



Deloitte Restructuring Inc.
1190 avenue des Canadiens-de-
Montréal
Suite 500
Montreal QC H3B 0M7
Canada

Tel: 514-393-7115
Fax: 514-390-4103
www.deloitte.ca

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-058763-208

SUPERIOR COURT
Commercial Division

IN THE MATTER OF THE CCAA OF:

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

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

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

APPLIED COMPRESSION SYSTEMS LTD.

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

**ENERPHASE INDUSTRIAL SOLUTIONS INC.
CDA SYSTEMS, LLC**

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

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

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

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

CALIFORNIA COMPRESSION, LLC

- and -

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

Debtors/Petitioners

- and -

DELOITTE RESTRUCTURING INC.

Monitor

**FOURTEENTH 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 Debtors/Petitioners in the Application (as defined hereafter) are collectively referred to herein as the "**Petitioners**" or the "**Debtors**."
3. The Petitioners and the other material direct or indirect subsidiaries of FormerXBC Inc. ("**BLA**"), which are not currently 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 Debtors' 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 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' demand 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 has been 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 Xebec Inc. ("**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 Xebec Inc. and Compressed Air International Inc. ("**CAI**") to Ivys Inc. and Ivys Adsorption, Inc., as purchasers (the "**Ivys Transaction**"); and
 - iii. the sale of Xebec Inc.'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 Action, 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 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 (as defined hereinafter) 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 will all 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 Debtors, (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, 2024, 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)* (the "**London RNG Order**") 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 March 21, 2024, the Petitioners notified the Application for the Issuance of a Stay Extension (the "**Application**"), seeking the extension of the Stay Period in respect of BLA up and until November 30, 2024 in respect of BLA.
68. In support of the relief sought in the Application, the Monitor hereby issues its fourteenth report to the Court (the "**Fourteenth Report**"), the purpose of which is to provide the Court with information with respect to the following:
- I. Update Since the Thirteenth Report on Certain Aspects of the Restructuring Process and on Certain Non-Petitioner Entities;
 - II. Update on the Dissolution and Wind-Down Process;
 - III. Administrative Reserve Provided for in the Plans and in the Sanction Order;
 - IV. Distribution Proceeds;
 - V. Actual Receipts and Disbursements;
 - VI. Overview of the Cash-Flow Projections;
 - VII. Extension of the Stay Period in Relation to BLA; and
 - VIII. Monitor's Conclusions and Recommendations.
69. In preparing this Fourteenth 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 Thirteenth Report in respect of the Debtors' 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 Fourteenth 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.

70. Future oriented financial information referred to in this Fourteenth 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.
71. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Thirteenth 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 THIRTEENTH REPORT ON CERTAIN ASPECTS OF THE RESTRUCTURING PROCESS AND ON CERTAIN NON-PETITIONER ENTITIES

a. Implementation of the Plans

i. U.S. Recognition

72. 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* (the "**U.S. Recognition of the Sanction Order**") effectively recognizing the relief provided in the Sanction Order, with a precision in relation to the Brozelco PoC (as defined below) and the scope of releases relating thereto, as further detailed in a following section.

ii. Plan Implementation Date

73. 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.
74. All certificates were also filed in the Court record shortly after their notification.

iii. Releases

75. As provided at paragraph 34 of the Sanction Order, the releases provided for at Section 6.1 (in respect of the Plan Debtor) and Section 6.2 (in respect of other parties) of each Plan have been implemented upon the occurrence of the Plan Implementation Date (as defined in each Plan).
76. Furthermore, in accordance with paragraph 35 of the Sanction Order, the BLA Releases were also implemented upon the occurrence of the Plan Implementation Date.
77. Considering the progress of the Restructuring Process, six of the directors of BLA resigned on the Plan Implementation Date. There currently remains one director, who will assist with ongoing wind-down efforts.

b. London RNG Settlement

78. Further to the issuance of the London RNG Order and to the terms of the London RNG Settlement, the Monitor retained the sum of \$850K from the London RNG Trust Amount and paid the balance of the London RNG Trust Amount to London RNG, for distribution to the creditors.
79. In accordance with the London RNG Order and its treatment as part of the Allocation Method, the Monitor has treated these sums as a pro forma cash inflow of BLA, which effectively reduced the BLA Shortfall Repayment (as such term is defined in the Allocation Method) by an equivalent amount.

c. Updated Breakdown of the Net Proceeds

80. **Appendix A** to this Fourteenth Report provides a breakdown of the net proceeds resulting from transactions completed as part of the SISP process or relating to Other Remaining Assets that have been deposited in the Monitor’s trust account. **Appendix A** also provides a detailed breakdown of the payments made out of these net proceeds with the approval of this Court.

d. Petitioners’ Bank Accounts

81. As of the date of this Fourteenth Report and as announced in the Thirteenth Report, the Petitioners have 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 were wired to the Monitor and placed in the Administrative Reserve Account.

