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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:**

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

-&-

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

-&-

9541-1666 QUEBEC INC., a legal person having
its domicile at 4100-1155 boul. René-Lévesque O.
Montreal (Quebec) H3B3V2

-&-

9541-1799 QUEBEC INC., a legal person having
its domicile at 4100-1155 boul. Réne-Lévesque W.
Montreal (Quebec) H3B3V2

Applicants

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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

**SIXTH 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 proposed sale and investment solicitation process in respect of Lion's business and assets (the "**SISP**") and related procedures (the "**SISP Procedures**"), v) the KERF, 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**") 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 Lenders Charge of \$7.2M, a KERF Charge of \$1.5M and a Financial Advisor Charge of a maximum of \$4M. The Court also issued an order approving the SISP and the SISP Procedure and the appointment of National Bank Financial Inc. ("**NBF**") as financial advisor for the Company ("**SISP Order**").
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 of the Interim Facility up to an aggregate amount of \$10M, along with an increase in the Interim Lenders 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 Lenders 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 Lenders 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 seeking the extension of the Stay Period until April 25, 2025, to complete the SISP involving Phase 2 Qualified Bidders and finalize the definitive transaction documentation to be presented to this Court over the course of the following weeks.
11. On April 1, 2025, the Monitor issued its fourth report to the Court (the "**Fourth Report**").
12. On April 3, 2025, the Court issued a Stay Extension Order which extended the Stay Period until April 25, 2025.
13. On April 22, 2025, the Company filed an Application for the Issuance of a Stay Extension Order seeking the extension of the Stay Period until April 30, 2025, to finalize the definitive transaction documentation with the Successful Bidder and to file and present an application for approval of the Successful Bid on April 30, 2025.
14. On April 25, 2025, the Court issued a Stay Extension Order which extended the Stay Period until April 30, 2025.
15. On April 28, 2025, the Company filed another Application for the Issuance of a Stay Extension Order seeking the extension of the Stay Period until May 5, 2025.
16. On April 30, 2025, the Court issued a stay extension order which extended the Stay Period until May 5, 2025.
17. On May 5, 2025, the Court issued a stay extension order which extended the Stay Period until May 12, 2025. On the Court also granted an order lifting of the stay of proceedings on a partial and limited basis, which provided for the temporary lifting of the Stay of Proceedings for the sole purpose of allowing, *nunc pro tunc*, Adam B. Mulhall to file an before the Superior Court an *Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff* against, among others, actual or former directors and officers of the Applicants named therein, following which the Stay of Proceedings was immediately thereafter reinstated.
18. On May 12, 2025, the Court issued a stay extension order which extended the Stay Period until May 16, 2025.

19. On May 15, 2025, the Company filed an Application for the Issuance of an Approval and Reverse Vesting Order (the "**RVO Application**"), seeking an Approval and Reverse Vesting Order providing the following reliefs, *inter alia* i) the approval of subscription agreement dated May 15, 2025, entered into between Lion Electric and 9539-5034 Québec Inc. (the "**Purchaser**"), as well as the reorganization and other transactions contemplated thereunder (the "**Subscription Agreement**"), ii) the issuance of subscribed shares to the Purchaser and the cancellation of the existing shares, iii) the transfer and vesting to third party entities of the excluded assets, excluded contracts and excluded liabilities as well as excluded employees, as contemplated in the Subscription Agreement, iv) releases in favor of the Directors and Officers of the Company, v) an extension of the Stay of Proceedings until July 31, 2025, and v) a declaration by the Court that the excluded employees transferred to a third party entity shall be terminated immediately upon such transfer and that such entity shall be considered as a former employer of such employees for the purpose of the *Wage Earner Protection Program Act*, SC 2005, c 47 (the "**WEPPA**").
20. On May 16, 2025, the Court issued a stay extension order which extended the Stay Period until July 31, 2025.
21. On May 22, 2025, the Court issued an Approval and Reverse Vesting Order, and on June 6, 2025, the Court issued a Rectified Approval and Reverse Vesting Order (collectively, the "**RVO**"), as appears from the Court records.
22. On May 23, 2025, the Monitor issued the Certificate certifying the completion of the closing steps of the Subscription Agreement and the Transactions.
23. Pursuant to the RVO and upon the issuance of the Monitor's Certificate, the Excluded Assets described in Schedule D, including all machinery and equipment of the Applicants related to the production of batteries (the "**Battery Plant Assets**") located and used at the building bearing civic address 9900 Irénée-Vachon Street, Mirabel, Quebec (the "**Premises**") were vested in 9541-1799 Quebec Inc. ("**ResidualCo**").
24. As per paragraph 56 of the RVO, upon the issuance of the Monitor's Certificate:
 - a) the applicants Lion Electric, Lion Finance, Lion Vehicle Finance, Lion Holding USA, Lion USA and Lion Finance USA were deemed to cease to be debtor entities under the CCAA Proceedings and deemed released from the purview of any Order of the Court granted in respect of the CCAA Proceedings;
 - b) 9541-1666 Quebec Inc. ("**NewCo**") and ResidualCo were automatically added as Debtors in the CCAA Proceedings and any reference in any Order of the Court in respect of the CCAA Proceedings to "Debtor(s)" or "Applicant(s)" were deemed to include and refer to NewCo and ResidualCo, and, for greater certainty, each of the CCAA Charges were deemed to constitute a charge on the property of NewCo and ResidualCo; and,
 - c) the CCAA Proceedings of Northern Genesis, Lion Finance USA, NewCo and ResidualCo were to be consolidated under the Court file, bearing file number 700-11-022385-241.
25. On June 18, 2025, the Monitor filed an *Application for the issuance of an approval of auction sale and vesting order* in relation to the Battery Plant Assets now owned by ResidualCo.
26. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the previous reports, or in the Initial Application or in the Second ARIO Application.

