

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:

NORTHERN GENESIS ACQUISITION CORP.

- and -

LION ELECTRIC FINANCE USA INC.

- and -

9541-1666 QUÉBEC INC.

- and -

9541-1799 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

MOTION FOR THE ISSUANCE OF AN APPROVAL OF AUCTION SALE
AND VESTING ORDER

Section 36 of the *Companies' Creditors Arrangement Act* ("CCAA")

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 MONITOR RESPECTFULLY SUBMITS THE FOLLOWING:

A. ORDERS SOUGHT

1. The Monitor hereby submits the present *Motion for the Issuance of an Approval of Auction Sale and Vesting Order* (the "**Motion**") pursuant to the CCAA and the proceedings commenced thereunder in this file (the "**CCAA Proceedings**") by which it seeks:
 - (a) the approval of the execution and entering into of the *Auction Commission Agreement* dated June 6, 2025 between Workingman Capital Corp. ("**WCC**" or the "**Auctioneer**") and the Monitor (the "**Auction Agreement**") communicated herewith under seal as **Exhibit R-1**, pursuant to which an auction (the "**Auction**") for the assets of 9541-1799 Québec Inc. ("**ResidualCo**") described in Exhibit A to the Auction Agreement will be held (the "**Battery Plant Assets**" and each a "**Battery Plant Asset**");

- (b) the authorization for the Auctioneer to conduct the Auction; and
- (c) the issuance of an *Approval of Auction Sale and Vesting Order* substantially in the form of the draft Draft vesting order (the “**Draft Vesting Order**”) communicated herewith as **Exhibit R-2¹**, vesting in the successful purchasers at such Auction (the “**Auction Purchasers**” and each an “**Auction Purchaser**”) the rights, title and interests to the respective Battery Plant Assets they will acquire.

B. PROCEDURAL BACKGROUND²

2. On December 18, 2024, the Honorable Michel A. Pinsonnault, J.S.C. issued an Initial Order (the “**Initial Order**”, and, as amended and restated in the CCAA Proceedings, the “**ARIO**”) under the CCAA with respect 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 “**Initial Debtors**”).
3. 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.
4. The RVO provided for, inter alia:
 - (a) The approval of the Subscription Agreement and Transactions³;
 - (b) The vesting of the Excluded Contracts and Excluded Liabilities of Lion Electric, Lion Electric Finance Canada Inc., Lion Electric Vehicle Finance Canada Inc., Lion Electric Co. USA Inc., Lion Electric Holding USA Inc. and Lion Electric Manufacturing USA Inc. (the “**Lion Entities**”) to 9541-1666 Québec Inc. (“**NewCo**”) and the Vesting of the Excluded Assets of the Lion Entities to ResidualCo (ResidualCo, together with NewCo, the “**Excluded Cos.**”); and
 - (c) The addition of the Excluded Cos. as Debtors in the CCAA Proceedings and the removal and release of the Lion Entities as Debtors in the CCAA Proceedings.
5. On May 23, 2025, the Monitor issued the Certificate certifying the completion of the closing steps of the Subscription Agreement and the Transactions.

¹ A copy of a redline document comparing the proposed Draft Vesting Order to the model Approval and Vesting Order of the Superior Court of Québec (Commercial Division) is communicated herewith as **Exhibit R-2.1**.

² For a more detailed description of the CCAA Proceedings’ history, the Monitor refers the Court to the procedural background description found in the *Application for the Issuance of an Approval and Reverse Vesting Order* dated May 15, 2025 (the “**RVO Application**”).

³ The capitalized terms not defined herein have the meaning ascribed to them in the RVO and the RVO Application.