82. As at the date hereof, the Remaining Accounts are bank accounts of BLA and XSU, a summary of which is provided below.

Bank Accounts Summary As of March 16, 2024			
Bank Account	Currency	Status	Notes
Blainville	CAD	Open	1
Blainville	EUR	Open	2
XSU	USD	Open	3
AIR	USD	Closed	
Blainville	USD	Closed	
Blainville - Ebury	CAD	Closed	
Blainville - Ebury	USD	Closed	
Blainville - Ebury	EUR	Closed	
Blainville - Ebury	GBP	Closed	
Blainville - Investment	CAD	Closed	
Blainville - Investment	USD	Closed	

- 1 Historically used to receive and collect all tax refunds from the tax authorities.
- 2 Remains open to collect any potential proceeds or recoveries from Inmatec Claims or Dubai amount owed.
- 3 In process of closure.

83. As at the date hereof, any available remaining balance were wired to the Administrative Reserve Accounts, a summary of which is provided below.

Wires from Xebec's Bank Accounts to Administrative Reserve As of March 16, 2024				
Bank Account	Currency	Date	Amount wired (CAD)	Notes
AIR	USD	11-janv-24	12 297	1
Blainville - Ebury	CAD	06-févr-24	67 679	1
Blainville	CAD	06-févr-24	336 055	2
Blainville	CAD	26-févr-24	80 000	3
Blainville	CAD	15-mars-24	82 000	3
Total			578 031	

- 1 Closure of bank account.
- 2 Wire of remaining funds.
- 3 Subsequent collections from sales tax.

84. In light of same, 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 Petitioners, including the tax refunds.

85. At this time, the Monitor is still awaiting confirmation, after which it shall proceed with the closure of Blainville’s Canadian bank account.

e. Payroll and Employees

86. Given the advanced stage of the Restructuring Process and the completion of nearly all restructuring measures required to be implemented, employment of all remaining employees of the Company ended on December 15, 2023.
87. The Petitioners, in consultation with the Monitor, initiated the required steps to terminate the employment of such individuals.
88. After December 15, 2023, certain individuals were retained on a contractual and part-time basis to provide assistance and support to the Petitioners in the context of the wind-down and termination of the file, including for instance in relation to the preparation and filing of tax returns and dealing with various enquiries relating to Xebec Group entities.
89. Since the end of employment of all employees on December 15, 2023, in accordance with the WEPP Order, the Company, with the assistance of the Monitor, filed an additional claim under the federal Wage Earner Protection Program Act in view of providing relief to one former employee of BLA.
90. The Monitor prepared all the information required and has communicated with the eligible employee, requesting that this person review, complete and sign a proof of claim evidencing amounts owed. The Monitor prepared and distributed to the eligible employee its proof of claim. The employee provided a signed copy of the proof of claim to the Monitor and registered the claim with Service Canada.
91. The Monitor was informed that the said employee has received the payment under the Wage Earner Protection Program Act.

f. Sales Tax Matters

i. Biostream/Brightmark Assets Transaction

92. As reported in the Twelfth Report, the purchase price for the Biostream/Brightmark Assets Transaction included sales taxes to be released by the Monitor for payment to the governmental authorities. At the time of the transaction, sales taxes of CAD 185K were collected in Trust from Ivys.
93. After reviewing the sales tax impact of the transaction, Ivys determined that the sales tax were not due to government authorities. As such, Ivys delivered a Declaration of Wholesale or Entity Sales Tax Exemption from the Colorado Department of Revenue and a Uniform Sales & Use Tax Resale Certificate (multijurisdiction).
94. Considering the receipt of the Declaration of Wholesale or Entity Sales Tax Exemption and the Uniform Sales & Use Tax Resale Certificate, upon receipt of a signed indemnity letter from Ivys deemed satisfactory by the Company and the Monitor, the Monitor intends to release the amount of CAD 185K to Ivys.

ii. Air Products Transaction

95. 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. As at the date of this Fourteenth Report, UEC is awaiting for the exemption certificate from Air Products.

