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C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
No.: 500-11-058763-208

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

**IN THE MATTER OF THE CCAA OF:**

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

**Petitioner**

-and-

**11941666 CANADA INC. (formerly, XEBEC  
RNG HOLDINGS INC., now dissolved)**

**1224933 ONTARIO INC. (formerly,  
COMPRESSED AIR INTERNATIONAL INC.)**

**APPLIED COMPRESSION SYSTEMS LTD.**

**FORMERXBC HOLDING USA INC. (formerly,  
XEBEC HOLDING USA INC., now dissolved)**

**ENERPHASE INDUSTRIAL SOLUTIONS INC.  
(now dissolved)**

**CDA SYSTEMS, LLC (now dissolved)**

**FORMERXBC ADSORPTION USA INC.  
(formerly, XEBEC ADSORPTION USA INC., now  
dissolved)**

**FORMERXBC PENNSYLVANIA COMPANY  
(formerly, THE TITUS COMPANY)**

**FORMERXBC NOR CORPORATION (formerly,  
NORTEKBELAIR CORPORATION)**

**FORMERXBC FLOW SERVICES – WISCONSIN  
INC. (formerly, XBC FLOW SERVICES –  
WISCONSIN INC., now dissolved)**

**CALIFORNIA COMPRESSION, LLC (now  
dissolved)**

**FORMERXBC SYSTEMS USA, LLC (formerly  
XEBEC SYSTEMS USA, LLC, now dissolved)**

**Former Petitioners**

- and -

**DELOITTE RESTRUCTURING INC.**

**Monitor**

**FIFTEENTH 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. Unless otherwise stated, the former Petitioners, collectively with BLA, shall be collectively referred to herein as the "**Petitioners**", and BLA will be referred to as BLA or the "**Petitioner**".
3. The Petitioners and the other material direct or indirect subsidiaries of FormerXBC Inc. ("**BLA**"), which are not and were not parties in the CCAA Proceedings (as defined hereafter), are collectively referred to herein as the "**Xebec Group**" or the "**Company**."
4. Capitalized terms not otherwise defined herein are as defined in the previous reports of the Monitor.
5. On September 28, 2022, the Petitioners filed an *Application for the Issuance of a First Day Initial Order, a Deemed Extension of the Stay Period and a Bidding Procedures Order* under the *Companies' Creditors Arrangement Act* ("**CCAA**").
6. On September 29, 2022, Deloitte Restructuring Inc., then in its capacity as Proposed Monitor, issued its First Report to the Court (as part of the Petitioners' CCAA proceedings (the "**CCAA Proceedings**"). The purpose of the First Report was to provide information to the Court with respect of; I) the business, financial affairs and financial results of Xebec Group; II) the Petitioners' main creditors; III) the proposed restructuring process; IV) the proposed sale and investment solicitation process; V) charges sought in the proposed "First Day Initial Order"; VI) payments to Critical Suppliers; VII) overview of the Cash Flow Projections as of the date of the First Report; VIII) Deloitte's qualification to act as Monitor; IX) Recognition Proceedings in the U.S.; and X) the Proposed Monitor's conclusions and recommendations.
7. On September 29, 2022, the Court issued the First Day Initial Order and the Bidding Procedures Order which provided for, *inter alia*, (i) a stay of proceedings against the Petitioners until and including October 9, 2022 (the "**Stay Period**"), (ii) a stay of proceedings against the directors and officers, (iii) the appointment of Deloitte Restructuring Inc. as monitor under the CCAA ("**Deloitte**" or the "**Monitor**"), (iv) the authorization to pay Critical Suppliers up to a maximum aggregate amount of \$700K, (v) an Administration Charge of \$250K, a D&O Charge of \$2.2M, a Transaction Charge of \$975K, and (vi) the approval of the SISP along with the bidding procedures for the conduct of same (the "**Bidding Procedures**").
8. On October 4, 2022, the Petitioners notified to the Service List and filed with the Court an *Application for an Extension of the Stay of Proceedings*, seeking an extension of the First Day Initial Order until October 20, 2022.
9. On October 6, 2022, the Monitor issued its Second Report. The purpose of the Second Report was to provide information to the Court on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the Petitioners' application for the issuance of the Order Extending the Stay of Proceedings. The Monitor provided, *inter alia*, updated information in respect to the SISP, payments to Critical Suppliers, as well as to cash-flow projections.
10. On October 7, 2022, the Court extended the Stay Period and the application of the First Day Initial Order up to and including October 20, 2022.
11. On October 18, 2022, the Petitioners filed an *Application for the Issuance of an Amended and Restated Initial Order*, seeking, *inter alia*, (i) the issuance of an Amended and Restated Initial Order (the "**ARIO**"), (ii) the extension of the Stay Period until November 28, 2022, (iii) an increase of the Administration Charge from \$250K to \$900K, (iv) an increase of the D&O Charge from \$2.2M to \$3.7M, (v) the approval of a DIP Facility for a total amount of \$3.0M and of a DIP Charge in the amount of \$3.6M, and (vi) the approval of KERPs and of a KERP Charge up to a maximum amount of \$1.08M.

