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C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF QUEBEC  
COURT. No.: 500-11-061483-224

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.)**

**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

**TWELFTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR  
(Companies' Creditors Arrangement Act)**

**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 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' 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 "**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 "**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 "**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 abovementioned 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 abovementioned 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* (the "**Application**"), *inter alia* (i) authorizing each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU to file plans of compromise pursuant to the CCAA, (ii) convening meetings of creditors (which will all be held together), (iii) setting a date for the hearing on the sanction order(s) to be sought, (iv) approving the EDC Support Agreement (as defined herein), and (v) authorizing the review of late claims.
58. Following the notification of the Application, the Monitor hereby issues its twelfth report (the "**Twelfth Report**"), which will cover the following items:
  - I. Update on Various Aspects of the Restructuring Process since the Eleventh Report
  - II. Update on Recognition Proceedings in the United States
  - III. Update on Certain Non-Petitioner Entities
  - IV. Update on Claims Process
  - V. Support Agreement Entered Into by EDC and the Petitioners
  - VI. Plans of Compromise to be Submitted to Creditors
  - VII. Monitor's Conclusions and Recommendations



59. In preparing this Twelfth 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 Twelfth 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 Twelfth 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.

60. Future oriented financial information referred to in this Twelfth 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.

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

## **I. UPDATE ON VARIOUS ASPECTS OF THE RESTRUCTURING PROCESS SINCE THE ELEVENTH REPORT**

62. The Eleventh Report issued on September 27, 2023, and the testimony of the representative of the Monitor provided to the Court at the hearing held on September 29, 2023 contained detailed information regarding the Xebec Group's communications and operations since the Tenth Report issued on May 19, 2023 and the Monitor's activities since that time.

63. An update on material aspects and changes having ensued since the issuance of the Eleventh Report is provided below.

### **A. STATUS ON REALIZATION OF CERTAIN OTHER REMAINING ASSETS OF THE XEBEC GROUP SINCE THE ISSUANCE OF THE ELEVENTH REPORT**

#### i. General Status and Update

64. **Appendix A** to this Twelfth Report includes the following update:

- a) a summary of the Xebec Group entities (both Petitioners and non-Petitioners) for which transactions have been completed as part of the SISP process; and
- b) a summary of the Other Remaining Assets (in relation to the Petitioners) for which transactions have been completed or are expected to be completed in the near term, subject to ongoing negotiations and to Court approval and recognition proceedings, as the case may be and as required.

65. The next subsection presents an update since the Eleventh Report in relation to the Biostream/Brightmark Assets, as the Biostream/Brightmark Assets Transaction has since then closed, as well as a brief update following the approval of the Xebec UK Settlement.

66. In addition to the above and to previously executed transactions, certain Other Remaining Assets remain to be realized or disposed of, including the London RNG LC and receivable and the BLA Claims in Xebec Italy and Inmatec Proceedings. An update since the Eleventh Report regarding these matters is contained in separate sections of this Twelfth Report.

ii. Closing of the Biostream/Brightmark Assets Transaction

67. Since the Eleventh Report, the ongoing discussions between the parties continued in order to close the Biostream/Brightmark Assets Transaction.

68. The closing of the Biostream/Brightmark Assets Transaction occurred on October 11, 2023, at which date the Monitor received the balance of the purchase price in the amount of \$2,087,940.60 from Ivys (excluding the deposit in the amount of \$100K which was already held by the Monitor). As indicated in the Eleventh Report, the Biostream/Brightmark Assets Transaction includes the XSU Filters which have no significant or nominal net value. It should also be noted that the purchase price includes sales taxes that will need to be released by the Monitor for payment by the Petitioners.

69. Given the above, on October 11, 2023, the Monitor issued its certificate to the service list confirming the closing of the Biostream/Brightmark Assets Transaction (the "**Biostream Certificate**"), which was also filed in the Court record.

70. In the Eleventh Report, the Monitor reported that Ivys has indicated that it could perhaps pay the full purchase price at closing, in one single payment, such that the Biostream Charge would not be required.

71. Given that the full purchase price was paid in full by Ivys at closing, the Biostream Charge referenced in the Biostreams AVO was not required and accordingly, never created nor effected, as confirmed by the Monitor and detailed in the Biostream Certificate.

iii. Payment of the Xebec UK Settlement amount and Measures to be implemented to dissolve Xebec UK

72. Shortly after the issuance of the order approving the Xebec UK Settlement and in conformity with same, the Monitor paid the sum of £250K to the trust account of counsel to the Tiger Sellers. On October 18, 2023, the Monitor received confirmation that the settlement amount had been duly received, such that the Xebec UK Settlement has been fully executed.

73. As previously reported, given that Xebec UK has no assets and that, following the execution of the Xebec UK Settlement and the payment of the settlement amount, it has no other liability than the intercompany debt owed to BLA, the Monitor was advised by the Petitioners that steps would now be taken in order to wind-down and dissolve Xebec UK.

74. The Monitor is supportive of the measures taken by the Petitioners and will further report on these steps in due time.

**B. WAGE EARNER PROTECTION PROGRAM**

75. Given the importance of the relief provided by the Wage Earner Protection Program for the affected individuals, the Monitor has been proactively following up with certain individuals who have failed to file the relevant materials, including individuals who have yet to file an application and claim under such program. The Monitor continues its oversight of the relief available and to be provided by such program.

**C. EXECUTION OF AN AGREEMENT RELATING TO MONIES HELD BY NBC IN A "SUSPENSE ACCOUNT"**

76. As reported in the Eleventh Report, EDC has filed several proofs of claim as part of the Claims Process, including one in connection with the EDC PSG Guarantee Subrogation Claim, in subrogation of NBC, in the respective amounts of \$2.594M (representing the total of the claim with respect to the London RNG LC (\$2.394M) and the Enbridge LC (\$200K), which is a contingent claim at this stage), and of USD \$360K (representing the claim with respect to the Calgon LC).
77. Given the proceeds received from the Tiger Transaction and the payments made by EDC to NBC under the PSG Guarantee relating to the London RNG LC and the Calgon LC, NBC held surplus funds in the approximate amount of \$2.4M in a suspense account and requested directions as to the remittance of these amounts. NBC did not request to hold an amount with respect to the Enbridge LC, subject to receiving a confirmation from EDC that the PSG Guarantee continues to apply to cover any indebtedness with respect of same, as the case may be, and EDC has provided such confirmation.
78. Following discussions held between the Petitioners, Xebec UK, the Monitor, EDC and NBC, it was agreed that all of the proceeds held by NBC in its suspense account and the NBC Fees Amount held in the Monitor's trust account would be paid to EDC, as a direct reduction of the EDC PSG Guarantee Subrogation Claim.
79. On October 23, 2023, the Petitioners, Xebec UK, EDC and NBC (with the intervention of the Monitor) executed the Suspense Account Agreement. Pursuant to the Suspense Account Agreement, the amount of \$2,416,789 will be paid in the coming days by NBC to EDC and the amount of \$261,813 will be paid by the Monitor to EDC.
80. As a result of these payments to be received by EDC and in accordance with the terms of the Suspense Account Agreement, EDC shall be deemed to reduce its proof of claim relating to the EDC PSG Guarantee Subrogation Claim in the aggregate amount set forth above.
81. In addition, and pursuant to the Suspense Account Agreement, NBC will provide a notice of non-renewal of the Enbridge LC to its beneficiary, which means that the Enbridge LC will not be extended past its current end date of February 2, 2024. Until this date, EDC maintains the PSG Guarantee in force in the event of a drawdown request being made to NBC by Enbridge.
82. The Monitor has been actively involved in all discussions and exchanges in relation to the Suspense Account Agreement and is supportive of same. This agreement allows for the remittance of surplus funds which are ultimately owed to EDC and allows for the related reduction of the amount of its EDC PSG Guarantee Subrogation Claim, which ultimately benefits the creditors generally as such claim is guaranteed by the NBC security granted by the Debtors.

