

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT. No.: 500-11-064357-243

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: 9526-1624 QUÉBEC INC. (ParentCo)**

Debtor

-&-

DELOITTE RESTRUCTURING INC.,

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 Canadian dollars.
2. On July 10, 2024, Taiga Motors Corporation/Corporation Moteurs Taiga ("**Taiga Corp.**"), Taiga Motors Inc./Moteurs Taiga Inc. ("**Taiga Inc.**"), Taiga Motors America Inc. ("**Taiga America**"), and CGGZ Finance Corp. (collectively "**Taiga**", or the "**Former Debtors**") filed an *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and Ancillary Relief* (the "**Application**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), before the Superior Court of Québec (the "**Court**") seeking the appointment of Deloitte Restructuring Inc. ("**Deloitte**") as the CCAA monitor in these proceedings (the "**Proposed Monitor**") and various other reliefs.
3. On July 10, 2024, Deloitte, then in its capacity as Proposed Monitor, issued its first report to the Court (the "**First Report**") 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 to (i) Deloitte's qualification to act as monitor; (ii) the business, financial affairs and financial results of Taiga; (iii) Taiga's creditors; (iv) the proposed sale and investment solicitation process; (v) the key employees retention program; (vi) the interim financing facility; (vii) the charges sought in the proposed "First Day Initial Order" and the Proposed "Initial Order"; (viii) the 4-week cash flow projections; and (ix) the Proposed Monitor's conclusions and recommendations.

4. On July 10, 2024, the Court granted the Initial Application and rendered the First Day Initial Order and the SISP Approval Order which provided for, *inter alia*, (i) a stay of proceedings against the Debtors until and including July 20, 2024 (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) an Interim Facility in an amount up to \$1M secured by an Interim Lender Charge in an amount of \$1.2M; (v) a General Administration Charge of \$475K, a D&O Charge of \$510K and a KERP Charge of \$40K; and (vi) approval of the SISP.
5. On July 17, 2024, Deloitte, then in its capacity as Monitor, issued its second report to the Court (the "**Second Report**") as part of the Debtors' CCAA proceedings. The purpose of the Second Report was to provide information to the Court with respect to, (i) Taiga's communications to stakeholders and operations; (ii) the Monitor's activities since the First Report; (iii) the SISP; (iv) the Interim Facility and charges sought in the Proposed Initial Order; (v) the Cash Flow results for the first week period ended July 14, 2024; (vi) the Cash Flow Projections; (vii) the request for an extension of the Stay Period; and (viii) the Monitor's conclusions and recommendations.
6. On July 18, 2024, following the comeback hearing, the Court issued the Amended and Restated Initial Order, which, *inter alia*, (i) extended the Stay Period until October 8, 2024; (ii) authorized an increase in the Interim Facility up to an aggregate amount of \$4.4M along with an increase in the Interim Lender Charge up to \$5.28M; (iii) reduced the D&O Charge to \$250,000; and (iv) increased the Administration Charge to \$900K.
7. On October 7, 2024, Deloitte, issued its third report to the Court (the "**Third Report**") as part of the Former Debtors' CCAA Proceedings. The purpose of the Third Report was to provide information to the Court with respect to (i) Taiga's communications to stakeholders and operations; (ii) the Monitor's activities since the Second Report; (iii) the Dollard lease resiliation; (iv) an update on the SISP; (v) the Proposed Transaction; (vi) an update on the KERP; (vii) the Cash Flow results for the 12-week period ended September 29, 2024; (viii) the Cash Flow Projections; (ix) the request for an extension of the Stay Period; (x) Enhancement of the Powers for the Monitor; and (xi) the Monitor's conclusions and recommendations.
8. On October 10, 2024, the Court issued the Second Amended and Restated Initial Order, Approval and Vesting Order, and Cancellation and Radiation Order, which, *inter alia*; (i) extended the Stay Period until December 19, 2024; (ii) approved the Purchase and Sale and other transactions contemplated in the Share Purchase Agreement and the Pre-Closing Reorganization; and (iii) granted additional powers for the Monitor.
9. Capitalized terms not otherwise defined herein are as defined in the First Monitor's Report, the Second Monitor's Report, the Third Monitor's Report, the Initial Application, the Amended and Restated Initial Order or the Second Amended and Restated Initial Order.

PURPOSE OF THIS REPORT

10. The purpose of the fourth report of the Monitor (the "**Fourth Report**") is to update the Court with respect to:
 - (i) The Monitor's activities since the Third Report;
 - (ii) Monitor trust account highlights;
 - (iii) Request for relief pursuant to the wage earner protection program (the "**WEPP**");
 - (iv) The request for an extension of the Stay Period; and

- (v) The Monitor's conclusions and recommendations.
11. In preparing the Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, Taiga and ParentCo's books and records and financial information prepared by Taiga and discussions with management ("**Management**") of Taiga (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
12. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Fourth Report concerning Taiga and ParentCo is based on the Information, and not independent factual determinations made by the Monitor.