12. On October 18, 2022, the Petitioners notified to the Service List the *Application for the Extension of the Stay of Proceedings to Certain Third Parties*, seeking *inter alia*, an order extending the stay of proceedings to any Person named as a defendant or respondent in the Class Actions (as these terms are defined in the aforementioned application). No presentation date was scheduled in respect of this application.
13. On October 19, 2022, the Monitor issued its Third Report. The purpose of the Third Report was to provide information to the Court on the activities of Xebec and of the Monitor since the commencement of the CCAA Proceedings and to support the issuance of the ARIO.
14. On October 20, 2022, the secured lenders NBC and EDC put forward a term sheet to provide for a DIP Facility in a total amount of \$3M, on a *pari passu* basis.
15. On October 20, 2022, the Court issued the ARIO, and authorized the DIP Facility from NBC and EDC. On October 24, 2022, the Court issued its reasons in support of the issuance of the ARIO, which also included its reasons in respect of dismissing specific requests and addressing allegations from certain class action petitioners and from Mr. Simon Arnsby, a shareholder of BLA ("**Mr. Arnsby**").
16. On November 22, 2022, the Petitioners notified to the Service List and filed with the Court an *Application for an Extension of the Stay of Proceedings and for Ancillary Relief*, seeking, *inter alia* (i) the extension of the Stay Period until February 3, 2023, and (ii) the approval of an amendment to the list of participants to the KERPs.
17. On November 24, 2022, the Monitor issued its Fourth Report. The purpose of the Fourth Report was to provide information to the Court on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the aforementioned Application.
18. On November 28, 2022, the Court issued the *Order Extending the Stay of Proceedings and Granting Ancillary Relief* (the "**Extension Order**"). This Extension Order was namely meant to allow for the substantial completion of phase 2 of the SISP, and to allow the Petitioners, *inter alia*, to (i) select the Successful Bid(s), (ii) negotiate Definitive Documentation, and (iii) file the Approval Application in respect of the Successful Bid(s), as contemplated by the Bidding Procedures.
19. On November 29, 2022, the Court issued its reasons in support of the issuance of the extension, as well as its reasons in respect of dismissing Mr. Arnsby's *Urgent Ex Parte Application for Investigation*.
20. On January 28, 2023, the Petitioners filed an *Application for the Issuance of a Second Amended and Restated Initial Order and an Approval and Vesting Order* (as amended by the *Amended Application for the Issuance of a Second Amended and Restated Initial Order and an Approval and Vesting Order* dated February 1, 2023), seeking, *inter alia* (i) the extension of the Stay Period until February 13, 2023, (ii) the increase of the Administration Charge to a maximum amount of \$3M, and (iii) the issuance of an approval and vesting order (the "**ACS AVO**"), in respect of the proposed sale of substantially all of the assets of Applied Compression Systems Ltd. ("**ACS**").
21. On February 1, 2023, the Monitor issued its Fifth Report. The purpose of the Fifth Report was to report on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the issuance of the Second ARIO.
22. The Monitor also provided in the Fifth Report, *inter alia*, updated information in respect to (i) the SISP and certain transactions in connection thereto (Xebec UK/Tiger and ACS), (ii) operations of Petitioners and non-Petitioners and the impact of the results of phase 2 of the SISP on same, (iii) the need for a supplemental interim financing facility and ongoing discussions with EDC in connection thereto, (iv) subsequent exchanges with various stakeholders, and (v) actual cash flows and cash-flow projections until March 18, 2023.
23. On February 3, 2023, the Court issued the Second ARIO and the ACS AVO.

24. On February 8, 2023, the Petitioners served the *Application for the Issuance of a Third Amended and Restated Initial Order and Approval and Vesting Orders*, seeking *inter alia*:
- a. the approval of the Second DIP Facility provided by EDC in the amount of \$2.5M (the "**Second DIP Facility**") and the granting of a "**Second DIP Charge**" in the amount of \$3.0M;
  - b. the issuance of three approval and vesting orders (the "**Sullair AVO**", the "**Ivys AVO**" and the "**FSTQ AVO**") regarding, respectively:
    - i. the proposed sale of substantially all of the assets of CDA Systems, LLC ("**CDA**") and California Compression, LLC ("**CAL**") to Sullair;
    - ii. the proposed sale of substantially all of the assets of BLA and Compressed Air International Inc. ("**CAI**") to Ivys Inc. and Ivys Adsorption, Inc., as purchasers (the "**Ivys Transaction**"); and
    - iii. the sale of BLA's limited partnership interests in the capital of GNR Québec Capital L.P. and the shares of RNG Holdings in the capital of GNR Québec Capital Management Inc.; and
  - c. the extension of the Stay Period up and until March 17, 2023.
25. On February 10, 2023, the Monitor issued its Sixth Report. The purpose of the Sixth Report was to report on the activities of Xebec and of the Monitor since the Fifth Report and to support the Petitioners' request for the issuance of the Third ARIO, including (i) an extension of the Stay Period until March 17, 2023, (ii) the approval of a Second DIP Facility from EDC in an amount of \$2.5M, (iii) the granting of a Second DIP Charge of \$3.0M, the (iv) reduction of the Administration Charge to \$2.25M following the disbursement of the first tranche of the Second DIP, and (v) the issuance of the Sullair AVO, Ivys AVO and FSTQ AVO.
26. The Monitor provided, in the Sixth Report, updated information in respect to, *inter alia*, (i) the SISP, certain completed transactions in connection thereto (Xebec UK/Tiger, ACS and Hygear) and certain transactions to be approved and closed (CDA, CAL, BLA, CAI and GNR), (ii) the supplemental DIP facility and ongoing discussions with EDC, as well as (iii) information in respect to the 8-week cash-flow projections contained in the Fifth Report.
27. On February 13, 2023, the Court issued the Third ARIO.
28. On February 17, 2023, the Court issued the Ivys AVO, as well as its reasons for issuing the Third ARIO, which included reasons in respect of dismissing submissions of opponents to the Ivys Transaction, namely Shanghai Shenergy Energy Innovation & Development Co. Ltd and Shanghai Lihuan Investment Corp.
29. On March 11, 2023, the Petitioners filed an *Application for the Issuance of a Fourth Amended and Restated Initial Order, Approval and Vesting Orders, a Wage Earner Protection Program Act Order and Ancillary Relief*, seeking *inter alia*:
- a. the issuance of two approval and vesting orders (the "**TIT AVO**" and the "**XBC AVO**") in relation to, respectively:
    - i. the proposed sale of substantially all of the assets of The Titus Company ("**TIT**") to FAD Pennsylvania Inc.; and
    - ii. the proposed sale of substantially all of the assets of XBC Flow Services – Wisconsin Inc. ("**XBC**") to Total Energy Systems, LLC.

