion are engaged in ongoing discussions relating to the requested relief.

THE CASH FLOW RESULTS FOR THE 6-WEEK PERIOD ENDED MARCH 23, 2025

43. Since the previous report, Lion's financial performance for the period commencing on February 10, 2025, and ending on March 23, 2025, has been favorable in comparison with the Initial Cash Flow Statement.
44. As of the date of this Fourth Report, all post-filing expenses incurred by Lion have been or will be paid in the normal course of business out of the existing working capital of Lion or through a draw of additional funds from the amount made available as part of the Interim Facility, as described in the previous reports.
45. The highlights of Lion's financial performance for the period ended March 23, 2025, are presented in the actual cash flow Statement annexed hereto as **Appendix A** (under seal).

THE CASH FLOW PROJECTIONS UNTIL APRIL 27, 2025

46. Lion with the assistance of the Monitor, has prepared the statement of projected cash flow (the "**Cash Flow Statement**") for the 5-week period from March 24, 2025, to April 27, 2025 (the "**Cash Flow Period**") for the purpose of forecasting Lion's estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement up to April 27, 2025, is annexed hereto as **Appendix B** (under seal).
47. The Cash Flow Statement has been prepared by Lion using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
48. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied by Management. Since the hypothetical assumptions need not to be supported, the Monitor's procedures 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.
49. Based on the Monitor's review and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:
- (i) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - (ii) As at the date of this Fourth Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of Lion or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or,
 - (iii) The Cash Flow Statement does not reflect the probable and hypothetical assumptions.
50. 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 Lion'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 Lion.

51. The Cash Flow Statement has been prepared solely for the purpose described in the Notes to the Cash Flow Statement, and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
52. Management continues to anticipate more restrictive payment terms for purchases from suppliers following the announcement of the CCAA Proceedings. As such, Management has anticipated certain "cash on delivery" purchases.
53. As appears from the Cash Flow Statement and the Application, in order to preserve the value of its operations with the view to continuing the SISP, Lion intends to continue to pay its trade creditors for services rendered and goods supplied in the normal course of business during these CCAA Proceedings.
54. Management has advised the Monitor that it believes that the forecast reflected in the Cash Flow Statement is reasonable.
55. As shown in the cash flow projections for the 5-week period starting from the week ending March 30, 2025, until the week ending April 27, 2025, the interim financing sought and approved in the Second ARIO is expected to be sufficient to allow the Company to continue operating until the end of the Restructuring Process.
56. The Company, accordingly, is not requiring further funding to continue its restructuring efforts.

THE MODIFICATIONS SOUGHT TO THE SECOND ARIO

57. The current Stay Period expires on April 4, 2025.
58. The Company is seeking an extension of the Stay Period until April 25, 2025, in order to complete the SISP.
59. The Monitor is informed that Lion intends to continue to pay its trade creditors for services rendered and goods provided in the normal course of business during the CCAA Proceedings.
60. As described in this Fourth Report, the Cash Flow Statement indicates that Lion should have sufficient liquidity to continue to meet its obligations post-filing provided without requiring additional Interim Facility.

THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

61. The Monitor believes that Lion should be granted the continued benefit of the protection available pursuant to the CCAA in the form of the Second ARIO, since same would provide Lion with the opportunity to attempt a successful restructuring of its operations, namely the conclusion of the SISP, as the offers received by Lion would provide a holistic solution that will allow an optimal realization for all stakeholders given the circumstances.
62. As noted above, the current Stay Period expires on April 4, 2025. The Monitor agrees that the extension of the Stay Period sought by the Applicants is required to complete the Restructuring Process.

63. It is the Monitor's view that such a successful restructuring of Lion's operations, as contemplated by the Restructuring Process, is beneficial to Lion's creditors, employees and stakeholders as a whole.
64. The Monitor also believes that Lion has and continues to act in good faith and with due diligence and that the sought extension of the Stay Period is appropriate.
65. Accordingly, the Monitor recommends that the Stay Period be extended to April 25, 2025, and that the other reliefs sought by the Company in the Application for a Stay Extension be granted.
66. The Monitor respectfully submits to the Court its Fourth Report.

DATED AT MONTREAL, this 1st day of April 2025.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of the
Applicants



Benoit Clouâtre, CPA, CIRP, LIT
Senior Vice President



Jean-François Nadon, CPA, CIRP, LIT
President

APPENDIX A

ACTUAL CASH FLOW STATEMENT

(UNDER SEAL)

APPENDIX B

CASH FLOW STATEMENT UP TO APRIL 27, 2025

(UNDER SEAL)