iii. Total Energy XBC Transaction

96. In regard to the Total Energy XBC Transaction, as at the date of this Fourteenth Report, the Company with assistance from the Monitor and its tax experts are currently in the process of evaluating whether any sales tax payment is required.

iv. Canada/QC Sales Tax Audit

97. 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 Petitioners and the tax authorities in that respect.

g. Update on Certain D&O Claims Since the Thirteenth Report

98. As reported in the Twelfth and Thirteenth Report, the Monitor had received a total of 36 D&O Claims as at the Claims Bar Date, which were thereafter reviewed, which included the Haffner D&O PoC (as defined below) and the Brozelco PoC. A short update of both claims is provided hereunder.

i. Haffner

99. In the Thirteenth Report, the Monitor indicated that there remained one D&O Claim against BLA directors and officers, namely a claim from Haffner Energy S.A. (the "**Haffner D&O PoC**"), which had been settled by the parties in principle shortly before the filing of the Thirteenth Report.

100. Since then, the Monitor was informed by the Petitioners that the settlement has been executed and that the settlement amount was paid on or about December 18, 2023 by the Petitioners' D&O insurers, in consideration for a full and final release of the BLA D&Os.

101. Accordingly, there are no pending unresolved claims in the Claims Process against the BLA D&Os.

ii. Brozelco

102. The Monitor further notes that the claim from Brozelco, Inc. referred to in previous reports included a D&O Claim premised on an alleged personal guarantee that would have been granted by the former president of NOR, Mr. Mike Zarif, prior to the acquisition of NOR by the Xebec Group (the "**Brozelco PoC**"), which, if such is the case, would not be released given the provisions of the plan of NOR and of subparagraph 5.1(2) CCAA. This claim appears to be governed by the laws of Tennessee.

103. As indicated in the Thirteenth Report, on November 24, 2023, a Notice of Revision or Disallowance was issued in relation to the unsecured claim included in the Brozelco PoC. This Notice of Revision or Disallowance also contained comments in respect of the D&O Claim against Mr. Zarif.

104. In the course of the U.S. recognition proceedings pertaining to the Sanction Order, Brozelco partially objected to the recognition of the Sanction Order, namely the scope of the releases relating to the Brozelco D&O Claim (as defined in the U.S. Recognition of the Sanction Order). Ultimately, the U.S. Court ruled that its order did not (a) prohibit Brozelco from pursuing the Brozelco D&O Claim against Mr. Zarif, in his personal capacity; (b) be deemed to adjudicate or otherwise express an opinion on the merits of the Brozelco D&O Claim; or (c) affect, restrict, or release any claims, counterclaims, or defenses Mr. Zarif may have against Brozelco.

105. To the extent that the Brozelco D&O Claim is pursued further, the Petitioners will not be involved parties.

h. Update on Certain non-Petitioner Entities

i. Inmatec Germany and Inmatec UAE

106. The insolvency proceedings of Inmatec are continuing in Germany. The Monitor was advised by the Petitioners that, based on information obtained from its counsel in Germany, these proceedings are expected to conclude in mid-2024.
107. The Petitioners, with the assistance of the Monitor, are currently working to answer an information request from the trustee of Inmatec in respect of the proof of claim filed by BLA.
108. In parallel, the Petitioners are continuing to pursue the dissolution of Inmatec UAE. The Monitor was advised that while the process suffered unexpected delays outside of the Petitioners' control due to certain administrative steps required for Xebec Deutschland GmbH (direct parent company of Inmatec UAE), further developments are expected in coming weeks.

ii. Xebec Italy

109. As reported in the Thirteenth Report, the Company has informed the Monitor that, based on information obtained from its counsel in Italy, it is at this time 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. However, depending on the outcome of the adjudication of a claim relating to tax reimbursements as well as the sale of certain assets, there remains a possibility that a distribution will occur.

II. UPDATE ON DISSOLUTIONS AND WIND-DOWN PROCESS

a. Dissolution of Xebec UK

110. 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.
111. The Monitor is informed by the Petitioners that this process is well advanced and that 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 is expected to occur in the late spring of 2024.
112. No impact on the Petitioners' cashflow is expected as a result of the dissolution process. The Monitor will report further in due time.

b. Dissolution of Canadian Petitioners

i. GNR

113. As of late 2023, GNR – formerly a holding company – no longer had any assets, liabilities, employees nor operations. Accordingly, on January 15, 2024, GNR was dissolved.

ii. ACS and CAI

114. The Petitioners, with the assistance of the Monitor, are finalizing 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

115. The Petitioners, in consultation with their advisors and with the Monitor, continue to evaluate and analyze the most optimal and efficient process to proceed with the wind-down and dissolution of U.S. Petitioners.
116. It is likely that this process may entail filing certain tax declarations and handling various requests from authorities in the numerous states in which the U.S. Petitioners formerly operated. The Monitor will report further upon the next steps.