- b. the termination of the First DIP Charge, the Second DIP Charge and of the Transaction Charge, further to the mechanism set forth in the Monitor's Application for Payments (as defined hereunder) and in accordance with the order sought in relation thereto;
  - c. the approval of an amendment to the list of participants to the KERPs and of an increased KERP amount;
  - d. the issuance of an order (the "**WEPP Order**") declaring that pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 that FormerXBC Inc., ACS and CAI meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Relief**");
  - e. the increase of the aggregate amount for transactions subject to the Monitor's approval (as it then was provided for under para. 60c) of the Third ARIO); and
  - f. the extension of the Stay Period up and until May 5, 2023.
30. The Monitor concurrently filed an *Application for Authorization to Make Payments in Connection With the CCAA and Related Relief* (hereinafter, the "**Application for Payments**") seeking, *inter alia*, an order (the "**Monitor Payments Order**"):
  - a. authorizing the Monitor to pay, from the Net Proceeds of Transactions (as defined in the Application for Payments), amounts owing to the beneficiaries of CCAA Charges, including in respect of the DIP Charge, the Second DIP Charge, the Transaction Charge and the KERP Charge; and
  - b. providing a mechanism for the discharge and/or reduction of the above-mentioned CCAA Charges, pursuant to the issuance of certificates of the Monitor and without further order of the Court.
31. On or about March 14, 2023, the Petitioners notified the *Amended Application for the Issuance of a Fourth Amended and Restated Initial Order, Approval and Vesting Orders, a Wage Earner Protection Program Act Order and Ancillary Relief*, following the execution of an Asset Purchase Agreement entered into between Xebec Systems USA, LLC ("**UEC**"), as seller, and EnergyLink US Inc., as purchaser. In light of same, the Application was amended in order to also seek the issuance of an approval and vesting order (the "**UEC AVO**") in relation to the proposed sale of substantially all the assets of UEC.
32. Also on March 14, 2023, the Petitioners filed an *Urgent Application for the Issuance of an Order Directing Payment in Trust to the Court-Appointed Monitor*, seeking, *inter alia*, to order (i) NBC to direct any payment to be made pursuant to the irrevocable standby letter of credit No. OGUA58735 (the "**London RNG LC**") in trust to the Monitor, and (ii) the Monitor to maintain in its trust account any payment made by NBC in connection with the London RNG LC, until determination of the parties' respective rights under the London RNG LC is made in a final judgment of a Court or other forum having jurisdiction, or until an agreement is entered into by the parties (the "**London RNG LC Order**").
33. On March 15, 2023, the Monitor issued its Seventh Report. The purpose of the Seventh Report was to report on the activities of Xebec and of the Monitor since the Sixth Report and to support the issuance of the Fourth ARIO and related orders, including (i) an extension of the Stay Period until May 5, 2023, (ii) the approval of an amendment to the list of participants to the KERPs and of an increased KERP amount, (iii) the approval of the WEPP Relief, (iv) the issuance of the London RNG LC Order, (v) the increase of the aggregate amount for transactions subject to the Monitor's approval, and (vi) the issuance of the TIT AVO, XBC AVO and UEC AVO.
34. The Monitor provided in the Seventh Report, *inter alia*, updated information in respect of (i) completed transactions as part of the SISP (GNR, CDA, CAL, BLA and CAI), closed transactions subject to the Monitor's approval (AIR and NOR) and transactions to be approved by the Court (TIT,

XBC and UEC), (ii) the financing of the restructuring process and ongoing discussions with EDC in relation to the Third DIP Facility, (iii) recognition proceedings in the U.S., (iv) the security held by NBC and EDC, and (v) actual cash flows as of the week-ending March 4, 2023, and cash-flow projections until the week-ending May 6, 2023.

35. On March 16, 2023, the Court issued a series of orders, namely the Fourth ARIO, the TIT AVO, the XBC AVO, the UEC AVO, the WEPP Order, the London RNG LC Order and the Monitor Payments Order.
36. On March 22, 2023, the Petitioners filed an *Application for the Issuance of a Fifth Amended and Restated Initial Order (Interim Financing)* seeking *inter alia*, (i) the approval of the Third DIP Facility provided by EDC in the amount of \$3.45M (the "**Third DIP Facility**"), (ii) the granting of a "**Third DIP Charge**" in the amount of \$4.1M, and (iii) a mechanism for the reduction of the Administration Charge, upon receipt of disbursements from EDC under the Third DIP Facility and subject to the issuance of a certificate by the Monitor.
37. On March 24, 2023, the Monitor issued its Eighth Report. The purpose of the Eighth Report was to support the Petitioners' request for the issuance of the Fifth ARIO, including principally the approval of the Third DIP Facility, and to report on the activities of Xebec and the Monitor since the Seventh Report, including on the following items: (i) a general update since the Seventh Report, (ii) the SISP and sales of the Xebec Group's Remaining Assets, (iii) the Third DIP Facility, Third DIP Charge and reduction of the Administration Charge, and (iv) general comments on the updated 9-Week Cash-Flow Projections contained in the Seventh Report.
38. On March 27, 2023, the Court issued the Fifth ARIO.
39. On April 28, 2023, the Petitioners notified the *Application for an Extension of the Stay of Proceedings*, seeking an extension of the Stay Period up and until May 24, 2023.
40. On April 28, 2023, the Petitioners also notified the *Application for a de Bene Esse Authorization to Execute a Settlement Agreement and for Partial Lift of the Stay of Proceedings*, seeking, *inter alia*, (i) a partial lift of proceedings so as to allow the filing of all necessary materials required in order to obtain the approval of a settlement agreement in Court file No. 500-06-001135-215 (the "**Class Action File**"), (ii) authorizing Xebec Inc. to execute the settlement agreement in the Class Action File (the "**Class Action Settlement**"), and (iii) authorizing Xebec Inc. to execute and deliver, or cause to be executed and delivered, such further documents and instruments or to take, or cause to be taken, such further actions as may be necessary or may be ordered or requested by the Superior Court of Québec (Class Action Division) to make effective the Class Action Settlement.
41. On April 28, 2023, the Monitor notified its *Application of the Monitor for Authorization to Make Payments in Connection With the Third DIP Facility and the Third DIP Charge*, seeking the Court's authorization to (i) pay, from the Net Proceeds, amounts owed by the Petitioners to EDC under the Third DIP Facility and secured by the Third DIP Charge, and to (ii) issue a Monitor's certificate upon EDC's receipt of the amounts owed under the Third DIP Facility, thereby effecting a cancellation and discharge of the Third DIP Charge.
42. On May 3, 2023, the Monitor issued its Ninth Report. The purpose of the Ninth Report was, *inter alia*, to support the Class Action Settlement, the extension of the stay period up and until May 24, 2023, and to report on the activities of Xebec and the Monitor since the Eighth Report, including on the following items: (i) the transactions completed as part of the SISP and sales of the Xebec Group's Remaining Assets and Other Remaining Assets, (ii) an update on various aspects of the restructuring process since the Eighth Report, (iii) an update on recognition proceedings, (iv) an update on the Intercompany Payments, (v) an update on the Intercompany Transactions Report and on the Proposed Allocation to be filed by the Monitor, (vi) the payments to Critical Suppliers, (vii) an update on Letters of credit, (viii) an update on Actual Receipts and Disbursements, and (ix) on the 6-Week Cash-Flow Projections.

