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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, now
dissolved)**

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

**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

**SIXTEENTH 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 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 Quebec Capital L.P. and the shares of RNG Holdings in the capital of GNR Quebec 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; (iv) the 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 Quebec (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*; (ii) the *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) recognitions 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 USD \$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.
74. On November 27, 2024, without the need for a hearing given the absence of contestation, the Court issued an *Order Extending the Stay of Proceedings*, thereby extending the Stay Period, solely in respect of BLA, until June 20, 2025.
75. On June 13, 2025, the Petitioner notified the *Application for a Stay Extension*, seeking the extension of the Stay Period in respect of BLA up and until December 5, 2025 (the "**Application**").
76. In support of the relief sought in the Application, the Monitor hereby issues its sixteenth report to the Court (the "**Sixteenth Report**"), the purpose of which is to provide the Court with information with respect to the following:

- I. Update Since the Fifteenth 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.

77. In preparing this Sixteenth 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 Sixteenth 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 Sixteenth 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.

78. Future oriented financial information referred to in this Sixteenth 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.

79. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Sixteenth 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 FIFTEENTH REPORT ON CERTAIN ASPECTS OF THE RESTRUCTURING PROCESS AND ON CERTAIN NON-PETITIONER ENTITIES

a. U.S. Proceedings

80. 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. Tax Matters

i. Total Energy XBC Transaction

81. As reported in the Fifteenth Report in regards to the Total Energy XBC Transaction, the Monitor had several contacts with the purchaser of XBC to request exemption certificates in relation to applicable sales taxes pertaining to the sale of assets.

82. On March 19, 2025, these exemption certificates were duly completed and received from the purchaser. Consequently, no sales tax payment is required.

ii. Canadian Entities – Sales Taxes

83. 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.
84. Since the Fifteenth Report, Management, with the assistance of the Monitor, has completed the required steps to close known sales tax accounts in various Canadian jurisdictions and certain U.S. jurisdictions, other than BLA for the jurisdiction of Quebec.
85. Furthermore, Management, with the assistance of the Monitor has prepared and submitted sales tax returns on a monthly basis as they relate to BLA, up to March 2025. Subsequent returns will be prepared and submitted in due time.

iii. British Columbia Sales Tax Assessment - ACS

86. On January 6, 2025, the Monitor received a copy of a notice of assessment and statement of account from the British Columbia Ministry of Finance regarding alleged unpaid sales taxes by ACS for the period between September 2023 and September 2024. The assessment was made on the basis of estimated amounts based on past periods.
87. On January 15, 2025, the Monitor issued a letter to the British Columbia Ministry of Finance to confirm that no sums were owed and that the assessment was likely a mistake resulting from the omission to close the sales tax account, given that the ACS Transaction was closed on February 7, 2023, and that ACS had no operations from that date onwards.
88. Following the issuance of said letter, the Monitor also took the necessary steps to close the sales tax account, by providing the required form on January 22, 2025.
89. Upon review by the British Columbia Ministry of Finance, it was confirmed to the Monitor on January 28, 2025, that the sales tax account was closed, and on February 14, 2025, that no sums were owed by ACS despite the assessment that was issued. The Monitor therefore considers the matter closed.

iv. U.S. and Canadian Tax Returns (2023 and 2024)

90. Management, with the assistance of the Monitor and tax advisors of the Petitioner and Former Petitioners, prepared and submitted tax returns for U.S. and Canadian entities for 2023 and 2024.

c. Petitioners' Bank Accounts

91. 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.
92. As at the date of the Fifteenth Report, the Remaining Accounts consisted of one (1) US bank account of XSU, in which the balance was approximately \$5K, and two (2) bank accounts of BLA, one in CAD and one in EUR.
93. The US bank account of XSU was closed in February 2025 and the balance was collected, following several exchanges and letters sent by the Monitor to the financial institution.

