

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

**SUPERIOR COURT**  
(Commercial Division)

(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*, RSC 1985,  
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC.** (formerly **XEBEC ADSORPTION  
INC.**)

Debtor / Petitioner / Applicant

-and-

**DELOITTE RESTRUCTURING INC.**

Monitor

**APPLICATION FOR A STAY EXTENSION**  
(Sections 11 and 11.02 of the *Companies' Creditors  
Arrangement Act*, RSC 1985, c C-36)

**TO THE HONOURABLE JUSTICE CHRISTIAN IMMER, J.S.C., SITTING IN  
COMMERCIAL DIVISION, IN THE JUDICIAL DISTRICT OF MONTRÉAL, THE  
DEBTOR / PETITIONER / APPLICANT RESPECTFULLY SUBMITS AS FOLLOWS:**

**I. INTRODUCTION**

1. The Debtor / Petitioner in this matter is FormerXBC Inc. (formerly Xebec Adsorption Inc.) (the "**Applicant**").
2. Applied Compression Systems Ltd. ("**ACS**"), 1224933 Ontario Inc. (formerly Compressed Air International Inc., "**CAI**"), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.) ("**GNR**"), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc., "**XHU**"), Enerphase Industrial Solutions, Inc. ("**AIR**"), California Compression, LLC ("**CAL**"), CDA Systems, LLC ("**CDA**"), FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc., "**XSU**"), FormerXBC Pennsylvania Company (formerly The Titus Company, "**TIT**"), FormerXBC NOR Corporation (formerly Nortekbelair Corporation, "**NOR**"), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC, "**UEC**"), and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc., "**XBC**") were formerly Debtors / Petitioners in this matter, but have been the subject of a fully implemented Plan, except GNR. GNR has been dissolved and the U.S. entities (XHU, AIR, CAL, CDA, XSU, TIT, NOR, UEC and XBC) either have been dissolved in recent months or are very advanced in the process towards their dissolution,

such that they have been removed as Debtors / Petitioners hereunder. ACS and CAI are very advanced in the process towards their dissolution and have as such also been removed as Debtors / Petitioners hereunder.

3. By the present *Application for a Stay Extension* (the “**Application**”), the Applicant is seeking the issuance of an order extending the Stay Period (as defined below) until June 20, 2025 (the “**Extension Date**”), substantially in the form of the draft Order Extending the Stay of Proceedings communicated herewith as **Exhibit P-1** (the “**Draft Order**”).

## II. PROCEDURAL BACKGROUND

4. On September 29, 2022, at then-Petitioners’ request, the Court issued a First Day Initial Order (the “**FDIO**”) pursuant to the CCAA and a Bidding Procedures Order (the “**Bidding Procedures Order**”), as appears from the Court record.
5. The FDIO, *inter alia*:
  - (a) appointed Deloitte Restructuring Inc. as monitor of the Petitioners’ CCAA proceedings (the “**Monitor**”);
  - (b) ordered a stay of proceedings in respect of the Petitioners and their directors and officers until October 7, 2022, as extended thereafter (the “**Stay**”); and
  - (c) declared that Québec is the “center of main interest” of the Petitioners and, accordingly, authorized the Petitioners to apply, as they may consider necessary or desirable, to any other court, tribunal, regulatory, administrative or other body, wherever located, for orders to recognize and/or assist in carrying out the terms of the Initial Order and any subsequent Orders rendered by this Court in the context of these proceedings, including, without limitation, orders under Chapter 15 of the United States Bankruptcy Code 11 U.S.C. §§ 101-1532.
6. The Bidding Procedures Order, *inter alia*, approved the proposed Sale and Investment Solicitation Process (the “**SISP**”) and its implementation in accordance with the Procedures for the Sale and Investment Solicitation Process annexed thereto as Schedule “A”, as appears from the Court record.
7. The Bidding Procedures Order also approved the engagement of National Bank Financial Inc. to assist in the implementation of the SISP.
8. On October 20, 2022, at then-Petitioners’ request, the Court issued an Amended and Restated Initial Order (the “**ARIO**”) pursuant to the CCAA, as appears from the Court record.
9. The ARIO, *inter alia*, extended the Stay until November 28, 2022. Since the ARIO, the Court has extended the Stay from time to time.