43. On May 5, 2023, the Court issued a series of orders namely, the (i) *Order Authorizing the Monitor to Pay Amounts Owed Under the Third DIP Facility and Secured by the Third DIP Charge*, the (ii) *Order Extending the Stay of Proceedings*, and (iii) the *Order Partially Lifting the Stay of Proceedings (Class Action Settlement)*, but solely as to allow the partial lift of the stay of proceedings to allow the filing materials in order to seek the approval of settlement agreement.
44. On May 19, 2023, the Petitioners filed an *Application for (i) an Extension of the Stay of Proceedings*, seeking an extension of the Stay Period up to and until September 29, 2023 (ii) *the Establishment of a Claims Process*, (iii) *the authorization to Use Net Proceeds to Fund Cash-Flow Requirements*, and (iv) *the Issuance of an Approval and Vesting Order*.
45. On May 19, 2023, the Monitor issued its Tenth Report. The purpose of the Tenth Report was, *inter alia*, to support the Biostreams AVO, the extension of the stay period up and until September 29, 2023, and to report on the activities of Xebec and the Monitor since the Ninth Report, including *inter alia*: (i) the transactions completed as part of the SISP and realization of the Xebec Group's remaining assets, (ii) an update on various aspects of the restructuring process since the Ninth Report, (iii) an update on recognition proceedings, (iv) an update on the Intercompany Transactions Report and on the Proposed Allocation to be filed by the Monitor, (v) information about the proposed Claims Process, (vi) an update on Actual Receipts and Disbursements and on the 20-Week Cash-Flow Projections.
46. On May 24, 2023, the Court issued a series of orders namely, the (i) *Approval and Vesting Order in Respect of the Biostream Assets of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC)* (the "**Biostreams AVO**"), the (ii) *Claims Procedure Order* (the "**CPO**"), the (iii) *Order Authorizing the Use of Net Proceeds to Fund Cash-Flow Requirements*, and the (iv) *Order Extending the Stay of Proceedings*.
47. On May 26, 2023, the Court issued its reasons in support of the issuance of the above-mentioned orders.
48. On June 9, 2023, following payment of amounts owed thereunder, the Monitor issued its *Certificate of the Monitor (Cancellation and Discharge of the KERP Charge)*, thereby effecting the cancellation and discharge of the KERP Charge.
49. On June 14, 2023, the Monitor issued the *Notice of an Information Session in Respect of the Proposed Allocation Method Report* to the service list and posted same on its website.
50. On June 16, 2023, the Monitor issued its *Proposed Allocation Method Report, including the Intercompany Transactions Report* (the "**Allocation Method Report**") and filed an *Application of the Monitor for the Approval of a Proposed Allocation Method* (the "**Proposed Allocation Application**"), seeking the approval of the Proposed Allocation Method (as defined and set forth therein).
51. On June 20, 2023, the Monitor held a virtual information session with stakeholders of the Xebec Group. It also published the minutes and the video recording of such meeting on its website.
52. On June 29, 2023, further to the hearing held on June 27, 2023, on the Proposed Allocation Application, the Court issued the *Order to Approve a Proposed Allocation Plan* (the "**Allocation Order**").
53. On September 25, 2023, the Petitioners filed an *Application for an Extension of the Stay of Proceedings and Settlement Approval Order*, seeking an extension of the Stay Period up and until December 15, 2023, the approval of the Xebec UK Settlement and certain clarifications in respect of the CPO.

54. On September 27, 2023, the Monitor issued its Eleventh Report. The purpose of the Eleventh Report was to support the relief sought in the above-mentioned application, including in respect of providing an update on (i) various aspects of the restructuring process since the Tenth Report, (ii) recognition proceedings in the United States, (iii) intercompany payments, (iv) non-Petitioner entities, (v) upcoming steps to the filing of plans of compromise, and (vi) actual receipts and disbursements.
55. On September 29, 2023, the Court issued the *Order Extending the Stay of Proceedings, Approving a Settlement Payment and Other Ancillary Relief*, whereby, *inter alia* it (i) extended the Stay Period until December 15, 2023, (ii) authorized the settlement agreement in relation to the Earn-Out Claim payable by Xebec UK, and (iii) issued a clarification in relation to paragraph 14 of the Claims Procedure Order.
56. On October 19, 2023, the Court issued the *Judgment (Approval of Transaction and Fees)* in the Class Action File.
57. On October 26, 2023, the Petitioners notified the *Application for the Issuance of a Plan Filing and Meeting Order and Ancillary Relief, inter alia* (i) authorizing each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU (each, a "**Plan Debtor**", and collectively the "**Plan Debtors**") to file plans of compromise pursuant to the CCAA (each the "**Plan**", and collectively the "**Plans**"), (ii) convening meetings of creditors (which were all to be held together), (iii) setting a date for the hearing on the sanction order to be sought, (iv) approving the EDC Support Agreement (as defined herein), and (v) authorizing the review of late claims.
58. On October 27, 2023, the Monitor issued its Twelfth Report. The purpose of the Twelfth Report was to provide an update on (i) various aspects of the restructuring proceedings since the Eleventh Report, (ii) recognition proceedings in the United States, (iii) certain non-Petitioner entities, (iv) the claims process, (v) the EDC Support Agreement, (vi) Plans to be submitted to Creditors, and on the (vii) Monitor's conclusions and recommendations relating thereto.
59. On November 1, 2023, the Court issued the *Plan Filing and Meeting Order*, authorizing the filing of the Plans and the convening of the Creditors' Meeting, and the *Order Authorizing the Review of Certain Late Claims*. The written reasons supporting the issuance of these orders were issued on November 3, 2023.
60. On November 15, 2023, the Monitor notified to the service list, sent to the relevant creditors and published on its website, the Reports on the Plans filed by each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU (each, a "Report on the Plan", and collectively, the "**Reports on the Plans**"). The purpose of the Reports on the Plans was to provide the Affected Creditors with relevant and necessary information in connection with the Plans, the Creditors' Meeting and the Monitor's recommendations that the Affected Creditors vote in favour of the resolutions to approve the Plans.
61. On November 30, 2023, the Creditors' Meeting was duly held, and all Plans were approved by the requisite majority of the Plan Debtors' Affected Creditors with a Proven Claim.
62. On December 8, 2023, the Petitioners notified the *Application for the Issuance of an Order Sanctioning Plans of Compromise and Ancillary Relief* seeking, *inter alia*, the (i) sanction of the Plans by the Court, (ii) approval of the BLA Releases (as defined in the Application), (iii) extension of the Stay Period up and until March 27, 2024, (iv) authorization provided to the Monitor in relation to the use of funds forming part of the Administrative Reserve Account and of the bank accounts of the Petitioners, (v) authorization to review two additional late claims, and the (vi) granting of expanded powers to the Monitor in connection with the winding up of the CCAA Proceedings including necessary assignments in bankruptcy of any Petitioner entities.