C. THE CONTEMPLATED SALE

6. Pursuant to the RVO and the Transactions, the Excluded Assets vested in ResidualCo include all machinery and equipment of the Lion Entities related to the production of batteries.
7. The RVO specifically authorized the Monitor, in consultation with Groupe Mach Inc. (“**Mach**”), in its capacity as hypothecary representative and collateral agent for the holders of secured debentures holders, and with the Interim Lender, in its capacity as beneficiary of the Interim Lender Charge (as defined in the ARIO), to interest or solicit one or several potential buyers of all or any part of the equipment (the “**Battery Plant Assets**”) of Lion Electric⁴ located and used at the building bearing civic address 9900, Irénée-Vachon Street, Mirabel, Québec (the “**Premises**”).
8. The Battery Plant Assets include, but are not limited to, those items listed in Exhibit A of the Auction Agreement, with related tooling packages, and related items, specifically excluding inventory, and building related items.
9. The Auction Agreement essentially provides for WCC, as Auctioneer, to sell the Battery Plant Assets on an exclusive basis pursuant to the Auction, to be conducted through an online auction sale or private treaty conducted at the Premises.
10. Pursuant to the Auction Agreement, the Battery Plant Assets will be offered on a “as-is, where-is” basis, without reserve, and will be sold to the highest bidders (the successful purchasers being referred to as “**Auction Purchasers**” and each an “**Auction Purchaser**”).
11. Additionally, the Auction Agreement provides that WCC may sell, with the Monitor’s consent, any of the Battery Plant Assets before the Auction provided that such sale is designed to maximize sale proceeds.
12. The Auction Agreement is subject to the Court approval sought herein, which must be granted by June 30, 2025, in order to achieve the timeline contemplated by the Auction Agreement.
13. The Draft Vesting Order provides that upon completion of the sale of any Battery Plant Asset to an Auction Purchaser, and upon WCC’s receipt of the full purchase price for the Battery Plant Asset from the Auction Purchaser and delivery by WCC of evidence of the sale of the Battery Plant Asset to such Auction Purchaser, all of ResidualCo’s rights, title and interest in and to the Battery Plant Assets shall vest absolutely in and to the Auction Purchaser or Auction Purchasers thereof, free and clear of any encumbrances.

D. SECURITY INTERESTS AGAINST THE BATTERY PLANT ASSETS

14. The Battery Plant Assets are encumbered by the CCAA Charges (as defined in the ARIO) and the following security interest and conventional hypothecs:

⁴ Following the issuance of the Certificate, and as described above, the Battery Plant Assets are now the property of ResidualCo.

- a) hypothec published on July 2023 at the Quebec Personal and Movable Real Rights Registrar (“**RPMRR**”) under number 23-0835934-0002 (the “**Mach Hypothec**”) granted by Lion Electric to Mach, as hypothecary representative and collateral agent of the secured debentures holders on, *inter alia*, the universality of the movables of Lion Electric⁵;
- b) hypothec published on July 31, 2018 at the RPMRR under number 18-0835130-0002 granted by Lion Electric (under its previous name, Autobus Lion inc.) to Intact Compagnie d'Assurance on, *inter alia*, the universality of the equipment of Lion Electric;
- c) hypothec published on August 9, 2021 at the RPMRR under number 21-0860108-0001 granted by Lion Electric to Banque Nationale du Canada (“**BNC**”) on, *inter alia*, the universality of the movables and immovables of Lion Electric;
- d) hypothec published on January 25, 2022 at the RPMRR under number 22-0070716-0001 granted by Lion Electric to BNC on, *inter alia*, the universality of the movables and immovables of Lion Electric;
- e) hypothec published on June 21, 2022 at the RPMRR under number 22-0684442-0001 granted by Lion Electric to Investissement Québec on, *inter alia*, the universality of the movables of Lion Electric; and
- f) hypothec published on November 3, 2022 at the RPMRR under number 22-1221753-0001 granted by Lion Electric to Fonds Finalta Capital, s.e.c. on, *inter alia*, the universality of the movables of Lion Electric.

(collectively: the “**Hypothecs**”)

- 15. Pursuant to the RVO, all Encumbrances, including all security interests and the Hypothecs, that were attached to the Excluded Assets immediately prior to the transfer of the Excluded Assets to ResidualCo continued to attach to such Excluded Assets with the same nature and priority as they had immediately prior to the transfer of the Excluded Assets to ResidualCo.
- 16. Therefore, the Encumbrances and the Hypothecs are still attached to the Battery Plant Assets.
- 17. Additionally, pursuant to the RVO, the CCAA Charges, including the Interim Lender Charge in favor of the Interim Lender, granted to secure all obligations of the Debtors to the Interim Lender, charges all property of the Excluded Cos., including therefore the Battery Plant Assets.
- 18. Pursuant to the ARIO, the CCAA Charges have priority over all Encumbrances and rank in priority to the Hypothec.
- 19. As described above, Mach and the Interim Lender have been consulted and approve the present Motion.

⁵ The Mach Hypothec is of first rank with regards to the Battery Plant Assets following duly registered sessions of rank.