III. ADMINISTRATIVE RESERVE PROVIDED FOR IN THE PLANS AND IN THE SANCTION ORDER

117. Pursuant to the Sanction Order, the Court approved and ordered the constitution of the Administrative Reserve in two accounts, one in CAD (in the amount of \$4M) and one in USD (in the amount of \$355K).
118. As indicated in the Reports on the Plans, the costs to be paid out of the Administrative Reserve include all amounts outstanding in respect of Excluded Claims, Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtors' Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the respective Debtors including retainers to any proposed trustee in bankruptcy, amounts that may be claimed in relation to WEPP Relief, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion.
119. The Sanction Order also provides conclusions allowing for the inclusion of amounts and costs to be incurred in relation to both Petitioner entities that are not Plan Debtors (BLA and GNR), given that measures are to be implemented to wind down same.
120. As indicated in the Thirteenth Report, the Administrative Reserve estimates were calculated using the projected disbursements included in the Cash-Flow Statement up and until March 30, 2024. These estimates were dependent notably upon projected collections and disbursements from the week ending December 2, 2023, until the week ending December 30, 2023, as well as the various hypotheses contained in the Cash-Flow Statement and the Notes to the Cash-Flow Statement.
121. In the Thirteenth Report, the Monitor indicated that the amounts of the Administrative Reserve based on the Cash-Flow Statement, along with certain developments (relating to the foreign exchange rates variations, the London RNG Settlement and the post-filing obligations) would result in a distribution to Affected Creditors essentially within the estimated ranges of recoveries presented in the Reports on the Plans and that, as at the date of the Thirteenth Report, the distributions could be impacted by variations in the foreign exchange rates applicable at the time of distributions.
122. Given that the first distribution has now been made and that the exchange rate has been "crystallized" as at March 16, 2024 (as detailed in the following section), the Monitor can confirm that the recovery rates of the respective Affected Creditors is within the ranges presented in the Reports on the Plans. Obviously, should a second distribution take place, these recovery rates would be even higher.

IV. DISTRIBUTION PROCEEDS

123. As notably reported in each Report on the Plans, the Monitor provided estimated distribution scenarios to Affected Creditors of each Plan, where it presented estimated ranges of recovery both pursuant to such Plan or to a liquidation scenario.

124. Pursuant to the CPO and the Sanction Order, the Monitor has been authorized and directed to determine all Claims, and to administer all distributions and payments to the Affected Creditors from the Distribution Proceeds.
125. Following the Plan Implementation Date and further to the above-mentioned Sanction Order, more specifically on March 16, 2024, the Monitor “crystallized” the amounts held in trust as part of the Net Proceeds, which are to be used to calculate the Distribution Proceeds, in accordance with the provisions of the Plans and after the implementation of the allocation method previously approved by the Court further to the Allocation Order. This allows the Monitor to calculate the exact amount to be distributed to each Affected Creditor following the application of the Allocation Method, as appears from **Appendix A** and **Appendix B**.
126. A first distribution has been made on March 20, 2024. As the net proceeds held in trust are in USD and since most of the creditors are the US-based, the first distribution has been made in USD. It is to be noted that in the case of each Plan Debtor, the distribution amounts are higher than the low range presented in each Report on the Plans.
127. 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.

V. ACTUAL RECEIPTS AND DISBURSEMENTS

128. Xebec Group’s financial performance highlights for the 16-week period ended March 16, 2024, are presented in the Actual Cash Flow appended hereto as **Appendix C**. The consolidated Budget-to-Actual Analysis presented in this Fourteenth Report is the combined use of funds from the Petitioners’ bank accounts and the Administrative Reserve account. The Monitor’s comments on the Petitioners’ financial performance during this period are as follows:
 - a. compared with the Cash Flow Statement, actual Xebec Group’s receipts and disbursements demonstrate a net cash balance as at March 16, 2024, of \$2.7M, which is \$2.3M higher than budgeted as further detailed in **Appendix C**. This favourable variance mainly results from:
 - i. a favourable variance of \$1M in total cash inflows mainly explained by higher transfers from the Petitioners to the Administrative Reserve Account (\$0.6M), higher sales tax collections (\$0.3M) and higher various other collections (\$0.1M), and;
 - ii. a favourable variance of \$1.3M in cash outflows, which is mainly explained by lower disbursements in payments to service providers (\$1M), lower professional fees (\$0.8M) and lower tax-related payments (\$0.4M). These favourable variances were, however, compensated by higher transfers from the Petitioners to the Administrative Reserve Account (\$0.6M) and transfers of certain sales tax collections to the proceeds’ Trust accounts (\$0.3M).
129. As described in this Fourteenth 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 Petitioners should have sufficient liquidity to continue to meet their obligations as part of the completion of the insolvency proceedings of the Petitioners.