**D. RELEASE OF CERTAIN AMOUNTS HELD IN ESCROW FOLLOWING THE ACQUISITION OF UEC**

83. In its Eleventh Report, the Monitor indicated that it had been in communication with the Petitioners in relation to the release, to the benefit of the UEC Seller, of the UEC Escrow in

the amount of US\$1.03M and that an agreement was in preparation by the Petitioners and the UEC Seller in relation to same.

84. The Monitor was informed by the Petitioners that UEC and the UEC Seller delivered a joint letter of instruction to the escrow agent directing release of the remaining funds in the UEC Escrow to the UEC Seller and that these funds were released to the UEC Seller.

85. This matter is therefore considered closed.

## **II. UPDATE ON RECOGNITION PROCEEDINGS IN THE UNITED STATES**

86. An update on the US recognition proceedings was provided in the Eleventh Report and there is no further update to provide at this time.

87. In terms of next potential dates and milestones in relation to the US recognition proceedings, readers may refer to Appendix D hereof which provides an update of the approximate timeline relating to same, which includes the recognition of the eventual sanction order(s), should same be granted by the Court.

88. Since the issuance of the Eleventh Report, the Monitor has been advised by US counsel to the Petitioners that no recognition of the meeting order is required as part of the Chapter 15 proceedings.

## **III. UPDATE ON CERTAIN NON-PETITIONER ENTITIES SINCE THE ELEVENTH REPORT**

### **A. INMATEC**

89. The Company indicated to the Monitor that work remains ongoing in the Inmatec Germany insolvency proceedings to ascertain the quantum of claims. The Company has not yet received a response or decision regarding the claims for the Inmatec Germany Claimed Amounts. The Inmatec Germany insolvency proceedings are expected to conclude no earlier than the spring of 2024.

90. Regarding Inmatec UAE, the Company is continuing to take steps with local personnel to perform an orderly wind-down and potentially sell certain residual assets for which Inmatec UAE recently received an expression of interest. While the Company continues to expect some recovery from the wind-down, the amount remains to be confirmed. The advancement of legal steps for the wind-down is awaiting the resolution of certain administrative matters within Xebec Deutschland GmbH, in order to obtain the required approvals of the immediate parent of Inmatec UAE.

### **B. XEBEC ITALY**

91. The Company has informed the Monitor that 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. Further information in this regard is expected by early 2024.

## **IV. UPDATE ON THE CLAIMS PROCESS SINCE THE ELEVENTH REPORT**

92. Defined terms in this section and not otherwise defined shall have the meaning ascribed to them in the Claims Procedure Order (the "**CPO**").

93. In its Eleventh Report, the Monitor provided detailed information in relation to all relevant aspects of the Claims Process including the Claims received in the context thereof. The information provided below is intended to provide an update since the Eleventh Report and to reflect any relevant changes since then.

i. General Status and Update

94. Since the issuance of the CPO, the Monitor sent the Claims Package by regular mail to known potential Creditors, as identified further to the review of the Petitioners’ books and records and, since the Claims Bar Date, the Monitor has proceeded to the compilation, review and determination of Claims received, in collaboration with the Petitioners (except for unsecured claims brought against BLA, as there is currently no distribution to unsecured creditors expected in this estate).
95. The Monitor has also been in regular communications with creditors in relation to documentation and information included in their claims, and to obtain certain clarifications or complements of information when required.
96. A general summary of the number of claims received and their nature and status as at the date of this Twelfth Report is provided in the table below:

Claims Process Overview As at Oct 25, 2023	Claims received (Unsecured, Secured and D&O)		
	Received	Revision	In process / Admitted
<b><u>BLA</u></b>			
EDC	1	0	1
NBC	1	0	1
Interco	8	8	1
Other	167	12	145
<b>Total</b>	<b>177</b>	<b>20</b>	<b>148</b>
<b><u>Other Petitioners</u></b>			
EDC	11	0	11
NBC	11	0	11
Interco	43	26	33
Other	248	51	240
<b>Total</b>	<b>313</b>	<b>77</b>	<b>295</b>
<b><u>Combined</u></b>			
EDC	12	0	12
NBC	12	0	12
Interco	51	34	34
Other	415	63	385
<b>Total</b>	<b>490</b>	<b>97</b>	<b>443</b>

97. **Appendix B** to this Twelfth Report contains more detailed information regarding the status of the Claims Process, including regarding the values of the claims received and the breakdown of information by estate.
98. As at October 25, 2023, 46 creditors received Notices of Revision or Disallowance from the Monitor to claimants (excluding the Notices of Revision or Disallowance pertaining to intercompany Claims or D&O Claims, as described in the next subsections), and at least 15 other Claims remain under review or investigation and Notices of Revision or Disallowance may be sent in respect of same in the coming days and weeks.
99. The main reasons for the Notices of Revision or Disallowance issued and upcoming include, *inter alia*, (i) Claims filed against the incorrect Debtor, (ii) Claims that are incomplete or unsupported by the requisite evidence and documentation and/or that do not match the Petitioners’ books and records (despite follow up questions by the Monitor), (iii) Restructuring Claims for a quantum that is overstated, (iv) Claims filed as secured when it is unsecured, (iv) Claims that were incorrectly filed as a D&O Claim or as a Restructuring Claim, and (vi)

Claims that do not have a sufficient legal basis.