E. REASONS JUSTIFYING THE APPROVAL SOUGHT

20. As described in the RVO Application, the Lion Entities and the Monitor, prior to and throughout the CCAA Proceedings, have conducted a thorough process to solicit buyers and investors to maximize the value of the assets of the Initial Debtors to obtain the best possible outcome for all stakeholders.
21. After soliciting different liquidator firms to obtain firm prices for the Battery Plant Assets, it was decided, in consultation with the Interim Lenders and Mach, that the possibility to generate the best return for the liquidation of the Battery Plant Assets would be via an auction sale supervised by a recognized auctioneer.
22. The Monitor submits that the Auction Agreement and the sales to occur will allow the Monitor to quickly monetize the Battery Plants Assets and yield the maximal possible realization in the circumstances of these CCAA Proceedings to reduce the indebtedness towards the Interim Lender and eventually, Mach and the secured debentures holders.
23. The Monitor is of the view that the terms of the Auction Agreement are fair and reasonable.
24. The Monitor submits that it is appropriate that the Draft Vesting Order should be issued at this time, prior to the occurrence of the Auction, given that it would be greatly ineffective and costly for all stakeholders to multiply Court appearances and motions.
25. Indeed, it would be contrary to the principle of an auction sale to have the successful bidders be held captive by an uncertain Court approval and would necessarily diminish the proceeds of the Auction.
26. A Monitor's report will be filed in support of the Motion prior to the hearing.

F. CONCLUSIONS

27. In light of the foregoing, the Monitor respectfully submit that this Honorable Court approves the Auction Agreement (R-1, under seal) and the sales envisioned by such, and issues the Draft Vesting Order (R-2).

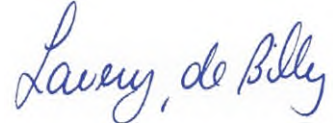
FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

GRANT the present *Motion of the Issuance of an Approval of Auction Sale and Vesting Order*;

ISSUE an order substantially in the form of the *Draft Approval of Auction Sale and Vesting Order* communicated herewith as Exhibit R-2;

WITHOUT COSTS, save and except in case of contestation.

MONTREAL, June 18, 2025



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Counsel to the Monitor

SWORN STATEMENT

I, the undersigned, Benoit Clouâtre, having my principal place of business at 1190, avenue des Canadiens-de-Montréal, suite 500, in the city of Montreal, Province of Quebec, H3B 0M7, solemnly declare the following:

1. I am the Senior Vice President of the Deloitte Restructuring Inc.;
2. All the facts alleged in the *Motion for the Issuance of an Approval of Auction Sale and Vesting Order* are, to the best of my knowledge, true.

AND I HAVE SIGNED



Benoit Clouâtre

Solemnly declared before me by a technological
means at Montreal, on the 18th day of June, 2025



Commissioner for oaths for the Province of
Québec



NOTICE OF PRESENTATION

TO: Service List

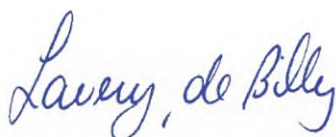
TAKE NOTICE that the *Motion for the Issuance of an Approval of Auction Sale and Vesting Order* will be presented virtually for adjudication to the Honourable Michel A. Pinsonnault, J.C.S., of the Superior Court of Quebec, Commercial Division, District of Terrebonne, **on June 25, 2025 at [●] AM in virtual room 15.02 of the Montréal Courthouse.**

The link to connect to the virtual courtroom can be found below.

15.02	Rejoindre la réunion Microsoft Teams
	+1 581-319-2194 Canada, Québec (Numéro payant)
	(833) 450-1741 Canada (Numéro gratuit)
	ID de conférence : 216 265 426#
	Numéros locaux Réinitialiser le code confidentiel En savoir plus sur Teams réunion
	Rejoindre à l'aide d'un dispositif de vidéoconférence teams@teams.justice.gouv.qc.ca ID de la conférence VTC : 1155390613 Autres instructions relatives à la numérotation VTC

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, June 18, 2025



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**LIST OF EXHIBITS IN SUPPORT OF THE MOTION FOR THE ISSUANCE OF AN
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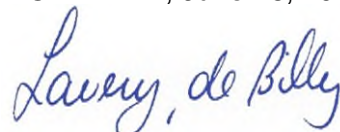
Section 36 of the *Companies' Creditors Arrangement Act*

Exhibit R-1: Auction Commission Agreement (under seal);

Exhibit R-2: Draft Vesting Order;

Exhibit R-2.1: Redline document comparing the proposed Draft Vesting Order to the model Approval and Vesting Order of the Superior Court of Québec (Commercial Division);

MONTREAL, June 18, 2025



LAVERY, DE BILLY, L.L.P.
Counsel for the Monitor

SUPERIOR COURT
(Commercial Division)
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Section 36 of the *Companies' Creditors
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o/file: 147674-00002

BL 1332

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