PURPOSE OF THIS REPORT

27. The purpose of this sixth report of the Monitor (the "**Sixth Report**") is filed to provide information to the Court with respect to:
 - (i) The contemplated sale of the Battery Plant Assets; and,

- (ii) The Monitor's conclusions and recommendations.
28. In preparing this Sixth 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 Sixth 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 Sixth 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.
29. Future oriented financial information referred to in this Sixth 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.
30. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in the Sixth Report concerning Lion and their business is based on the Information, and not independent factual determinations made by the Monitor.

THE CONTEMPLATED SALE OF THE BATTERY PLANT ASSETS

31. The Monitor analyzed strategic alternatives available to liquidate the Battery Plant Assets located in the Premises with the objective to obtain the best realization value for the stakeholders, while reducing the carrying costs of these assets.
32. The Monitor received liquidation proposals from three (3) auctioneers. These proposals were discussed with the Interim Lenders, who will be the first to benefit from the net proceeds of the Battery Plant Assets sale.
33. Based on preliminary analysis obtained by the Monitor, it is highly unlikely that the net proceeds of the contemplated sale of the Battery Plant Assets will allow full repayment of the outstanding balance due to the Interim Lenders.
34. The Monitor, in consultation with the Interim Lenders, retained the proposal Workingman Capital Corp. ("**WCC**" or the "**Auctioneer**") for the following reasons:
- (i) The selling and commission fees proposed by WCC allow for a potential greater return to the Interim Lenders compared to those of two (2) other auctioneers that submitted proposals to liquidate the Battery Plant Assets;
- (ii) WCC had visited the Battery Plant Assets as part of the SISP in January 2025. Therefore, WCC is knowledgeable about the assets to sell; and,

(iii) WCC has completed the auction of the equipment and other assets at the Joliet (Illinois) facility in May 2025, demonstrating its ability to conduct efficient auctions within strict timeframes;

35. On June 6, 2025, the Monitor and WCC entered into an auction agreement (the "**Auction Agreement**") which highlights the following:

(i) The Monitor appoints WCC on an exclusive basis to sell the Battery Plant Assets through an online auction sale or private treaty conducted at the Premises, subject to Court approval of this Auction Agreement;

(ii) The Commission Agreement commences on the execution date of the agreement and shall terminate on July 31, 2025;

(iii) WCC will provide the Monitor with the sales proceeds, less applicable deductions such as commission, buyer's premium, expenses, and taxes. WCC will also provide a sales reconciliation at the end of the process, and,

(iv) WCC will receive a commission of the gross proceeds from any and all sales of the Battery Plant Assets. WCC will also charge and retain an industry standard buyer's premium to the purchaser.

36. The Monitor supports the approval from the Court for the contemplated sale of the Battery Plant Assets namely because the Auction Agreement provides for a rigorous framework for the sale of the Battery Plant Assets free and clear of all liens, claims, encumbrances and security interests and saving this Court's repeated intervention to approve each and every sale of Battery Plant Assets.

THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

37. In light of the foregoing, the Monitor is of the view that:

(i) The terms of the Auction Agreement are fair and reasonable; and,

(ii) The approval of the contemplated sale of the Battery Plant Assets is in the best interests of the Interim Lenders and save the Court's repeated intervention to approve each and every sale of Battery Plant Assets;

38. Accordingly, the Monitor recommends that the contemplated sale of the Battery Plant Assets be approved by the Court.

39. The Monitor respectfully submits to the Court its Sixth Report.

DATED AT MONTREAL, this 19th day of June 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