100. As of the date of this Twelfth Report, no appeal application relating to a Notice of Revision or Disallowance has been received by the Monitor.

ii. D&O Claims

101. As reported in the Eleventh Report, the Monitor received 36 D&O Claims as at the Claims Bar Date, which were thereafter reviewed.
102. As at the present date, there remains three (3) D&O Claims under ongoing review by the Monitor, namely in relation to the Haffner PoC, to the Brozelco PoC and to the CNESST PoC, as well as two (2) D&O Claims relating to the Class Action File, which are expected to be disallowed given the Class Action Settlement and the orders issued by the Court relating to same, but remain pending for the time being.
103. The Monitor, with the assistance of the Petitioners, will continue its analysis of the remaining D&O Claims and their potential treatment, and will report further on same in due time.

iii. Scheduled Employees

104. Certain clarifications relating to paragraph 14 of the CPO were made by this Court in the *Order Extending the Stay of Proceedings, Approving a Settlement Payment and Other Ancillary Relief* issued on September 29, 2023. These clarifications declared that (i) paragraph 14 of the CPO does not apply to Scheduled Employees of BLA, and that (ii) this provision will apply, *mutatis mutandis* to Scheduled Employees who will have received a Notice of Scheduled Employee's Claim after June 22, 2023 (except if they already filed a Proof of Claim), such that they are afforded an additional 30-day delay to file a Proof of Claim despite the Claims Bar Date having passed.
105. As reported in its Eleventh Report, the Monitor identified two (2) former employees of FormerXBC Pennsylvania Company (TIT) who had not received a Notice of Scheduled Employee's Claim and had not filed a Proof of Claim, and to whom the WEPP is not available.
106. Given the impact for these last two (2) individuals, the Monitor undertook to issue to each a Notice of Scheduled Employee's Claim, providing an additional delay of thirty (30) days to file a Notice of Dispute, if they deem so necessary. These notices, as well an explanatory note, were sent to these two individuals on October 18, 2023 and no Notice of Dispute has been received as at the present date.

iv. Secured Claims

107. As part of the Claims Process, 33 Proof of Claims asserted a secured claim, including the Proof of Claims filed by NBC (12 Proofs of Claim) and EDC (12 Proofs of Claim) in relation to their respective claims, as well as London RNG in connection with the monies held in trust by the Monitor in accordance with the London RNG LC Order.
108. Following its review of Secured Claims received, the Monitor has issued 5 Notices of Revision or Disallowance in relation to secured claims, as these Proofs of Claim erroneously asserted a form of security. The remaining 4 other Proofs of Claim (including the one of London RNG, as further detailed below) which asserted a form of security remain under review and Notices of Revision or Disallowance may be sent in respect of same in the coming days and weeks.
109. In addition to the above, and as explained in separate sections herein, the Suspense Account Agreement provides for a deemed partial reduction of the EDC PSG Guarantee Subrogation Claim and the EDC Support Agreement provides for a determination of the EDC Secured Claim (in the estates of CAL, NOR, UEC and XBC) and the EDC Deficiency Claim (in the estates of

CAL, CDA, NOR, UEC, XBC and XHU), without the need for the Monitor to issue a Notice of Revision or Disallowance in respect of same.

v. Intercompany Claims

110. In the Eleventh Report, the Monitor indicated that it intended to issue a Notice of Revision or Disallowance to the Petitioners to adjust the amounts of the Proof of Claims, and to disallow Proofs of Claim where no amount was owed, after taking into consideration and providing for the compensation and set-off between these claims.
111. On October 13, 2023, the Monitor issued said notice to the Petitioners and no notice of dispute is expected to be received in regards to same.

vi. Late Claims

112. As at the date of this Twelfth Report, the Monitor has received a total of seventeen (17) Proofs of Claim which were filed after the Claims Bar Date. A table has been prepared by the Monitor and is provided at **Appendix C** of this Twelfth Report.
113. As indicated in the Eleventh Report, 33 Claim Packages were returned to the Monitor by the postal services, including 15 in relation to BLA. In the month of September 2023, the Monitor sent an email communication to these creditors, other than the BLA creditors and those who have already filed a Proof of Claim (to the address found in the Petitioners' records) to provide an electronic version of the Claims Package. Such creditors are given an additional thirty (30) days to file a Proof of Claim and, as at October 18, 2023, one (1) of them has done so.
114. The Monitor has proceeded to a preliminary review of the late claims received to date and has shared the information with the Petitioners. As at October 25, 2023, 12 late claims were filed against the Petitioners (except BLA), and 5 late claims were filed against BLA.
115. Further to the above-noted review of the Petitioners, the Petitioners have decided to include relief in relation to the approval of the filing of these late claims (other than those in respect of BLA for which no distribution is currently expected) for subsequent review and determination by the Monitor, which the Monitor supports.
116. The Monitor has no reason to believe that the late claimants have not acted in good faith.
117. At this stage, it should be clear however that the Monitor has not made any final determination relating to these late claims. If the order sought by the Petitioners is granted by the Court, the Monitor will proceed to the review and determination of these late claims and advise the relevant creditors accordingly, in accordance with the terms of the CPO, and will report to the Court as necessary.

vii. Claim filed by London RNG and Update on Issues relating to London RNG

118. The issues pertaining to London RNG have continued to be the object of ongoing analyses and discussions in the past weeks between the Monitor, the Petitioners and London RNG (and their respective counsel). The Monitor is also keeping EDC apprised of these discussions, as secured creditor of BLA.
119. Since the Eleventh Report, the Monitor and the Petitioners have held numerous exchanges and discussions in order to advance their settlement discussions, in view of attempting to finalize and enter into a resolution of certain mutual claims.

120. In addition, the Monitor was informed that, on October 16, 2023, the Petitioners and London RNG entered into a tolling agreement regarding the receivable claimed by BLA in the approximate amount of \$1.56M, in order notably to safeguard the Petitioners' rights given that the expiry of the limitation periods on such claim was approaching.
121. In addition to the abovementioned receivable, the Monitor is informed that additional amounts could be owed by London RNG and be claimed by BLA for work that has been advanced and not invoiced as well as holdback amounts, in the approximate amount of \$1.18M, the whole according to the Petitioners.
122. The Monitor will remain involved in the upcoming discussions and negotiations and will report further in due time.