63. On December 12, 2023, following the execution of the London RNG Settlement the Petitioners also notified the *Application for the Issuance of an Order Approving a Settlement Agreement (LRNG)*, seeking *inter alia* the approval of the London RNG Application and a declaration that certain sums (\$850K) to be kept in a Monitor's trust account shall be treated as a *pro forma* cash inflow of BLA, which will effectively reduce the BLA Shortfall Repayment (as such term is defined in the Allocation Method) by an equivalent amount.
64. On December 14, 2023, the Monitor issued its Thirteenth Report.
65. On December 15, 2023, the Court issued (i) an *Order Extending the Stay of Proceedings* thereby extending the Stay Period until March 27, 2024, (ii) an *Order Approving a Settlement Agreement (LRNG)* thereby approving the London RNG Settlement and declaring that the sum of \$850K shall be treated as a *pro forma* cash inflow of BLA, and (iii) an *Order Authorizing the Review of Additional Late Claims* in the amount of US\$1.1K against UEC and \$5.4K against CAI.
66. On December 19, 2023, the Court issued (i) the *Sanction Order* (the "**Sanction Order**") and (ii) its *Reasons in Rendering the Sanction Order*.
67. On January 26, 2024, the U.S. Court entered the *Order (I) Granting Recognition and Enforcement of Canadian Court's Order Approving Debtors' Plans of Compromise and Adjustment and (II) Granting Related Relief effectively recognizing the relief provided in the Sanction Order*.
68. On February 14, 2024, the Monitor issued a certificate for each Plan Debtor (11 in total), thereby confirming that all the conditions precedent to the implementation of every such Plan had occurred.
69. On March 20, 2024, a first distribution was made, as reported in the Fourteenth Report.
70. On March 21, 2024, the Petitioners notified the *Application for the Issuance of a Stay Extension*, seeking the extension of the Stay Period in respect of BLA up and until November 30, 2024.
71. On March 25, 2024, the Monitor issued its Fourteenth Report.
72. On March 26, 2024, the Court issued an *Order Extending the Stay of Proceedings*, thereby extending the Stay Period, solely in respect of BLA, until November 30, 2024.
73. On November 22, 2024, the Petitioner notified the *Application for the Issuance of a Stay Extension*, seeking the extension of the Stay Period in respect of BLA up and until June 20, 2025 (the "**Application**").
74. In support of the relief sought in the Application, the Monitor hereby issues its fifteenth report to the Court (the "**Fifteenth Report**"), the purpose of which is to provide the Court with information with respect to the following:
  - I. Update Since the Fourteenth Report on Certain Aspects of the Restructuring Process and on Certain Non-Petitioner Entities;
  - II. Update on Distributions;
  - III. Update on Dissolutions and the Wind-down Process;
  - IV. Actual Receipts and Disbursements;
  - V. Overview of the Cash-Flow Projections;
  - VI. Extension of the Stay Period in Relation to BLA; and
  - VII. Monitor's Conclusions and Recommendations.
75. In preparing this Fifteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, the Petitioners' books and records and financial information prepared by the same and discussions with management ("**Management**") of the Petitioners (collectively, the "**Information**"). Except as described in this Fifteenth Report in respect of the Petitioner's 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 Fifteenth 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.

76. Future oriented financial information referred to in this Fifteenth 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.

77. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Fifteenth Report concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.

**I. UPDATE SINCE THE FOURTEENTH REPORT ON CERTAIN ASPECTS OF THE RESTRUCTURING PROCESS AND ON CERTAIN NON-PETITIONER ENTITIES**

a. U.S. Proceedings

78. On June 11, 2024, following a motion by the Petitioners, the U.S. Court entered the *Order Approving Entry of Final Decree Closing Certain Chapter 15 Cases*, thereby approving the closure of all Chapter 15 cases, with the exception of that of BLA which remains open.

b. Sales Tax Matters

i. Air Products Transaction

79. In regard to the Air Products Transaction that was settled on April 11, 2023, as reported in the Ninth Report, the Company with assistance from the Monitor and its tax experts, evaluated whether any sales tax payment was required. Upon obtaining an exemption certificate from Air Products, such sales tax payment would not be required.

80. As at the date of this Fifteenth Report, the certificate was duly completed by Air Products and received by the Monitor.

ii. Total Energy XBC Transaction

81. In regard to the Total Energy XBC Transaction, as at the date of this Fifteenth Report, the Monitor is currently in discussion with the purchaser of XBC to receive exemption certificates in relation to applicable sales taxes pertaining to the sale of assets.

iii. BLA Canada/QC Sales Tax

82. The Monitor has been informed that the tax authorities have required certain information and declarations in order to proceed with the reimbursement of sales taxes. The Monitor is in contact with the Petitioner and the tax authorities in that respect.