94. As indicated in the Fifteenth Report, 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.
95. 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.
96. However, in May 2025, certain sums were received from the tax authorities in the BLA CAD account, such that the instructions sent by the Monitor have not been followed. The Monitor will contact the tax authorities once again to provide the instructions for future payments.
97. As a matter of caution, the Monitor will keep the BLA CAD account open until it is certain that any such reimbursements have been directed in accordance with the instructions provided, after which it shall proceed with the closure of such account.
98. In relation to the European bank account, it remains open to collect any potential proceeds or recoveries from claims in relation to non-Petitioner Entities.

d. Order issued by the Tribunal Administratif du Travail ("TAT")

99. On March 18, 2025, despite the stay of proceedings and execution measures granted in favor of BLA, the TAT issued an order against BLA in favor of an ex-employee in the amount of approximately \$184K.
100. On March 24, 2025, in consultation with the Monitor, counsel to BLA issued a letter to said ex-employee noting that the stay of proceedings was still in effect until June 20, 2025 (as may be extended by the Court from time to time). The ex-employee was also advised that BLA no longer had any operations or significant assets, such that it was not in a position to make any such payment, notwithstanding the stay of proceedings, and that it was likely that BLA would be assigned in bankruptcy in the next months.
101. Following the issuance of such letter, the Monitor and its counsel have had exchanges with the ex-employee to provide updates upon his request and to reiterate the contents of the March 24, 2025, letter.

e. California Labor Letter

102. A Notice of Claim from the California Department of Industrial Relations – Labor Commissioner's office dated September 24, 2024, was received by one of the Former Petitioner, CAL. The Monitor and its counsel prepared a detailed response to the Notice of Claim informing the claimant that the amounts claimed were compromised as part of the Plan, released and discharged, and therefore could not be claimed. The response also referred to the deadline of July 24, 2023, for creditors to submit their claims, failing which such claim would be barred and forever extinguished, as in this case.

f. Collection from Travelers - XSU

103. Management, with the assistance of the Monitor, had several exchanges and communications spanning over several months with the insurance-related parties in respect of potential reimbursements that may be owed to XSU for certain insurance premium overpayments. The Monitor also performed various analyses relating to such potential amounts.
104. On January 31, 2025, the Monitor collected an amount of USD \$268K from Travelers, in reimbursement of same, which was deposited in the Administrative Reserve Account.

g. Consolidation of certain Monitor's trust accounts

105. The Monitor has consolidated certain trust accounts in order to close certain redundant accounts. There now remains five (5) accounts, two (2) relating to the Administrative Reserve Account (CAD, US), and three (3) relating to the accounts used for distributions (CAD, US, EUR). Please also refer to **Appendix A**.

h. Books and Records

106. Over the last months, the Monitor obtained the transfer of certain physical servers and archives relating to the Petitioner and the Former Petitioners.
107. Certain documents held on the premises of Iron Mountain in the United States are in the process of being assembled in order for them to be sent to the Quebec Iron Mountain account in Quebec, where the Monitor maintains an account.

i. Review of certain post-petition claims

108. The Monitor, with assistance from its advisors and in consultation with Management and its counsel, reviewed and analyzed certain limited post-petition claims in order to determine if any such claims were due and payable.
109. Where post-petition amounts were duly owed, after review, the Monitor proceeded with the payment of any such amounts, representing approximately USD \$23K in the aggregate.
110. The Monitor is not aware of any further post-petition claims that remain outstanding.

j. Update on Certain non-Petitioner Entities

i. Inmatec Germany

111. The insolvency proceedings of Inmatec are continuing in Germany.
112. 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, including the claim of Inmatec UAE which was assigned to BLA, as well as Xebec Europe (a European subsidiary of BLA) in said insolvency proceedings.
113. 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.
114. 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 and the process remains ongoing.
115. Since the Fifteenth Report, the Monitor was however informed that the distribution process for unsecured claims has been essentially completed, such that the distribution process relating to subordinated claims is expected to occur in the future. The timeline for this process to begin has not yet been communicated to the Monitor.
116. 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.