## **V. SUPPORT AGREEMENT ENTERED INTO BETWEEN EDC AND THE PETITIONERS**

### **A. CONTEXT AND GENERAL STRUCTURE OF THE EDC SUPPORT AGREEMENT**

123. The Allocation Method was approved by the Court pursuant to the Allocation Order, which order was recognized by the U.S Court. As reported previously, the figures contained in the Allocation Method Report were illustrations of the Proposed Allocation Method and were thus not final and subject to change. Although several hypotheses and estimates have now been confirmed, amounts available for distribution remain estimates for the time being.
124. In the Proposed Allocation Application (see notably at paragraphs 104 to 115 thereof), the Monitor provided details as to the steps that would likely follow the issuance of the Allocation Order, which included the determination by the Monitor of the amounts available for distribution in each estate and the creditors of the respective Petitioners who should be entitled to such distribution as part of eventual plans of compromise.
125. As announced by the Monitor, such an analysis was notably dependent upon the completion of the claims process and the effect of the unperfected security of EDC on the cash balances held in the US in respect of CAL, NOR, UEC and XBC and these elements would be reflected in the eventual plans of compromise to be filed.
126. In order to advance this matter, the Monitor prepared analyses of various potential estimated distribution scenarios which were shared with EDC and the Petitioners and held several discussions to provide clarifications relating thereto.
127. The estimated distribution scenarios contained several methods and scenarios, the purpose of which were to reflect the different potential outcomes in the context of an agreement (or absence thereof) with EDC with the objective to identify and agree on a sharing formula between EDC and the unsecured creditors of CAL, NOR, UEC and XBC. An agreement would avoid litigating the issue, which would inevitably result in significant costs, delays and risks to the detriment of EDC and the other creditors of the Petitioners.
128. In the context of these discussions, EDC took the position that, regarding CAL, NOR, UEC and XBC, the Allocated Net Proceeds, the BLA Shortfall Repayment (as defined in the EDC Support Agreement) and the dividends received pursuant to any Plan of the Debtors each of should be distributed to EDC in full, despite the absence or lack of perfection of its security on the cash balances in the US (EDC's position in this respect is further detailed in the preamble of the EDC Support Agreement). The Monitor was not supportive of said position and was (and remains) of the view that such an outcome would result in an unfair treatment of the unsecured creditors of these entities, who would receive no distribution in this scenario.
129. Following these discussions and extensive negotiations that took place at the initiative of the Monitor and under its supervision, a compromise has been reached between EDC and the Petitioners.



130. EDC and the Petitioners, with the intervention of the Monitor, entered into the Plan Support and Settlement Agreement dated as of October 26, 2023 (the “**EDC Support Agreement**”), pursuant to which the parties agreed to the terms upon which EDC would support and vote in favor of the plans of compromise to be filed by each Plan Debtor, and on the sharing of the Allocated Net Proceeds and of the BLA Shortfall Repayment for each of CAL, NOR, UEC and XBC, the whole without admission and for the sole purpose of avoiding the costs, delays, risks and inconvenience of litigation, as set out more fully in the EDC Support Agreement which is filed in support of the Application.
131. The EDC Support Agreement, and the terms thereof including in particular the sharing formula, are an essential component of the Plans to be submitted to the creditors of the Petitioners (other than BLA).
132. Given the above, EDC and the Petitioners, with the support of the Monitor, have agreed to the following sharing formula on a per estate basis, which allows for an equitable split of Allocated Net Proceeds and the BLA Shortfall Repayment in these 4 estates between EDC (for its secured claim) and the unsecured creditors:

$$\begin{array}{l} \text{Amount} \\ \text{distributed} \\ \text{to the} \\ \text{unsecured} \\ \text{creditors} \end{array} = \left( \begin{array}{l} \text{Allocated} \\ \text{Net} \\ \text{Proceeds} \end{array} + \begin{array}{l} \text{BLA} \\ \text{Shortfall} \\ \text{Repayment} \end{array} \right) \times \frac{\text{US Cash on Filing Date}}{\begin{array}{l} \text{Proceeds} \\ \text{from} \\ \text{transaction} \end{array} + \begin{array}{l} \text{US Cash} \\ \text{on Filing} \\ \text{Date} \end{array}}$$

$$\begin{array}{l} \text{Amount} \\ \text{distributed} \\ \text{on account} \\ \text{of the EDC} \\ \text{Secured} \\ \text{Claim} \end{array} = \left( \begin{array}{l} \text{Allocated} \\ \text{Net} \\ \text{Proceeds} \end{array} + \begin{array}{l} \text{BLA} \\ \text{Shortfall} \\ \text{Repayment} \end{array} \right) \times \frac{\text{Proceeds from transaction}}{\begin{array}{l} \text{Proceeds} \\ \text{from} \\ \text{transaction} \end{array} + \begin{array}{l} \text{US Cash} \\ \text{on Filing} \\ \text{Date} \end{array}} + \begin{array}{l} \text{dividends received} \\ \text{pursuant to any} \\ \text{Plan of the other} \\ \text{Debtors} \end{array}$$

133. The EDC Support Agreement, based namely on this sharing formula, establishes the amount of the EDC Secured Claim in the plans of each of CAL, NOR, UEC and XBC and of the EDC Deficiency Claim (unsecured) in the plans of each of CAL, CDA, NOR, UEC, XBC and XHU.
134. As provided in the EDC Support Agreement, there are two particularities that should be noted in respect of the sharing formula, namely that:
- a) In all cases, the amount to be distributed to the unsecured creditors from the Allocated Net Proceeds shall never exceed the relevant Debtor’s US Cash on Filing Date; and
  - b) With respect to the Plan filed by XBC, to the extent that the amount to be distributed to the Affected Creditors calculated pursuant to the above formula is insufficient to make the distribution in full to the Convenience Creditors and, in respect of the other Affected Creditors, the first \$2,000 of their respective Proven Claims, the amount to be distributed to the Affected Creditors shall be increased to be sufficient to make such distributions by a portion of the BLA Shortfall Repayment of XBC and/or dividends received pursuant to any Plan of the other Debtors.
135. The EDC Support Agreement provides that BLA shall remit to EDC (i) the Allocated Net Proceeds, (ii) any distribution it receives as shareholder of GNR and of CAI, and (iii) any distribution it may receive pursuant to any Plan of the other Debtors (in connection with the respective BLA’s intercompany claims).

136. In consideration of the terms of the EDC Support Agreement, EDC shall, *inter alia*, support the filing, approval and sanction of the plans of compromise and vote in favor of same (where applicable). It will also receive payment of certain legal fees incurred and to be incurred until the implementation date of the plans of compromise.
137. The EDC Support Agreement contains the most recent estimated distribution scenario (the "**Estimated Distribution Analysis**") prepared by the Monitor, which is provided at **Appendix D** of this Twelfth Report. The Estimated Distribution Analysis 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 estimate of the distributions to the Affected Creditors who will be entitled to a distribution under the various plans of the Petitioners (other than BLA). The Estimated Distribution Analysis contains certain hypotheses and estimates, such that the figures contained therein are not final and remain subject to change.
138. The EDC Support Agreement is entered into without any admission by the parties and remains conditional upon its approval by the Court and the issuance of the Meeting Order. The EDC Support Agreement further provides that it may be terminated by the Petitioners or by EDC if the plans of the Petitioners (other than BLA) are not approved by the required majority of voting creditors or if the sanction order(s) and the recognition order of same in the US recognition proceedings are not issued.

#### **B. MONITOR'S RECOMMENDATIONS**

139. The Monitor remains of the opinion that a mutual agreement is in the best interest of the stakeholders of the Petitioners providing for an appropriate, fair and reasonable solution.
140. In the absence of a consensual solution, adjudication by the Court would be necessary before certain plan(s) can be filed and before distributions can be made, which will incur significant delays, costs and risks for all stakeholders.
141. In addition, the solution provided increases the likelihood of the approval of the plans of compromise and a successful restructuring outcome.

#### **VI. PLAN OF COMPROMISE TO BE SUBMITTED TO THE CREDITORS**

142. All capitalized terms not otherwise defined in this section shall have the meaning ascribed to them in the plans of compromise filed by the Petitioners (other than BLA) (the "**Plans**").