10. On May 24, 2023, the Court issued *inter alia* an order establishing a claims bar date of July 24, 2023 for the filing of proofs of claim with the Monitor and establishing the procedure for the filing and determination of such proofs of claim, as appears from the Court record.
11. On June 29, 2023, at the Monitor's request, the Court issued the *Order to Approve a Proposed Allocation Plan*, approving, *inter alia*, a proposed methodology to allocate (i) the net proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and DIP financing, as appears from the Court record.
12. On November 1, 2023, the Court notably issued the Plan Filing and Meeting Order, as appears from the Court record. This order, *inter alia*, authorized the Plan Debtors to file the Plans and convene the meetings of creditors (to be held simultaneously), and approved the Plan Support Agreement with Export Development Canada ("**EDC**"), which allowed the Petitioners to put forward the Plans as contemplated, for the benefit of all stakeholders.
13. On December 15, 2023, as appears from the Court record, the Court notably issued the Sanction Order, sanctioning, *inter alia*, the Plans of Compromise of each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU (the "**Sanction Order**").
14. On February 14, 2024, the Monitor issued a certificate confirming that all of the conditions precedent to implementation of each Plan have been satisfied or waived and confirming the implementation of each Plan, as appears from the Court record.
15. On March 26, 2024, the Court issued an order extending the Stay regarding solely the Applicant to November 30, 2024, as appears from the Court record (the "**Stay Period**"). Considering that the Plans and the releases contained therein had been implemented, the Petitioners having filed Plans did not seek an extension of the Stay Period, while GNR had already been dissolved on January 15, 2024.

### III. RESTRUCTURING EFFORTS SINCE THE LAST EXTENSION OF THE STAY

16. Since the issuance of the last extension of the Stay Period, the Applicant and its advisors, *inter alia*:
  - (a) Assisted the Monitor with the implementation of each Plan and the determination of the distributions and payments to be made to Affected Creditors in accordance with each Plan;
  - (b) Continued to wind down the FormerXBC Group's corporate structure, in consultation with the Monitor;
  - (c) Dissolved all remaining Canadian entities, except the Applicant, CAI and ACS, in consultation with the Monitor;

- (d) Filed a motion with the United States Bankruptcy Court for the District of Delaware on May 8, 2024 for, and obtained on June 11, 2024, an order issuing a final decree closing all of the Petitioners' Chapter 15 cases other than the Chapter 15 case of the Applicant;
- (e) Continued to work on dissolving FormerXBC Group entities based in the United States, in consultation with the Monitor;
- (f) Worked towards filing final tax returns for relevant entities in Canada and the United States, as applicable; and
- (g) Managed various matters in respect of non-filing FormerXBC Group entities outside North America (the "**Overseas Entities**"), notably:
  - i) Completing the dissolution process of Inmatec Gas Technology FZ-LLC in the United Arab Emirates, which dissolution was completed on September 3, 2024;
  - ii) Monitoring the ongoing bankruptcy proceedings of Xebec Italy S.r.l. ("**Xebec Italy**"); and
  - iii) Reviewing various correspondence in respect of the ongoing insolvency proceedings of Inmatec Gase Technologie GmbH & Co. KG ("**Inmatec Germany**"), wherein other FormerXBC Group entities including the Applicant have filed material intercompany claims.

#### IV. **GROUND FOR THE EXTENSION OF THE STAY OF PROCEEDINGS**

- 17. The Applicant has acted and continues to act in good faith and with due diligence.
- 18. The Stay Period currently expires on November 30, 2024.
- 19. As further detailed in the fifteenth report of the Monitor to be filed on or about the date hereof (the "**Fifteenth Report of the Monitor**"), the extension of the Stay Period to the Extension Date is required to provide the Applicant, with the assistance of the Monitor and its advisors, with sufficient time to, *inter alia*:
  - (a) Finalize the wind down of the Petitioners' activities and the dissolution of ACS, CAI and certain FormerXBC Group entities in the United States;
  - (b) Proceed with the closing of remaining bank accounts;
  - (c) Effect the bankruptcy of any Petitioner, including that of the Applicant, if necessary;
  - (d) Finalize the dissolution and/or bankruptcy of certain Overseas Entities of the FormerXBC Group;