I. THE MONITOR'S ACTIVITIES SINCE THE THIRD REPORT

13. On October 10, 2024, the Monitor posted a copy of the Second Amended and Restated Initial Order, the Approval and Reverse Vesting Order, the Cancellation and Radiation Order, and the Third Report on the Monitor's website at www.insolvencies.deloitte.ca/taiga.
14. On October 30, 2024, the Monitor's Certificate was signed and confirmed the following:
- a) The Purchase Agreement had been signed and concluded;
 - b) The Pre-Closing Reorganization (as defined in the Purchase Agreement) had been completed to the parties' satisfaction;
 - c) The Purchase Price (as defined in the Purchase Agreement) payable at the closing of the Transaction, as well as any applicable taxes, had been paid; and
 - d) All conditions for the closing of the Transaction had been satisfied by the parties or waived by them.
15. On November 14, 2024, the Monitor distributed, by mail and email, a communication to former employees of Taiga Motors regarding the permanent layoffs, available services to re-enter the workforce, and the next steps for the WEPP.
16. The Monitor assisted the Former Debtors in their discussions with their main suppliers and other key stakeholders. The Monitor has participated in meetings with several stakeholders since the First Day Initial Order, including with:
- a) the Former Debtors' secured creditors; and
 - b) certain unsecured creditors, employees and other stakeholders, including those whose liabilities have been transferred to ParentCo following the closing of the Transaction.
17. More generally, the Monitor, with the assistance of the Former Debtors has been responding to questions and inquiries from various stakeholders in relation to the CCAA Proceedings and the Restructuring Process.

18. The Monitor also had communications and discussions with Taiga, EDC and its financial advisors regarding the closing of the Transaction as well as the pre- and post-closing assignments.
19. The Monitor has also received a copy of an application to authorize (the "**Authorization Application**") a class action lawsuit against certain former directors of Taiga Corp. and has had discussions with the plaintiffs and certain defendants' attorney. The plaintiffs have also informed the Monitor that they are considering adding the ParentCo as a defendant to the Authorization Application.

II. MONITOR'S TRUST ACCOUNT HIGHLIGHTS

20. The table below provides an overview of the main transactions, ending balance as at December 11, 2024, and estimated balance of the Monitor trust account:

Monitor's Trust Account Highlights (000's)	
Receipts	
Wilkinson's SISP Phase 2 Binding Offer Deposit	1,500
Interest Earned	11
Total Receipts	1,511
Disbursements	
Excess Deposit Returned to Wilkinson (Subsequent to Closing the Transaction)	500
Payment of Administrative Charges (Professional Fees)	348
Riembursment to the Secured Lender (EDC)	375
Total Disbursements	1,223
Ending Balance as at December 11, 2024	287
Estimated Professional Fees Until Completion of the Restructuring Process	100
Estimated Balance to Return to the Secured Lender (EDC)	187

21. As of the date of this Fourth Report, all post-filing expenses incurred by the Debtor have been or will be paid in the normal course of business.

III. REQUEST FOR RELIEF PURSUANT TO THE WEPP

22. The Transaction only provided for the continued employment of 34 of the 222 employees who were employed by Taiga Motors at the start of the CCAA Proceedings. Therefore, the employment for the majority of the employees ended as part of the CCAA Proceedings (the "**Former Employees**").
23. The Former Employees are still owed amounts relating to vacation pay and termination notice to the Former Employees
24. Therefore, the Monitor hereby requests that the Court recognizes Taiga Motors as a former employer, as described in *Section 3.2* of the WEPP Regulations, and to declare that the Former Employees are employees to whom *subsection 5(5)* of the WEPP Act applies.
25. The relief sought would allow the Former Employees to collect amounts that are owed to them by their former employer, thereby ensuring that they are not unduly prejudiced by the Former Debtors' insolvency. This is consistent with the remedial purposes of both the CCAA and Wage Earner Protection Program Act (the "**WEPPA**").

26. The Monitor is of the view that the relief sought is necessary and reasonable because:
- a) It aligns with the remedial purpose of the CCAA and WEPPA's remedial purposes;
 - b) It is in the best interest of the stakeholders of the Former Debtors and ParentCo;
and
 - c) does not cause harm to the stakeholders.

IV. THE REQUEST FOR AN EXTENSION OF THE STAY PERIOD

27. The current Stay Period expires on December 19, 2024.
28. The Applicants are seeking an extension of the Stay Period until March 14, 2025, to finalize all post-closing assignments and allow for sufficient time to assist the Former Employees with preparing and submitting their WEPP applications, should the relief sought pursuant to the WEPPA be granted.
29. As described in Section II paragraph 20 of this Fourth Report, ParentCo should have sufficient liquidity to continue to satisfy its obligations during the Stay Period.

V. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

30. Considering the foregoing, the Monitor is of the view that:
- (i) The extension of the Stay Period up to March 14, 2025, is required to finalize all post-closing assignments and to allow for sufficient time to assist the Former Employees with preparing and submitting their WEPP applications, if approved by the Court;
 - (ii) Based on the information presently available, the Monitor believes ParentCo's creditors will not be materially prejudiced by the requested extension of the Stay Period;
 - (iii) The Debtor has acted in good faith and with due diligence, which make the requested extension of the stay of proceedings appropriate.
31. It is the Monitor's view that the continuation of the CCAA Proceedings is required to give effect to the post-closing assignments' mechanism provided for in the Transaction and is beneficial to the Former Employees as it may allow for them to recover the amount owing to them pursuant to WEPP, subject to approval of the Court and ultimately their eligibility under WEPP.
32. Accordingly, the Monitor recommends that the Stay Period be extended to March 14, 2025, and the relief pursuant to the WEPP be granted.
33. The Monitor confirms that there is no further material development to report in this matter, other than what is provided for in this Fourth Report.

34. The Monitor respectfully submits to the Court its Fourth Report.

DATED AT MONTREAL, this 11th day of December 2024.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of the Debtor



Benoit Clouâtre, CPA, CIRP, LIT
Senior Vice President



Jean-François Nadon, CPA, CIRP, LIT
President