c. Petitioners' Bank Accounts

83. As of the date of the Fourteenth Report, the Petitioners had closed all but three (3) of their bank accounts (the "**Remaining Accounts**"), with the assistance of the Monitor. Upon closing each such bank account, any available remaining balance was wired to the Monitor and placed in the Administrative Reserve Account.
84. As at the date hereof, the Remaining Accounts consist of one (1) US bank account of XSU, in which the balance is approximately \$5K, and two (2) bank accounts of BLA, one in CAD with a \$76 balance and one in EUR with a \$0 balance.
85. As of the date of this Fifteenth Report, the US bank account of XSU remains to be closed due to administrative reasons raised by the US bank and signatories are no longer employed by the Xebec Group. Former Xebec employees and the Monitor have attempted numerous times to resolve the issue with Bank of America. The Monitor intends to send formal correspondence to Bank of America in order for the account to be closed.
86. For BLA, and given that the Canadian account is usually used to receive sales tax reimbursements, the Monitor has been in contact with the tax authorities in order to obtain confirmation that no other administrative measure must be completed or implemented for the tax authorities to proceed with payments directly to the Monitor, in accordance with paragraph 31 of the Sanction Order, which allows the Monitor, upon closure of a bank account, to collect any sum owed to the Petitioner, including the tax refunds.
87. Following several communications from the Monitor to the tax authorities, the Monitor was verbally informed that the appropriate measures would be implemented by the tax authorities to send any such reimbursements to the Monitor in the future.
88. As a matter of caution, the Monitor will keep the BLA CAD account open until it is sure that any such reimbursements have been directed in accordance with the instructions provided, after which it shall proceed with the closure of such account.
89. In relation to the European bank account, it remains open to collect any potential proceeds or recoveries from Inmatec claims.

d. Update on Certain non-Petitioner Entities

i. Inmatec Germany

90. The insolvency proceedings of Inmatec are continuing in Germany.
91. Over the last few months, the Monitor has been kept regularly apprised by the Petitioner of several ongoing negotiations and discussions in relation to the claims of BLA and Xebec Europe, a European subsidiary of BLA, in said insolvency proceedings.
92. As noted in the Fourteenth Report, a resolution of such claims could entail a substantial recovery for the estate of BLA, to the ultimate benefit of EDC as secured creditor.
93. At this stage, the insolvency proceedings of Inmatec remain ongoing. The Monitor has made different attempts to obtain more information regarding the amount and timing of upcoming distributions in the German insolvency proceedings, more specifically pertaining to the claims of BLA and Xebec Europe. Despite these attempts, the information provided to the Monitor has been limited at this stage.
94. The Monitor has been informed by the Petitioner's German counsel that the long wait for distribution to creditors and the limited access to information is not unusual under German insolvency law.

95. As noted in the Application and based on information obtained from the Petitioner's German counsel, BLA and Xebec Europe expect to have to respond to a call for claims which are "subordinated" under German law, which has not yet been issued by the Inmatec trustee. The Petitioner and its German counsel, with the assistance of the Monitor, will continue to respond to any further inquiries or correspondence from the Inmatec trustee, as the case may be.

96. At this stage, the Monitor has not had any direct communication with the trustee of Inmatec and is considering attempting to initiate such direct communication in order to obtain information and detail regarding the timing of a distribution given that this is expected to impact the recovery and the proceedings regarding BLA.

ii. Inmatec UAE

97. The Petitioner's European subsidiaries, as shareholders of Inmatec UAE, with the assistance and in consultation with the Monitor, have completed the dissolution process of Inmatec UAE. The dissolution was completed on September 3, 2024, as part of the orderly wind down of the international structure of the Xebec Group.

98. As noted in Appendix B, this process has allowed for recovery of certain funds held in Inmatec UAE's bank account, which have been used to cover the professional fees of the European professionals involved in this matter.

99. Furthermore, Inmatec UAE had a claim in the German insolvency proceedings of Inmatec. Considering the dissolution of Inmatec UAE, this claim was assigned to BLA and will be added to BLA's claim in such proceedings.

iii. Xebec Italy

100. As reported in the Thirteenth and Fourteenth Reports, the Company has informed the Monitor that, based on information obtained from its counsel in Italy, it was uncertain whether there will be any distribution in the bankruptcy of Xebec Italy, including in respect of the Company's claim which was accepted by the trustee.

101. At this time, these proceedings remain ongoing and the Monitor understands that the prospect of any recovery for BLA is low.

## **II. UPDATE ON DISTRIBUTIONS**

102. A first distribution was issued on March 20, 2024, and approximately 240 distribution cheques were sent to the Affected Creditors, to their addresses on file.

103. In certain limited cases, Affected Creditors had moved and had not received their distributions such that certain distributions were re-issued.

104. At this time, the Monitor can report that the "first" distribution process is essentially completed. It should be noted, as indicated in Appendix A, that nine cheques are still outstanding in an aggregate approximate amount of \$29K.

105. As reported in the Fourteenth Report, upon completion of the wind down of the structure of the Company, the Monitor will determine if a second distribution is appropriate and necessary. In the event that there is an immaterial amount remaining upon a potential second distribution, the Plans authorize the Monitor to determine the amount that should properly be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the Plans and the EDC Support Agreement (established with the consent of EDC or as determined by the Court) and to distribute such amount to EDC, and to donate any remaining balance to the charitable organizations Centraide du Grand Montréal and Welcome Collective equally.

106. At this time, and given that the wind down process remains ongoing, the Monitor cannot confirm if a subsequent distribution will occur.

**III. UPDATE ON DISSOLUTIONS AND WIND-DOWN PROCESS**

a. Dissolution of Xebec UK

107. As previously reported, given that Xebec UK has no assets and following the execution of the Xebec UK Settlement, the Petitioners determined that it was appropriate to initiate the wind-down and dissolution of Xebec UK.

108. On February 23, 2024, the Companies House (the UK corporate registry) registered the application for the dissolution of Xebec UK. Following this registration, formal dissolution occurred on May 21, 2024.

b. Dissolution of Canadian Petitioners

i. ACS and CAI

109. The Petitioner, with the assistance of the Monitor, is implementing wind-down steps in order to be able to dissolve ACS and CAI. Final tax returns are to be filed in the coming weeks, after which it is expected that dissolution steps may be completed.

c. Wind-down of U.S. Petitioners

110. The wind-down process in respect of U.S. Petitioners is well advanced and remains ongoing in relation to two (2) remaining entities, i.e. NOR and TIT.

111. Over the last months and since the issuance of the Fourteenth Report, the Monitor assisted the Petitioners in preparing and filing necessary tax returns that are required to finalize this process.