130. In respect of tax refund collections since the Thirteenth Report and as at March 16, 2024, the Company has yet to receive a portion of the refund for the February and December 2023 and February 2024 sales tax returns in an aggregate amount of \$239K. The Company, with the assistance of the Monitor, is monitoring the situation closely and is in contact with the governmental authorities in that respect.

VI. OVERVIEW OF THE CASH-FLOW PROJECTIONS

131. The Company, with the assistance of the Monitor, has prepared the statement of projected cash-flow (the "**Cash Flow Statement**") for the 9-month period from March 16, 2024 to November 30, 2024 (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 D** to this report.
132. 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.
133. 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 E** 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.
134. 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 by the Petitioners.
135. 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.
136. Management has advised the Monitor that it believes that the forecast reflected in the Cash Flow Statement is reasonable.

VII. EXTENSION OF THE STAY PERIOD IN RESPECT OF BLA

137. The Stay Period currently expires on March 27, 2024. Given the implementation of the Plans, no extension of the Stay Period is required for the Plan Debtors.
138. The extension of the Stay Period until November 30, 2024, sought by the Petitioners solely in respect of BLA 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.
139. As described in this Fourteenth 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 Petitioners.

VIII. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

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

DATED AT MONTREAL, this 25th day of March 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 – Breakdown of Net Proceeds

XEBEC ADSORPTION INC. & AI.			
Breakdown of net proceeds and transactions from the Monitor's trust accounts			
In \$000s CAD, as of March 16, 2024			
	Petitioners	Note	Amounts
PROCEEDS FROM TRANSACTIONS			
Transactions - Part of the SISP process			
1396905 B.C. LTD	ACS	1	400
FSTQ	GNR		100
Sullair	CDA & CAL	2	12 222
Ivys Energy Solutions	BLA & CAI		7 900
Next Air & Gas	NOR	2	209
Curtis Toledo	AIR	2	895
Fluid-Aire Dynamics	TIT	2	1 402
Total Energy Systems	XBC	2	1 477
EnergyLink	UEC	2	4 037
			28 643
Closed transactions - Remaining Other Assets			
Air Products	UEC	2	236
Enerphase - Vehicle Fleet sales	AIR	2	109
Western Midstream	UEC		250
Biostreams	UEC		2 000
Total proceeds		A	31 238
PAYMENTS MADE TO THE BENEFICIARIES OF THE CCAA CHARGES AND OTHER COLLECTIONS AND DISBURSEMENTS			
Professional fees			(1 489)
Interest and fees on DIP Financing			(31)
Transaction Fee			(975)
KERP			(432)
Funds from net proceeds - Transfer to operation accounts		4	(3 000)
Funds from net proceeds - Transfer to the Administrative Reserve accounts		5	(4 475)
Payment pursuant to the Settlement Agreement relating to the Xebec UK Transaction			(420)
London RNG - Settlement	BLA	6	858
Interest revenues (net of bank fees)			704
Other collections - Other			93
Sales tax collections			310
Sales tax collected on behalf of debtors to be remitted			185
Foreign exchange loss (gain)			(77)
		B	(8 749)
DIP Facility - Reimbursement to NBC			(1 500)
DIP Facility - Reimbursement to EDC			(1 500)
Second DIP Facility - Reimbursement to EDC			(2 500)
Third DIP Facility - Reimbursement to EDC			(3 450)
		B	(8 950)
Outstanding balance as of March 16, 2024		3	C=(A+B) 13 539
UPCOMING COLLECTIONS AND DISBURSEMENTS FROM THE TRUST ACCOUNTS			
Sales tax collected on behalf of debtors to be remitted			(185)
		D	(185)
Outstanding balance after priority charges			E=(C+D) 13 354
OTHER REMAINING ASSETS			
Claims to Non-Petitioners	IGT		TBD
Claims to Non-Petitioners	ITA		TBD
Other potential proceeds		F	-
			In CAD In USD
Estimated net proceeds and transactions from the Monitor's trust accounts		3	G=(E+F) 13 354 9 868
ESTIMATED DISTRIBUTION			
		7	
EDC Subrogated Claim - Enbridge LC			-
EDC Subrogated Claim - London RING LC - Unpaid portion			1,54% (205) (151)
Amounts distributed on the account of the EDC Secured Claim			34,48% (4 604) (3 402)
EDC Secured Claim collections from BLA Shortfall Repayment			1,51% (201) (148)
Additional EDC Secured Claim collections from dividends under other debtors' plans			23,61% (3 153) (2 330)
EDC Unsecured Claims			17,53% (2 341) (1 731)
Other Unsecured Claims		8	21,34% (2 850) (2 106)
Outstanding balance			-