##### **A. DESCRIPTION OF THE GENERAL STRUCTURE OF THE PLANS**

143. The general structure and terms of the Plans are set forth in the plan template communicated in support of the Application. The difference in the plans in CAL, NOR, UEC and XBC resides mainly in the contemplated distribution proceeds for these entities, given the execution of the EDC Support Agreement and of the sharing formula contained therein.
144. Generally, pursuant to each Plan, the Affected Creditors are all Creditors of the relevant Plan Debtor with an Affected Claim, but only with respect to and to the extent of such Affected Claim. Each Plan Debtor's Affected Creditors shall comprise a single class for purposes of considering and voting on such Debtor's Plan.
145. The Affected Claims include all Claims except the Unaffected Claims, being the (i) Employee Priority Claims, (ii) Secured Claims including, for greater certainty, the EDC Secured Claim (as defined in each Plan), (iii) Excluded Claims, (iv) Post-Filing Claims; and the (v) Crown Priority Claims.

146. In terms of the proposed timeline, the Monitor will send the relevant notices and meeting materials to Affected Creditors no later than November 9, 2023, in view of convening and holding the Creditors' Meeting on November 30, 2023. Affected Creditors will have until November 28, 2023 to file Pre-Registration and Proxy and Voting Forms with the Monitor.
147. Should the Plans be approved by the Required Majority of Affected Creditors for each Plan, the Petitioners intends to seek the issuance of a Sanction Order by the Court in respect of each Plan and shall file a Sanction Application on or about December 8, 2023, to be heard on December 15, 2023.

**i. PLANS WHERE EDC HAS SECURITY (CAL, NOR, UEC & XBC)**

148. As described above, the main distinction in regards to the Plans of CAL, NOR, UEC and XBC stems from the effect of the sharing of Allocated Net Proceeds and the BLA Shortfall Repayments, further to the sharing formula agreed upon in the EDC Support Agreement.
149. The Distribution Proceeds available for distribution to the Affected Creditors under those Plans are established by the application of (i) the Allocation Method approved by the Allocation Order and (ii) the sharing formula provided by the EDC Support Agreement.
150. In these Plans and in accordance with the EDC Support Agreement, the dividends to be received pursuant to the Plans of the other Debtors (in connection with the respective Debtor's intercompany claims) are to be distributed to EDC.
151. The Estimated Distribution Analysis presents an estimate of the distributions and recoveries of the Affected Creditors under those Plans.

**ii. PLANS IN OTHER ENTITIES WHERE EDC HAS NO SECURITY (ACS, AIR, CDA, TIT, XHU, XSU)**

152. EDC is not a secured creditor in these estates, such that these Plans are not subject to the sharing formula referred to above. Hence, the Distribution Proceeds under these Plans are composed of the Allocated Net Proceeds (established by the Allocation Method approved by the Allocation Order), the BLA Shortfall Repayment and the dividends to be received pursuant to the Plans of the other Debtors (in connection with the respective Debtor's intercompany claims).
153. These Distribution Proceeds are proposed to be distributed to the Affected Creditors as follows:
- a) first, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and, to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
  - b) second, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

**iii. PLAN IN CAI**

154. As is the case in respect of the entities mentioned in the previous section, EDC has no security against CAI.
155. Furthermore, the Estimated Distribution Analysis anticipates that the totality of Proven Claims filed against CAI will be paid in full in the event of the approval of the Plans.
156. Given that 100% of the amounts owed to creditors of CAI is expected to be distributed, the

Monitor believes that interest at the rate of 5%, calculated from the Filing Date until the issuance of the Meeting Order (which represents an approximate aggregate amount of \$50K) should apply to such Claims, as the creditors of CAI could theoretically receive such interest in the context of a bankruptcy pursuant to the BIA and in the event where the Plans would not be approved. The balance of the Distribution Proceeds is to be remitted to BLA, as shareholder of CAI.

157. Such a measure is also a component of the EDC Support Agreement and is a fair treatment of the unsecured creditors of CAI.

**B. CONVENIENCE CLASS IN THE PLANS**

158. The Monitor has undertaken this process and analysis on a cost/benefit basis and in view of protecting the interests of smaller unsecured creditors who are, generally, more vulnerable, less sophisticated and who may not otherwise feel compelled to participate and vote in relation to the Plans, given the low amount of their Proven Claims.
159. The Convenience Amount of \$2K has been determined by the Monitor in the context of this cost/benefit analysis and by balancing (i) the scope of the relief to be made available to as many small creditors as possible, and (ii) the costs that would need to be bore by other creditors relating thereto.
160. The Convenience Amount allows for the full reimbursement of more than 39 small creditors (in the estate of all Petitioners, except for BLA, CAI and GNR) and for a payment of a minimum sum of \$2K to all creditors (except if the Claim is inferior to said amount).
161. The aggregate costs to the payment of the Convenience Amount in the 11 Plans is estimated at approximately \$467K, a significant portion of which is ultimately sustained by EDC.
162. Moreover, the creation of a convenience class aims to maximize the perspective of the approval of the Plans, to the benefit of all stakeholders of the Petitioners, and comes to a minor cost to other creditors, as the amounts available for subsequent recovery and distribution is minimally impacted.

**C. AUTHORIZATION PROVIDED TO THE PETITIONERS BY THE CREDITORS OF A PETITIONER TO VOTE IN THE OTHER PETITIONER PLANS**

163. In the Eleventh Report (at paragraphs 164 and following and in Appendix G thereof), the Monitor provided a detailed report of the intercompany Proven Claims. As reported herein, the Notice of Revision or Disallowance to adjust and review the amounts of the intercompany Proof of Claims was sent on October 13, 2023.
164. Further to same, and as detailed in Appendix G of the Eleventh Report, the net intercompany amounts owed by and to the Petitioners is now known.
165. An essential component of the Plans in relation to these intercompany Proven Claims is to provide for (i) the assignment of the votes attached to these claims to the Affected Creditors (as defined in the Plans), and the (ii) nomination and appointment of the Monitor by the Affected Creditors to attend, act and vote on behalf of them in favor of the plan of such other Petitioner, namely the Petitioner in relation to whom an intercompany Proven Claim is asserted.

166. The abovementioned assignment mechanism, provided for in the Plans and which is approved by the Affected Creditors (in the context of the vote on the Plans) is aligned with the structure of the Plans and considered fair by the Monitor, as the vote is ultimately exercised by the creditors of the relevant Debtor who are not a “related person” and are those with the economic interest in connection with such intercompany claims.

#### **D. DISSOLUTION OF GNR**

167. Following the completion of the Claims Process, no claim was filed by a creditor against GNR, with the exception of the intercompany claim of BLA, as reported previously in the Eleventh Report.
168. Given the above, the Petitioners, in consultation with the Monitor, intend to proceed with the appropriate steps and measures required to dissolve GNR and transfer any assets and proceeds to the estate of BLA as the ultimate parent company of GNR.
169. Given the above, no plan of compromise will be filed in respect of GNR.
170. The Monitor will provide an update on the status of GNR and of the dissolution measures to be implemented in relation thereto in a subsequent report.