112. The table below provides an update on the dissolution of U.S. Petitioners:

<b>ENTITY</b>	<b>STATUS (dates MM/DD/YYYY)</b>	<b>ACRONYM</b>
<b>FormerXBC Holding USA Inc.</b> (formerly Xebec Holding USA, Inc.)	<b>COMPLETED</b> – Dissolved 10/11/2024	<b>XHU</b>
<b>FormerXBC Adsorption USA Inc.</b> (formerly Xebec Adsorption USA, Inc.)	<b>COMPLETED</b> – Dissolved 10/11/2024	<b>XSU</b>
<b>FormerXBC Flow Services – Wisconsin Inc.</b> (formerly XBC Flow Services – Wisconsin Inc.)	<b>COMPLETED</b> – Dissolved 10/11/2024	<b>XBC</b>
<b>FormerXBC Systems USA, LLC</b> (formerly Xebec Systems USA, LLC)	<b>COMPLETED</b> – Dissolved 10/11/2024	<b>UEC</b>
<b>Enerphase Industrial Solutions Inc.</b>	<b>COMPLETED</b> – Dissolved 10/15/2024	<b>AIR</b>
<b>CDA Systems, LLC</b>	<b>COMPLETED</b> – Dissolved 10/14/2024	<b>CDA</b>
<b>California Compression, LLC</b>	<b>COMPLETED</b> – Dissolved 10/14/2024	<b>CAL</b>
<b>FormerXBC NOR Corporation</b> (formerly Nortekbelair Corporation)	<i>[dissolution not yet completed]</i>	<b>NOR</b>
<b>FormerXBC Pennsylvania Company</b> (formerly The Titus Company)	<i>[dissolution not yet completed]</i>	<b>TIT</b>

#### **IV. ACTUAL RECEIPTS AND DISBURSEMENTS**

113. Highlights of the Xebec Group's financial performance for the period from March 17 to November 18, 2024, are presented in the Actual Cash Flow appended hereto as **Appendix B**. The consolidated Budget-to-Actual Analysis presented in this Fifteenth Report is the combined use of funds from the Petitioners' bank accounts and the Administrative Reserve account.
114. Compared with the Cash Flow Statement, actual receipts and disbursements of the Xebec Group demonstrate a net cash balance as at November 18, 2024, of \$1.7M, which is \$1.4M higher than budgeted as further detailed in **Appendix B**. This favorable variance mainly results from a favorable variance of \$1.4M in cash outflows, which is mainly explained by lower disbursements in payments to service providers (\$0.8M), lower professional fees (\$0.2M), lower tax related payments (\$0.3M) and other disbursements.
115. As described in this Fifteenth Report and for the extension of the Stay Period, the Cash Flow Statement indicates that, considering the constitution of the Administrative Reserve pursuant to the Sanction Order issued on December 19, 2023, the Petitioner should have sufficient liquidity to continue to meet its obligations as part of the completion of the insolvency proceedings of the Petitioner and the wind-down of Petitioner entities.
116. In respect of tax refund collections since the Fourteenth Report and as of the date of this report, the Company has yet to receive a portion of the refund for several sales tax returns produced for the period since December 2023, in an aggregate amount of approximately \$265K. The Company, with the assistance of the Monitor, is monitoring the situation closely and is in contact with the governmental authorities in that respect.

#### **V. OVERVIEW OF THE CASH-FLOW PROJECTIONS**

117. The Company, with the assistance of the Monitor, has prepared the statement of projected cash-flow (the "**Cash Flow Statement**") for the period from November 19, 2024, to June 20, 2025 (the "**Cash Flow Period**") for the purpose of projecting the Company's estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement is attached as **Appendix C** to this report.
118. The Cash Flow Statement has been prepared by the Company using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
119. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions relating to information supplied to it by Management. The Monitor's procedures with respect to the assumptions set forth in **Appendix D** were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the documents provided by Management and the preparation and presentation of the Cash Flow Statement.
120. 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 the Company's statutory obligations with regard to projected payments to be made in accordance with the Cash Flow Statement, inter alia the government remittances to be made.
121. The Cash Flow Statement has been prepared solely for the purpose of this Report and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
122. Management has advised the Monitor that it believes that the forecast reflected in the Cash Flow Statement is reasonable.

**VI. EXTENSION OF THE STAY PERIOD IN RESPECT OF BLA**

123. The Stay Period currently expires on November 30, 2024. Given the implementation of the Plans, no extension of the Stay Period is required for the Plan Debtors.
124. The extension of the Stay Period until June 20, 2025, sought by the Petitioner is namely required to, *inter alia*, (i) continue the wind-down and/or dissolution process of certain Petitioner and non-Petitioner entities, (ii) allow for the potential recovery relating to claims that BLA asserts in relation to non-Petitioner entities, and (iii) allow for the collection of sales tax returns.
125. As described in this Fifteenth Report and considering the constitution of the Administrative Reserve pursuant to the Sanction Order issued on December 19, 2023, the Cash Flow Statement indicates that BLA should have sufficient liquidity to continue to meet its obligations as part of the completion of the insolvency proceedings of the Petitioner and the wind-down of Petitioner entities.

**VII. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS**

126. For the reasons more fully set forth herein, the Monitor supports the relief sought by the Petitioner in the Application.

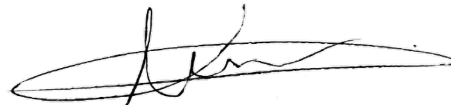
**DATED AT MONTREAL**, this 22<sup>nd</sup> day of November 2024

**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed  
Monitor of the Petitioners



Jean-François Nadon, CPA, CIRP, LIT  
President



Julie Mortreux, CPA, CIRP, LIT  
Senior Vice President

## Appendix A – Proceeds - Trust Accounts Reconciliation

### Proceeds - Trust accounts reconciliation

As of Nov 16, 2024

In thousand CAD

	Note	Amount
<b>Bank Balance as of November 16, 2024</b>		<b>164</b>
Outstanding cheques - Distribution (9 cheques)	A	(29)
<b>Bank balance - Net of O/S cheques</b>		<b>135</b>
<b>Breakdown</b>		
Interest revenues		62
Supplier deposits reimbursement and other collections		74
<b>Total</b>		<b>135</b>