Note 1: These proceeds do not include Tiger's proceeds that were paid directly to NBC.

Note 2: Assuming closing FX rates at the date of the transactions as per the Bank of Canada.

Note 3: Assuming FX rate of 1.3533 USD as per the Bank of Canada on March 16, 2024.

Note 4: In accordance with the order rendered by the Court on May 24, 2023 authorizing the Monitor to transfer funds from the Net Proceeds to the Petitioners for a maximum amount of \$3M, the Monitor has transferred funds from the Net Proceeds to the petitioners account from time to time to meet the cashflow requirements.

Note 5: The Plans provide for the constitution of an "Administrative Reserve" to be held by the Monitor. The Administrative Reserve was approved by the Court on December 19, 2023 in the Sanction Order.

Note 6: Pursuant to the Order Directing Payment In Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUAS8735 (the "LRNG LC") were held as a reserve in a distinct trust account until determination of the parties' respective rights under the LRNG LC were made in a final judgment of a Court or other forum having jurisdiction or until an agreement is entered into by the parties. On December 12, 2023, an agreement, which was approved by the Court (Order Approving a Settlement Agreement (LRNG) rendered on December 15, 2023), was reached between the parties. Pursuant to the agreement, \$850K was kept in a Monitor's trust account for distribution to creditors and the balance was remitted to LRNG.

Note 7: The Distribution reflects the application of the Allocation Method approved by the Allocation Order and the sharing formula agreed to under the EDC Support Agreement and also presents the distributions to the Affected Creditors who will be entitled to a distribution under the various plans of the Petitioners (other than BLA and GNR). The various payments of the Distribution to the Affected Creditors were made in USD since the net proceeds held in trust were in USD and as most of the creditors are US based. This calculation is also based on the foreign exchange rate as of March 16, 2024.

Note 8: Refer to the next page of Appendix B for the detailed Distribution by estate in relation to Other Unsecured Claims.

Appendix A – Breakdown of Net Proceeds (cont'd)

Estimated Distribution - Other unsecured claims		
As at March 16, 2024 (in thousands)	CAD	USD
ACS	284	210
AIR	486	359
BLA	-	-
CAI	411	304
CAL	40	29
CDA	15	11
GNR	-	-
NOR	54	40
TIT	354	261
UEC	1 126	832
XBC	18	14
XHU	7	5
XSU	56	41
	2 850	2 106

Notes

The Distribution reflects the application of the Allocation Method approved by the Allocation Order and the sharing formula agreed to under the EDC Support Agreement and also presents the distributions to the Affected Creditors who are entitled to a distribution under the various plans of the Petitioners (other than BLA and GNR). The various payments of the Distribution to the Affected Creditors were made in USD since the net proceeds held in trust were in USD and as most of the creditors are US based. This calculation is also based on the foreign exchange rate as of March 16, 2024.

Appendix B - EDC Aggregate Recovery Overview

EDC - Distribution overview		
As at March 16, 2024 - In thousands CAD		
	Notes	Distribution
EDC Subrogated Claim		
Drawn LC		(491)
Drawn LC - London RNG	1	(2 394)
Outstanding LC	2	-
Total - EDC Subrogated Claim	A	(2 885)
EDC Claim		
Amounts distributed on the account of the EDC Secured Claim	3	(4 604)
EDC Secured Claim collections from BLA Shortfall Repayment	3	(201)
EDC - collections arising from distributions in other Plans	4	(3 153)
Unsecured - External EDC	5	(2 341)
Total - EDC Claim	B	(10 299)
EDC - Amounts collected post-filing from the Debtors' bank accounts		
EDC - Secured debt - Reimbursement		(1 007)
EDC - Secured debt - Fees and Interest (Capital reimbursement)	6	(992)
Total - EDC - Amounts collected post-filing from the Debtors' bank accounts	C	(2 000)
Total - EDC projected distribution	Σ A to C	(15 183)
EDC outstanding debt as at Filing Date (before post filing capital reimbursement)	7	21 790
EDC - Global recovery %	8	69,7%