#### **E. RESERVES PROVIDED UNDER THE PLANS**

171. The Plans provide for the constitution of an “Administrative Reserve” to be held by the Monitor, the amount of which shall be approved by the Court pursuant to the Sanction Order.
172. The costs to be paid out the Administrative Reserve include all amounts outstanding on in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), 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 Debtor’s 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, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion.
173. The Administrative Reserve is considered as Restructuring Costs in order to arrive at the final determination of the Allocated Net Proceeds.
174. The Plans also provides for the constitution of a Disputed Claims Reserve in relation to any remaining Disputed Claims at the time of the distribution to the Affected Creditors.
175. In the event that there is a non-significant amount left in the reserves, the Plans authorize the Monitor to establish the amount that should 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 donate any remaining balance to the charitable organizations Centraide du Grand Montréal and Welcome Collective equally. This is a fair solution in the context where the costs of a subsequent distribution would not be justified given the amount available to be distributed.

**F. MONITOR'S RECOMMENDATIONS IN RELATION TO THE APPROVAL OF THE FILING OF THE PLANS AND THE MEETING ORDER**

176. The Monitor believes that the filing of Plans allows to arrive at an efficient, orderly and timely distribution to the creditors and conclusion of the CCAA proceedings, in the best interests of all the stakeholders of the Petitioners.
177. The Monitor further believes that these objectives are best attained particularly in light of the agreement with EDC pursuant to which it supports the Plans, hence avoiding potential litigation and the inherent delays, costs and risks, and is therefore supportive of the compromises made as part of the EDC Support Agreement, including without limitation the sharing formula provided therein.
178. In the opinion of the Monitor, and of the Petitioners, the absence of such an agreement and compromise would likely result in the absence of the distribution which is expected to occur in the first quarter of 2024 and in significant professional and legal costs and delays, as well as the uncertainty relating to litigation that may result notably from bankruptcy filings in the United States. Such a situation would not be to the advantage of the unsecured creditors.
179. Moreover, funding would likely be required to be advanced by unsecured creditors should the path of litigation against EDC be chosen in relation to the effect of the unperfected security and of the respective rights that these parties may wish to assert against the US Cash at the Filing Date in CAL, NOR, UEC and XBC.
180. The Monitor and the Petitioners are of the opinion that the current scenario contemplated by the EDC Support Agreement and the terms of the Plans, which includes a sharing formula between EDC and the Affected Creditors and which allows to secure the support of an important secured creditor in the Plans, are clearly favorable to the unsecured creditors of the Petitioners.
181. The alternative to the filing and approval of these Plans, which would likely involve the initiation of bankruptcy proceedings in the US and in Canada, will not yield a better outcome and will irremediably result in significant costs and delays as well as severe uncertainty in relation to a potential distribution to unsecured creditors and the outcome of litigation proceedings.
182. The Monitor firmly believes that the Plans are more advantageous to the unsecured creditors than the alternative.
183. In closing, stakeholders and creditors are advised that the Monitor will submit a detailed report on the treatment and monetary distributions anticipated in the Plans, prior to the date of the Creditors' Meeting which is scheduled to be held on November 30, 2023.

**VII. UPDATED OUTLINE OF NEXT STEPS AND MILESTONES**

184. In the Tenth Report and Eleventh Report, the Monitor and the Petitioners prepared an approximate timeline of the upcoming material steps and milestones in these CCAA proceedings.
185. Given notably certain modifications in the upcoming hearing dates in the CCAA proceedings and the fact that no recognition of the meeting order in the US will be necessary, an update of this table has been included at **Appendix E** hereto.
186. Readers should remain cautioned that this outline is subject, *inter alia*, to the ongoing CCAA Proceedings, as well as the availability of the Courts both in Canada and the U.S. The outline is therefore subject to material changes and is solely provided for information purposes and on an indicative basis.

**VIII. MONITOR'S CONCLUSIONS AND RECOMMENDATIONS**

187. In the context referred to above and herein, the Monitor supports the relief sought in the Application, including, *inter alia*, the (i) filing of the Plans, (ii) convening meetings of creditors, (iii) setting a date for the hearing on the sanction order(s) to be sought from the Court, (iv) approving the EDC Support Agreement (as defined herein), and (v) authorizing the review of late claims.
188. It is the Monitor's view that the continuation of the Restructuring Process and the relief sought by the Petitioners is beneficial to the creditors and stakeholders as a whole.
189. The Monitor is of the opinion that the Petitioners have acted, and are acting, in good faith and with diligence and that the relief sought in the Application is justified and appropriate.


**DATED AT MONTREAL**, this 27<sup>th</sup> day of October 2023.

**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 – Recapitulation of Transactions

### XEBEC ADSORPTION INC. & AI.

Transaction summary  
As of October 24, 2023

Bidder	Notes	Closing Date	Petitioners													Non-Petitioners			
			BLA	CAI	ACS	GNR	CAL	CDA	NOR	AIR	TIT	XBC	UEC	XSU	TIGER	Shanghai	HyGear	ITA	Inmatec
<b>Transactions part of the SISP Process</b>																			
Forum Family Office		27-Jan-23																*	
HoSt Bioenergy Systems		6-Feb-23																	*
1396905 B.C. LTD		7-Feb-23			*														
FSTQ		15-Feb-23				*													
Sullair		21-Feb-23					*												
Ivys Energy Solutions		24-Feb-23	*															*	
Next Air & Gas		14-Mar-23							*										
Curtis-Toledo		15-Mar-23								*									
Fluid-Aire Dynamics		20-Mar-23									*								
Total Energy Systems		23-Mar-23										*							
EnergyLink		5-Apr-23											*						

**1** Following the Phase 2 Bid and Remaining Assets Bid Deadline, these entities did not receive an acceptable binding offer, as further detailed in the Fifth Report.

**2** Xebec Italy filed an assignment in bankruptcy under applicable Italian laws. These assets are being liquidated as part of the bankruptcy. BLA submitted a claim in the bankruptcy of Xebec Italy and may benefit from a potential distribution following the liquidation of the assets and the administration of the bankruptcy.

**3** Inmatec Germany filed formal insolvency proceedings under applicable German laws at the end of March 2023. The Monitor understands that a transaction has occurred for the business of Inmatec and that BLA filed a proof of claim for amounts owed by Inmatec, which amounts were reviewed by the Monitor. To the extent that there is a distribution to BLA as unsecured creditor, this could impact the realization proceeds available to distribution to the Petitioners' creditors.