**Note A:** The Monitor is contacting the suppliers to follow up on the outstanding cheques.



## Appendix B – Actual Cash-flow(period from March 17, 2024 to November 18, 2024)

Combined - Operational and Administrative Reserves Budget-to-Actual Analysis ("BTA") In thousand CAD	For the period from March 17 to November 18 2024			
	Actual	Projections	Var. (\$)	Notes
<b>Collections</b>				
Other collections	12	-	12	1
Interest revenue	65	-	65	
<b>Collections - Total</b>	<b>77</b>	<b>-</b>	<b>77</b>	
<b>Disbursements</b>				
Payments to service providers	(168)	(973)	805	2
Professional fees	(862)	(1,058)	196	2
Tax Related Payments	(9)	(325)	316	2
Former employee contractors	(34)	(57)	23	2
Other disbursements (FX, bank charges, others)	15	-	15	
<b>Disbursements - Total</b>	<b>(1,058)</b>	<b>(2,413)</b>	<b>1,355</b>	
<b>Net cash flow</b>	<b>(981)</b>	<b>(2,413)</b>	<b>1,432</b>	
<b>Net cash (Shortfall) - Beginning</b>	<b>2,665</b>	<b>2,665</b>	<b>-</b>	
<b>Net cash (Shortfall) - End</b>	<b>1,684</b>	<b>252</b>	<b>1,432</b>	

**Notes**

- 1 Payment received from a state tax authority (USA). This amount will be transferred in the Proceeds trust accounts in the coming days.
- 2 The favorable variance is mainly due to timing.

Trust account - EUR Budget-to-Actual Analysis ("BTA") In thousand CAD	For the period from March 17 to November 18 2024			
	Actual	Projections	Var. (\$)	Notes
<b>Collections</b>				
Funds received from Europe	87	-	87	1
<b>Collections - Total</b>	<b>87</b>	<b>-</b>	<b>87</b>	
<b>Disbursements</b>				
Payments to service providers	(3)	-	(3)	1
Professional fees (for dissolution of Inmatec UAE)	(63)	-	(63)	1
Other disbursements (FX, bank charges, others)	-	-	-	
<b>Disbursements - Total</b>	<b>(66)</b>	<b>-</b>	<b>(66)</b>	
<b>Net cash flow</b>	<b>21</b>	<b>-</b>	<b>21</b>	
<b>Net cash (Shortfall) - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net cash (Shortfall) - End</b>	<b>21</b>	<b>-</b>	<b>21</b>	

**Notes**

- 1 Funds received following the dissolution of Inmatec UAE, which were also used for the payment of external parties involved in this matter.

## Appendix C – Cash-flow statement

Xebec - Consolidated - North America Projected monthly cash flow transactions In thousand CAD	<i>For the period from November 19, 2024 to June 20, 2024</i>								Total	Notes	
	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025			
<b>Collections</b>											
Sales taxes - Collection	-	-	-	-	-	-	-	-	-	-	1
Interest revenue	3	3	2	2	1	1	1	-	13		
<b>Collections - Total</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>13</b>		
<b>Disbursements</b>											
Payments to service providers	-	141	243	76	43	240	43	43	829	2	
Professional fees	25	49	49	49	61	49	61	49	392		
Potential Tax Related Payments	-	5	148	36	65	-	-	-	254		
Former employee contractors	3	3	3	3	3	3	3	3	24		
Transfer to Proceeds trust accounts	12	-	-	-	-	-	-	-	12		
<b>Disbursements - Total</b>	<b>40</b>	<b>198</b>	<b>442</b>	<b>164</b>	<b>172</b>	<b>292</b>	<b>107</b>	<b>95</b>	<b>1,511</b>		
<b>Net cash flow</b>	<b>(37)</b>	<b>(195)</b>	<b>(440)</b>	<b>(162)</b>	<b>(171)</b>	<b>(291)</b>	<b>(106)</b>	<b>(95)</b>	<b>(1,498)</b>		
<b>Net cash (Shortfall) - Beginning</b>	<b>1,684</b>	<b>1,648</b>	<b>1,452</b>	<b>1,012</b>	<b>850</b>	<b>678</b>	<b>387</b>	<b>281</b>	<b>1,684</b>		
<b>Net cash (Shortfall) - End</b>	<b>1,648</b>	<b>1,452</b>	<b>1,012</b>	<b>850</b>	<b>678</b>	<b>387</b>	<b>281</b>	<b>186</b>	<b>186</b>		

### Notes

- 1 As at the date of this report, the Company has yet to receive a portion of the refund for several sales tax returns produced for the period since December 2023, in an aggregate amount of approximately \$265K. The Company, with the assistance of the Monitor, is monitoring the situation closely and is in contact with the governmental authorities in that respect.
- 2 Payments to service providers includes a provision of \$130K for the administration of the potential bankruptcies of the Canadian entities.

## **Appendix D**

### **Notes to the Cash-flow statement**

#### **NOTE A – PURPOSE**

The purpose of these cash-flow projections is to determine the liquidity requirements of the Petitioners during the CCAA Proceedings.

#### **NOTE B**

The Cash Flow Statement has been prepared by the Company using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions need not be supported, the Monitor's procedures with respect to them 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.

#### **NOTE C - DEFINITIONS**

##### **(1) CASH-FLOW STATEMENT:**

In respect of a Company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the Company as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the Company's planned course of action for the period covered.

##### **(2) HYPOTHETICAL ASSUMPTIONS:**

Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the Company's judgment, but are consistent with the purpose of the Cash-Flow Statement.

##### **(3) PROBABLE ASSUMPTIONS:**

Means assumptions that:

- (i) The Company believes reflect the most probable set of economic conditions and planned courses of action, **Suitably Supported** that are consistent with the plans of the Company; and
- (ii) Provide a reasonable basis for the Cash-Flow Statement.

##### **(4) SUITABLY SUPPORTED:**

Means that the Assumptions are based on either one or more of the following factors:

- (i) The past performance of the Company;
- (ii) The performance of other industries/market participants engaged in similar activities as the Company;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

**Appendix D (cont'd)**

**Notes to the Cash-flow statement**

**NOTE D—ASSUMPTIONS**

<b>Assumptions</b>	<b>Source</b>	<b>Probable Assumption</b>	<b>Hypothetical Assumption</b>
<b><u>Opening cash balance</u></b>	Based on current bank balances.	X	
<b><u>Forecast cash disbursements:</u></b>			
Payments to service providers	Based on the latest forecasts available prepared by Management, to the extent that the amounts become payable.	X	X
Professional fees	Management estimate of professional fees to be incurred in the following months for the Monitor, financial advisors and legal services.		X
Tax-related Payments	Based on the latest forecasts available prepared by Management, to the extent that the amounts become payable.	X	X
Former employee contractor	Based on expected requirements over the coming months.	X	