Notes

- 1 Pursuant to the Order Directing Payment In Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUA58735 (the "LRNG LC") were held as a reserve in a distinct trust account until determination of the parties' respective rights under the LRNG LC were made in a final judgment of a Court or other forum having jurisdiction or until an agreement is entered into by the parties. On December 12, 2023, an agreement, which was approved by the Court (Order Approving a Settlement Agreement (LRNG) rendered on December 15, 2023), was reached between the parties. Pursuant to the agreement, \$850K was kept in a Monitors' trust account for distribution to creditors and the balance was remitted to LRNG.
- 2 Enbridge LC has expired and has not been drawn.
- 3 Result of the sharing of the Allocated Net Proceeds and the BLA Shortfall Repayment between the secured and unsecured creditors as further detailed in the EDC Support Agreement and in the Twelfth Report.
- 4 Subsequent amount distributed to EDC as secured creditor of Debtors entitled to a dividend from other Debtors' Plans, in accordance with the EDC Support Agreement
- 5 EDC collections as an unsecured creditor for its EDC Deficiency Claim, in accordance with the EDC Support Agreement.
- 6 Post-filing interest paid to EDC are being recharacterized as capital reimbursements since EDC will not recover 100% of the pre-filing amounts owed, in accordance with the Allocation Order.
- 7 EDC Claim (\$16.9M CAD) + EDC Subrogated Claim (\$2.9M CAD) + Capital reimbursements, including recharacterization, collected from the Debtors' bank accounts (\$2.0M CAD).
- 8 The Distribution reflects the application of the Allocation Method approved by the Allocation Order and is in accordance with the EDC Support Agreement. This calculation is also based on the foreign exchange rate as of March 16, 2024.

**Appendix C – Actual Cash-flow
(period from November 26, 2023 to March 16, 2024)**

Combined - Operational and Administrative Reserves Cash flow transactions - Summary Budget-to-Actual Analysis ("BTA")	For the 16-week ended Mar 16, 2024				
	Actual	Projections	Var. (\$)	Var. (%)	Notes
Collections					
Other collections	81	20	61	304%	1
Transfer from related party - Collection (in & out)	37	20	17	85%	
Funds from net proceeds	4 838	4 848	(10)	0%	2
Sales taxes - Collection	468	159	309	195%	
Interest revenue	14	-	14	-	
Transfer from Operational to Administrative Reserve	578	-	578	-	3
Collections - Total	6 016	5 047	970	19%	
Disbursements					
Payroll	(346)	(337)	(9)	3%	
Payments to service providers	(70)	(1 069)	999	-93%	4
Professional fees	(3 023)	(3 817)	794	-21%	5
Transfer to related party - Disbursements (in & out)	(37)	(20)	(17)	84%	
Tax Related Payments	-	(366)	366	-100%	6
Former employees contractors	(7)	(60)	53	-89%	7
Other disbursements (FX, bank charges, others)	(7)	-	(8)	-	
Funds transferred from Ops to Admin Reserve Accounts	(578)	-	(578)	-	3
Sales taxes - Collection transferred to Trust accounts (proceeds)	(310)	-	(310)	-	
Disbursements - Total	(4 378)	(5 669)	1 290		
Net cash flow	1 638	(622)	2 260		
Net cash (Shortfall) - Beginning	1 027	1 027	-		
Net cash (Shortfall) - End	2 665	405	2 260		
Trust Accounts					
Cash flow transactions - Summary					
Budget-to-Actual Analysis ("BTA")					
Collections					
Other collections	93	-	93	-	1
Sales taxes - Collection	-	342	(342)	-100%	
Sales taxes - Collection transferred from the Administrative Reserve	310	-	310	-	
Interest revenue	259	850	(591)	-70%	
LRNG Settlement - Collection	858	-	858	-	
Collections - Total	1 520	1 192	328		
Disbursements					
Funds from net proceeds - Advance to Administrative Reserve	(4 475)	(4 485)	10	0%	2
Funds from net proceeds - Advance to operation accounts	(363)	(363)	-	-	2
Tax Related Payments	-	(185)	185	-100%	8
Other disbursements (FX, bank charges, others)	(123)	-	(123)	-	9
Disbursements - Total	(4 961)	(5 033)	72		
Net cash flow	(3 441)	(3 841)	400		
Net cash (Shortfall) - Beginning	16 980	16 980	-		
Net cash (Shortfall) - End	13 539	13 139	400		