#### Other Remaining Assets

Air Products	4	22-Apr-23												*					
Western Midstream	5	19-Jul-23												*					
Biostream	6	11-Oct-23												*					
Enerphase Vehicles	7	4-May-23								*									
Filters	8	11-Oct-23												*					
Claims to non-petitioners (ITA)	2	TBD	*															Claim	
Claims to non-petitioners (Inmatec)	3	TBD	*																Claim
London RNG	9	TBD	*																

**4** A transaction took place on April 22, 2023 with Air Products for the inventory related to their contract with UEC. This inventory was specifically excluded from the transaction with Energy Link.

**5** Specific assets related to the contract between UEC and Western Midstream were excluded from the transaction with Energy Link. A Settlement and Mutual Release Agreement between Western Midstream and UEC was executed on July 7, 2023 and the Western transaction closed on July 19, 2023.

**6** The closing of the Biostream/Brightmark Assets Transaction occurred on October 11, 2023, at which date the Monitor received the balance of the purchase price in the amount of \$2,087,940.60 from Ivys (excluding the deposit in the amount of \$100K which was already held by the Monitor). As indicated in the Eleventh Report, the Biostream/Brightmark Assets Transaction includes the XSU Filters which have no significant or nominal net value. It should also be noted that the purchase price includes sales taxes that will need to be remitted by the Petitioners and that have been included in the Cash Flow Statement.

**7** Management, with the support of the Monitor, concluded the sale of the vehicles owned by Enerphase Industrial Solutions Inc. (AIR).

**8** Filters are part of the Biostream transaction (refer to Note 6).

**9** 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 OGU58735 (the "LRNG LC") are currently held as a reserve in a distinct trust account until determination of the parties' respective rights under the LRNG 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.





## Appendix C – Late Claims Overview

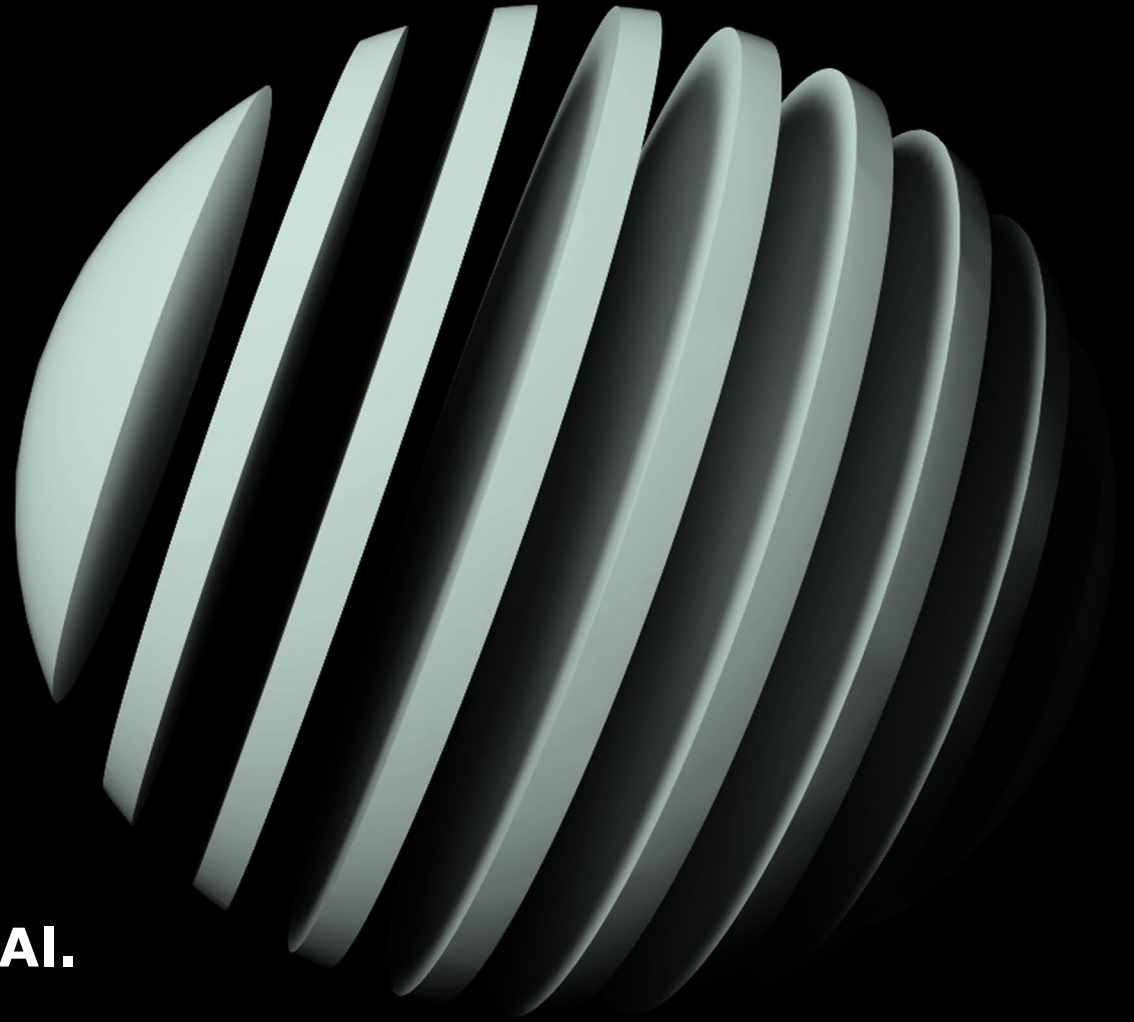
FORMERXBC & AL.						
Late Claim Overview		Claimed Amount - As per PoC (in original currency)				
Entity	Date	Unsecured	Secured	Restructuring	D&O	Currency
<i>Application to be filed by the Petitioners to the treatment of the late claims below :</i>						
ACS	27-Jul-23	3,754.49	-	-	-	CAD
CAI	27-Sep-23	14,035.73	-	14,035.73	-	CAD
CAL	27-Jul-23	25,379.90	-	-	-	USD
CAL	23-Aug-23	10,981.04	-	-	-	USD
TIT	3-Aug-23	206,000.00	-	-	-	USD
TIT	3-Aug-23	450,000.00	-	-	-	USD
UEC	7-Sep-23	54,448.00	-	-	-	USD
UEC	16-Aug-23	7,667.00	-	-	-	USD
UEC	21-Sep-23	3,380.06	-	-	-	USD
UEC	21-Sep-23	1,030.43	-	-	-	USD
UEC	9-Aug-23	4,567.24	-	4,567.24	-	USD
UEC	1-Aug-23	4,125.96	-	-	-	USD

*Note that certain Notices of Revision or Disallowance would need to be sent*

*BLA late claims - No application to be filed by the Petitioners :*

BLA	14-Sep-23	5,096.16	-	-	-	CAD
BLA	16-Aug-23	62,514.20	-	-	-	CAD
BLA	5-Oct-23	11,194.20	-	-	-	USD
BLA	28-Sep-23	16,640.70	-	-	-	CAD
BLA	28-Aug-23	48,337.95	-	48,337.95	-	USD