117. 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.
118. At this stage, the Monitor has not had any direct communication with the trustee of Inmatec, despite attempting to initiate such direct communication in order to obtain information, and detail regarding timing of a distribution, given that this is expected to impact the recovery and the proceedings regarding BLA.

ii. Xebec Italy

119. As reported in the Thirteenth, Fourteenth and Fifteenth 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.
120. 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

121. 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.
122. In certain limited cases, Affected Creditors had moved and had not received their distributions, such that certain distributions were re-issued.
123. In the Fifteenth Report, the Monitor reported that the "first" distribution process was essentially completed. At that time nine cheques were still outstanding in an aggregate approximate amount of \$29K.
124. Over the last months, the Monitor has communicated with these creditors to ensure that distributions were duly received (although not deposited), and in certain circumstances reissued distribution payments.
125. In addition, the Monitor issued a payment to Service Canada in relation to its WEPPA subrogated claim (following payments made to eligible employees), in the amount of approximately \$24K. Several communications were exchanged with counsel to the federal authorities to confirm this amount before issuing the payment.
126. At this time, the Monitor can confirm that the "first" distribution is now completed and that all creditors have collected their respective distributions.
127. After the above-mentioned distributions, there remains a balance of \$137K, as presented in **Appendix A**.
128. As reported in the Fourteenth and Fifteenth Reports, 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 for 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.

129. 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 Canadian Petitioners

i. ACS and CAI

130. The Petitioner, with the assistance of the Monitor, is implementing wind-down steps in order to be able to dissolve ACS and CAI. Since final tax returns have been filed, the dissolution process is expected to be implemented soon.

b. Wind-down of U.S. Petitioners

131. In the Fifteenth Report, the Monitor indicated that the wind-down process in respect of U.S. Petitioners was well advanced and remained ongoing in relation to two (2) remaining entities, i.e. NOR and TIT.

132. The Monitor can now confirm that these two entities were indeed dissolved, as appears from the table below regarding the dissolution of U.S. Former Petitioners:

ENTITY	STATUS (dates MM/DD/YYYY)	ACRONYM
FormerXBC Holding USA Inc. (formerly Xebec Holding USA, Inc.)	COMPLETED – Dissolved 10/11/2024	XHU
FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA, Inc.)	COMPLETED – Dissolved 10/11/2024	XSU
FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.)	COMPLETED – Dissolved 10/11/2024	XBC
FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC)	COMPLETED – Dissolved 10/11/2024	UEC
Enerphase Industrial Solutions Inc.	COMPLETED – Dissolved 10/15/2024	AIR
CDA Systems, LLC	COMPLETED – Dissolved 10/14/2024	CDA
California Compression, LLC	COMPLETED – Dissolved 10/14/2024	CAL
FormerXBC NOR Corporation (formerly Nortekbelair Corporation)	COMPLETED – Dissolved 12/17/2024	NOR
FormerXBC Pennsylvania Company (formerly The Titus Company)	COMPLETED – Dissolved 11/22/2024	TIT

IV. ACTUAL RECEIPTS AND DISBURSEMENTS

133. Highlights of the Xebec Group's financial performance for the period from November 19, 2024, to June 14, 2025, are presented in the Actual Cash Flow appended hereto as **Appendix B**. The consolidated Budget-to-Actual Analysis presented in this Sixteenth Report is the combined use of funds from the Petitioners' bank accounts and the Administrative Reserve Account.

134. Compared with the Cash Flow Statement, actual receipts and disbursements of the Xebec Group demonstrate a net cash balance as at June 14, 2025, of \$1.7M, which is \$1.5M higher than budgeted as further detailed in **Appendix B**. This favorable variance mainly results from a favorable variance of \$515K in cash inflows and a favorable variance of \$977K in cash outflows, which is mainly explained by lower disbursements in payments to service providers (\$678K), lower professional fees (\$62K), lower tax-related payments (\$253K) and other disbursements.
135. As described in this Sixteenth 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.
136. In respect of tax refund collections since the Fifteenth Report and as of the date of this report, the Company has received a portion of the refund for several sales tax returns produced for the period since December 2023, in an aggregate amount of approximately \$97K. An amount of approximately \$268K remains to be collected. Management, 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

137. The Company, with the assistance of the Monitor, has prepared the statement of projected cash flow (the "**Cash Flow Statement**") for the period from June 15, 2025, to December 6, 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.
138. The Cash Flow Statement has been prepared using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
139. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions relating to information at its disposal. 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.
140. 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.
141. 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.