Appendix C – Actual Cash-flow (cont'd)

Consolidated - North America
Notes on Budget-to-Actual Analysis ("BTA")
For the 16-week Period ended March 16, 2024 (the "Period")

Note 1	Other Collections	Unbudgeted collections from clients and/or reimbursements from suppliers.
Note 2	Funds from Net Proceeds	<p>- According to the order rendered by the Court on May 24, 2023 authorizing the Monitor to transfer funds from the Net Proceeds to the Petitioners for a maximum amount of \$3M, the Monitor has transferred funds from the Net Proceeds to the Petitioners account from time to time to meet the cashflow requirements. The remaining amount of \$363K has been transferred from the Net Proceeds to the Petitioners account on December 8, 2023.</p> <p>- Furthermore, as per the order rendered by the Court on December 19, 2023, the Monitor transferred funds from the Net Proceeds to Administrative Reserve Accounts (CAD and USD) in the amounts of CAD 4M and USD 355K for the purpose of paying the Administrative Reserve Costs.</p>
Note 3	Transfer from Operational to Administrative Reserve	As per the order rendered by the Court on December 19, 2023, the Petitioners transferred most of the funds remaining in their respective bank accounts to the Monitor for the purposes of including such funds in the Administrative Reserve Accounts and closing the Petitioners' bank accounts.
Note 4	Payments to Service Providers	The favorable variance is mainly due to the timing of disbursements.
Note 5	Professional fees	During the Period, payments of \$3M were made to professionals. The favorable variance is due to the timing of payments. Professional fees for services rendered for the 4-week period from February 24 to March 16, 2024 for an aggregate amount of \$180k remain unpaid.
Note 6	Tax Related Payments	The favorable variance is mainly due to the timing of disbursements.
Note 7	Former employees contractors	The favorable variance is mainly due to the timing of disbursements.
Note 8	Tax Related Payments (Trust)	Sales tax which amounts to CAD 185K was collected from Ilys at closing of the Biostream Transaction to be released by the Monitor for payment to the governmental authorities. After reviewing the sales tax impact of the transaction, Ilys determined that the sales tax were not due to government authorities. As such, Ilys delivered a Declaration of Wholesale or Entity Sales Tax Exemption from the Colorado Department of Revenue and a Uniform Sales & Use Tax Resale Certificate (multijurisdiction). Considering the receipt of these certificates, upon receipt of a signed indemnity letter from Ilys deemed satisfactory by the Company and the Monitor, the Monitor intends to release the amount of CAD 185K to Ilys.
Note 9	Other disbursements (FX, bank charges, others)	Note that funds in the USD Trust Account are converted at the closing date of each period. The FX rate (USD to CAD) variance generated an unrealized loss during the Period.

Appendix D – Cash-flow statement

Consolidated - North America

Projected cash flow transactions	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
For the period from	17-Mar-24	1-Apr-24	1-May-24	1-Jun-24	1-Jul-24	1-Aug-24	1-Sep-24	1-Oct-24	1-Nov-24	
Ending on	30-Mar-24	30-Apr-24	31-May-24	30-Jun-24	31-Jul-24	31-Aug-24	30-Sep-24	31-Oct-24	30-Nov-24	
In 000 CAD - Period #	1	2	3	4	5	6	7	8	9	Total
Collections										
Other collections	-	-	-	-	-	-	-	-	-	-
Collections - Total	-	-	-	-	-	-	-	-	-	-
Disbursements										
Payments to service providers	206	182	179	181	56	56	56	56	186	1,159
Professional fees	315	171	99	79	99	79	79	99	99	1,117
Tax Related Payments	-	0	239	36	50	-	-	-	-	325
Former employees contractors	8	7	7	7	7	7	7	7	7	63
Disbursements - Total	529	360	524	303	212	142	142	162	292	2,665
Net cash flow	(529)	(360)	(524)	(303)	(212)	(142)	(142)	(162)	(292)	(2,665)
Net cash (Shortfall) - Beginning	2,665	2,136	1,776	1,252	949	737	595	453	292	2,665
Net cash (Shortfall) - End	2,136	1,776	1,252	949	737	595	453	292	(0)	(0)

Appendix E
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 E (cont'd)

Notes to the Cash-flow statement

NOTE D—ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on current bank balances.	X	
<u>Forecast cash disbursements:</u>			
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	