- (e) Allow for the potential recovery relating to claims that the Applicant asserts in relation Overseas Entities, more specifically:
    - i) Receive any distribution to be paid from funds which may be refunded by Italian tax authorities in the bankruptcy of Xebec Italy; and
    - ii) Respond to a call for subordinated claims expected in the insolvency proceedings of Inmatec Germany, and respond to any further inquiries or correspondence from its trustee, whilst seeking to ensure appropriate treatment of intercompany claims filed by several FormerXBC Group entities, in the context where the recovery on Inmatec Germany's assets was such that FormerXBC has been advised that a distribution is anticipated in respect of related-party claims, even if such claims may be subordinated under German law;
  - (f) Take any and all actions as they may be necessary or appropriate to comply with applicable tax withholding and reporting requirements;
  - (g) Allow for the collection of sales tax returns; and
  - (h) In the event that there is an immaterial amount remaining after distributions, assist the Monitor in determining the amount that should properly be distributed to EDC pursuant to the Plans and the EDC Support Agreement, with any remaining balance to be donated to the charitable organizations Centraide du Grand Montréal and Welcome Collective equally.
20. Only the Applicant is seeking an extension to continue advancing and finalizing the tasks listed above as parent company. Should these remaining steps be completed before the end of the proposed Stay Period, it is possible that a bankruptcy process will be initiated prior to its expiry.
21. The Applicant and U.S. FormerXBC Group entities have paid any remaining suppliers, employees and other creditors for the outstanding and payable sums due from the date of the Sanction Order in the ordinary course of business and intend to continue doing so.
22. The Applicant's cash flow is sufficient to continue operations up to and until the Extension Date, as will appear from the Fifteenth Report of the Monitor.
23. No creditor will be unduly prejudiced by the extension sought.
- V. CONCLUSION**
24. The Monitor has informed the Applicant that it supports the issuance of the order sought herein and its report will confirm same.

25. For the reasons set forth above, the Applicant respectfully submits that it is both appropriate and necessary that this Honourable Court render the order sought herein.

**FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:**

**GRANT** the present *Application for a Stay Extension*;

**ISSUE** an order substantially in the form of the Draft Order Extending the Stay of Proceedings communicated in support of the Application as **Exhibit P-1**;

**THE WHOLE WITHOUT COSTS**, save in the event of contestation.

MONTREAL, November 21, 2024

*Osler, Hoskin & Harcourt LLP*

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**Osler, Hoskin & Harcourt LLP**

Mtre. Julien Morissette | Mtre. Maggie Fortin

Attorneys for the Applicant

1000 de La Gauchetière Street West Suite 2100

Montréal, Québec H3B 4W5

Telephone: (514) 904-8100

Fax: (514) 904-8101

Email: jmorissette@osler.com | mafortin@osler.com

Email notification: notificationosler@osler.com

Our file: 1233913

## AFFIDAVIT

I the undersigned, Dimitrios Vounassis, domiciled for the purpose hereof at 1000 De La Gauchetière Street West, Suite 2100, Montréal, Québec, H3B 4W5, solemnly declare the following:

1. I am the President and CEO of FormerXBC Inc. (formerly Xebec Adsorption Inc.) and a duly authorized representative of the Applicant for the purposes hereof.
2. I have taken cognizance of the attached *Application for a Stay Extension* (the "**Application**").
3. All of the facts alleged in the Application of which I have personal knowledge are true.
4. Where I have obtained facts alleged in the Application from others, I believe them to be true.

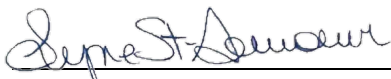
AND I HAVE SIGNED:



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**Dimitrios Vounassis**

SOLEMNLY DECLARED BEFORE ME BY  
TECHNOLOGICAL MEANS IN MONTRÉAL,  
QUÉBEC, ON NOVEMBER 21, 2024.



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**Lyne St-Amour**

Commissioner for Oaths for the Province of  
Québec



**NOTICE OF PRESENTATION  
COMMERCIAL DIVISION**

**TO:**           **SERVICE LIST** (See attached)

**1. PRESENTATION OF THE PROCEEDING**

**TAKE NOTICE** that the *Application for a Stay Extension* will be presented for adjudication before the Commercial Division of the Superior Court of Québec, on a date, at a time and in such fashion as may be determined by the Court.

**TAKE FURTHER NOTICE** that if you wish to contest this Application, you must serve responding materials or a notice stating the objection to the Application and the grounds for such objection in writing to the Applicant and the Monitor, with a copy to all persons on the Service List, no later than **5:00 P.M. (Montréal time) on November 26, 2024**, failing which judgment may be rendered by the Court on the face of the record, without further notice or delay.

**2. OBLIGATIONS**

**2.1 Duty of cooperation**

**TAKE NOTE** that the parties are duty-bound to cooperate and, in particular, to keep one another informed at all times of the facts and particulars conducive to a fair debate and make sure that relevant evidence is preserved (s. 20, *Code of Civil Procedure*).