VI. EXTENSION OF THE STAY PERIOD IN RESPECT OF BLA

142. The Stay Period currently expires on June 20, 2025.
143. The extension of the Stay Period until December 5, 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.

144. As described in this Sixteenth 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

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


DATED AT MONTREAL, this 17th day of June, 2025

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed
Monitor of the Petitioner



Jean-François Nadon, CPA, CIRP, LIT
President



Julie Mortreux, CPA, CIRP, LIT
Senior Vice President

Appendix A – Trust Accounts Reconciliation

Proceeds - Trust accounts reconciliation	
As of June 14, 2025	
In thousand CAD - Unaudited	Amount
Bank balance as of June 14, 2025	137.09
Interest revenue	63.30
Supplier deposits reimbursement and other collections	72.48
Transfer from LRNG Trust Account	0.08
Transfer from Professional fees Trust Account	1.24
Total	137.09

Appendix B – Actual Cash flow

Combined - Operational and Administrative Reserves Budget-to-Actual Analysis ("BTA") In thousand CAD - Unaudited	For the period from November 19, 2024 to June 14, 2025			
	Actual	Projections	Var. (\$)	Notes
Collections				
Other collections	390	-	390	1
Sales taxes - Collection	98	-	98	
Interest revenue	34	13	21	
Transfer from Operational to Administrative Reserve	6	-	6	
Collections - Total	528	13	515	
Disbursements				
Payments to service providers	(152)	(829)	678	2
Professional fees	(305)	(368)	62	2
Tax Related Payments	(1)	(254)	253	2
Former employee contractors	(2)	(24)	22	2
Other disbursements (FX, bank charges, others)	(44)	-	(40)	
Funds from net proceeds - Advance to Trust Account	-	(12)	12	
Funds transferred from Ops to Admin Reserve Accounts	(6)	-	(6)	
Disbursements - Total	(509)	(1,486)	977	
Net cash flow	19	(1,473)	1,493	
Net cash (Shortfall) - Beginning	1,684	1,684	-	
Net cash (Shortfall) - End	1,703	211	1,493	

Notes

- 1 Reimbursement of certain insurance premium overpayments.
- 2 Favorable variance mainly due to timing and to lower actual disbursements than projected.

Appendix C – Cash flow statement

Xebec - Consolidated - North America Projected monthly cash flow transactions In thousand CAD - Unaudited	For the period from June 15, 2025 to December 6, 2025							Notes
	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	
Collections								
Sales taxes - Collection	-	-	-	-	-	-	-	1
Other collections	-	-	-	-	-	-	-	
Collections - Total	-	-	-	-	-	-	-	
Disbursements								
Payments to service providers	-	93	80	112	62	192	63	2
Professional fees	31	39	39	39	39	39	39	
Sales taxes collections transferred to Trust accounts (proceeds)	-	97	-	-	-	-	-	
Other disbursements (FX, bank charges, others)	-	-	-	-	-	-	-	
Disbursements - Total	31	229	119	151	101	231	102	961
Net cash flow	(31)	(229)	(119)	(151)	(101)	(231)	(102)	(961)
Net cash (Shortfall) - Beginning	1,703	1,672	1,444	1,325	1,175	1,074	844	1,703
Net cash (Shortfall) - End	1,672	1,444	1,325	1,175	1,074	844	742	742

Notes

- As at the date of this report, Xebec 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 \$268K. Xebec, with the assistance of the Monitor, is monitoring the situation closely and is in contact with the governmental authorities in that respect.
- Payment to service providers includes a provision of \$130k for the administration of the potential bankruptcy of BLA.

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.