**2.2 Dispute prevention and resolution processes**

**TAKE NOTE** that the parties must consider private prevention and resolution processes before referring their dispute to the courts, which are namely negotiation, mediation or arbitration, for which the parties call on a third party (*Code of Civil Procedure*, art. 2).

**DO GOVERN YOURSELF ACCORDINGLY.**

MONTRÉAL, November 21, 2024

*Osler, Hoskin & Harcourt LLP*

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**Osler, Hoskin & Harcourt LLP**  
Attorneys for the Applicant



**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT**  
(Commercial Division)

(Sitting as a court designated pursuant to the  
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c. C-36)

No.: 500-11-061483-224

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**IN THE MATTER OF THE COMPROMISE OR  
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**FORMERXBC INC.** (formerly **XEBEC ADSORPTION  
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Debtor / Petitioner / Applicant

-and-

**DELOITTE RESTRUCTURING INC.**

Monitor

<b>LIST OF EXHIBITS</b>
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**EXHIBIT P-1:** Draft Order Extending the Stay of Proceedings

MONTRÉAL, November 21, 2024

*Osler, Hoskin & Harcourt LLP*

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**Osler, Hoskin & Harcourt LLP**  
Attorneys for the Applicant

**SUPERIOR COURT**  
(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-061483-224

DATE: November ●, 2024

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**BEFORE THE HONOURABLE CHRISTIAN IMMER, J.S.C.**

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

**FORMERXBC INC. (FORMERLY XEBEC ADSORPTION INC.)**  
Debtor / Petitioner / Applicant

and

**DELOITTE RESTRUCTURING INC.**  
Monitor

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**ORDER EXTENDING THE STAY OF PROCEEDINGS**

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- [1] **CONSIDERING** the *Application for a Stay Extension* (the “**Application**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (“**CCAA**”), the exhibits and the affidavit of Mr. Dimitrios Vounassis, filed in support thereof;
- [2] **CONSIDERING** the Fifteenth Report of the Monitor dated November ●, 2024;
- [3] **CONSIDERING** that no responding materials or notice stating an objection to the Application was served to the Service List;

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- [4] **GIVEN** the provisions of the CCAA;
- [5] **GIVEN** the Fifth Amended and Restated Initial Order rendered by the Court on March 27, 2023 (the “**Fifth ARIO**”);

**THE COURT HEREBY:**

- [6] **GRANTS** the Application.

**STAY EXTENSION**

- [7] **EXTENDS** the Stay Period (as defined in the Fifth ARIO), solely in respect of FormerXBC Inc., until June 20, 2025, at 11:59 p.m. (Montreal time).

**GENERAL**

- [8] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [9] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America, including without limitation the United States Bankruptcy Court for the District of Delaware, and any court or administrative body elsewhere, to give effect to this Order and to assist the Petitioner, the Monitor and their respective agents in carrying out the terms of this Order.
- [10] **THE WHOLE WITHOUT COSTS.**

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Christian Immer, J.S.C.

MTRE JULIEN MORISSETTE  
MTRE MAGGIE FORTIN  
(OSLER HOSKIN & HARCOURT LLP)  
COUNSEL TO THE PETITIONER

Hearing date: November ●, 2024

Draft

**No: 500-11-061483-224**

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**SUPERIOR COURT  
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(Sitting as a court designated pursuant to the  
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**DISTRICT OF MONTRÉAL**

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**IN THE MATTER OF THE COMPROMISE OR  
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**FORMERXBC INC.**

Debtor / Petitioner / Applicant

and.

**DELOITTE RESTRUCTURING INC.**

Monitor

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**APPLICATION FOR A STAY EXTENSION,  
AFFIDAVIT, NOTICE OF PRESENTATION, LIST  
OF EXHIBITS, EXHIBIT P-1 (Sections 11 and  
11.02 of the *Companies' Creditors Arrangement  
Act*, RSC 1985, c C-36)**

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**ORIGINAL**

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**Osler, Hoskin & Harcourt LLP**

Mtre. Julien Morissette / Mtre. Maggie Fortin  
1000 de La Gauchetière St West, Suite 2100  
Montréal, Québec H3B 4W5

Phone: 514.904.8100 Fax: 514.904.8101

[jmorissette@osler.com](mailto:jmorissette@osler.com); [mafortin@osler.com](mailto:mafortin@osler.com) /  
[notificationosler@osler.com](mailto:notificationosler@osler.com)

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Our file: 1233913