## **Appendix D – Estimated Distribution Analysis**



**FORMERXBC INC.  
(formerly, Xebec Adsorption Inc.) & AI.  
Estimated Distribution  
October 26, 2023**

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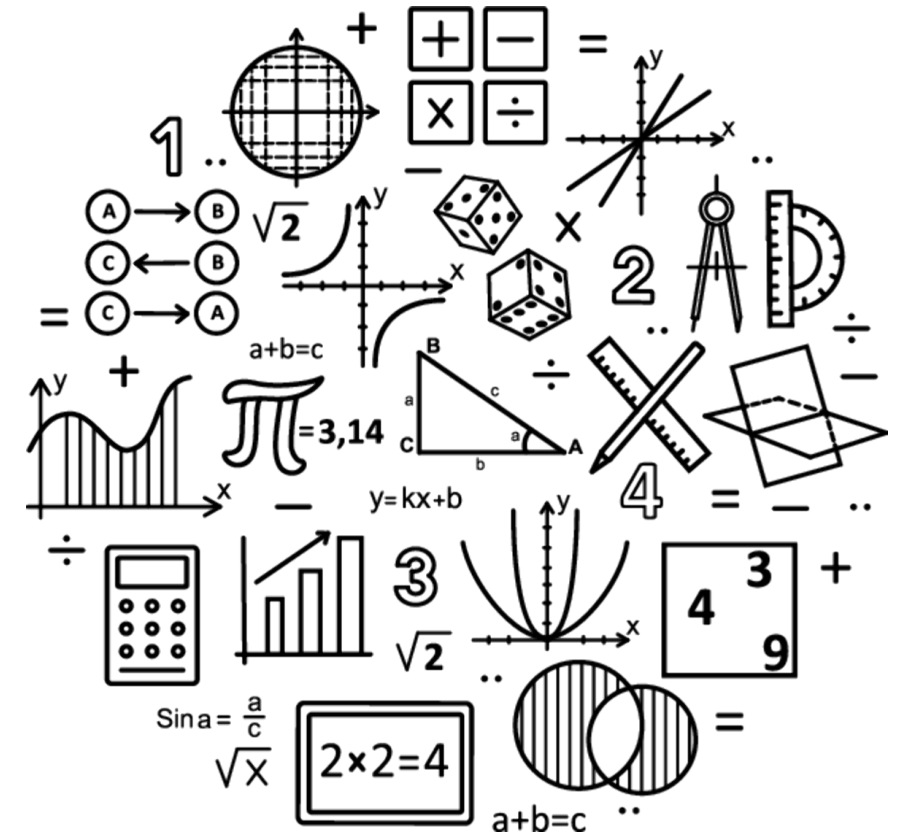
Appendices

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# Introduction & Restrictions

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## This document is subject to the following restrictions and limitations:

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- Further to the Order to Approve a Proposed Allocation Plan approving the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by Deloitte Restructuring Inc. ("**Deloitte**" or the "**Monitor**"), (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the "**Allocated Net Proceeds**" and the "**Allocation Method**") approved by the CCAA Court on June 29, 2023, the Monitor has prepared the attached Estimated Distribution of the Allocated Net Proceeds and certain other funds (the "**Estimated Distribution**") in respect of Former XBC Inc. (formerly Xebec Adsorption Inc.) and the other Petitioners (collectively, "Xebec" or the "Company") as part of the ongoing proceedings under the Companies' Creditors Arrangement Act (Canada) (the "CCAA") supervised by the Superior Court of Québec (the "Court")
- The CCAA proceedings were initiated by a First Day Initial Order rendered on September 29, 2022 (the "**Filing Date**"), pursuant to which, namely, Deloitte was appointed as Monitor. The First Day Initial Order has been extended, amended and restated by orders of the Court rendered from time to time, including by the Fifth Amended and Restated Initial Order dated March 27, 2023 (the "**Fifth ARIO**").
- This Estimated Distribution was prepared by the Monitor with the assistance of Xebec's management and based on available information from Xebec and from the CCAA proceedings.
- Readers should be cautioned that this report presents the Estimated Distribution, and not the final amounts available for distribution to creditors. In this report, the Estimated Distribution contains certain amounts that are estimates and accordingly will be subsequently adjusted based on future events, transactions and actual receipts and disbursements. The final calculation will be presented to the Court in due time prior to a distribution to the creditors, further to, or at the time of, the sanction of plans of compromise, as the case may be.
- Moreover, be advised that the Estimated Distribution does not currently take into account certain elements, including without limitation:
  - The professional fees and costs to be incurred after December 16, 2023 to the end of the file, including with respect to the monetization of certain remaining assets, the determination of the various creditors' rights, the distributions to the various creditors (as part of plans of arrangement or otherwise), and the orderly wind-down of the various entities, other than by including a theoretical amount corresponding to the amount the Administration Charge granted by the CCAA Court;
  - The impact of actuals costs in comparison with the projections for the period from September 17, 2023 to December 16, 2023;
  - The potential post-filing claims that may be made against the Petitioners;
  - The review of certain proofs of claim which is ongoing, and potential appeals of the decisions of the Monitor on the review of proofs of claim;
  - The potential adjustments of the Petitioners' books and records; and
  - The potential impact of the foreign exchange rates on the calculation.

# Introduction & Restrictions

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## **This document is subject to the following restrictions and limitations:**

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- The Estimated Distribution does not constitute an opinion and/or an admission whatsoever from the Monitor in respect to the potential recovery of any party and may not be interpreted or used as such.
- Without limiting the foregoing and in preparing the Estimated Distribution, 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 herein:
  - 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
  - Some of the information referred to in this Estimated Distribution consists of estimates, forecasts and projections. An examination or review of the financial estimates, forecasts and projections has not been performed.
- Future oriented financial information referred to in this Estimated Distribution, including in respect of professional fees and restructuring costs, was prepared based on the cash flow projections for the period ending December 16, 2023 filed with the Court pursuant to Management's estimates and assumptions, and adding the theoretical amount of the Administration Charge for the period from and after December 16, 2023 for which there are no cash flow projections yet. 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.
- Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Estimated Distribution concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.
- Unless otherwise indicated, all amounts are presented in Canadian dollars. In addition, due to the fact that some information is presented in thousands of dollars, there might be some rounding differences in this presentation, that will however not materially impact the final calculation.
- Unless otherwise indicated and where applicable, amounts denominated in foreign currencies were converted with the foreign exchange rate as at September 15, 2023 per the Bank of Canada.

# Definitions

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- **BLA Shortfall Repayment:** Shall mean the deemed repayment by each of the applicable Debtors of the shortfall of BLA pursuant to subparagraph 51(c)(f) of the Allocation Order.
- **Convenience Amount:** Shall mean the amount of \$2,000, as set forth in the Plans.
- **Convenience Class ("CC"):** Payment, to each Convenience Creditor, of the lesser of the amount of its proven claim or the Convenience Amount, and, to each affected creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount;
- **Convenience Creditor:** Shall mean, for each Petitioner, an affected creditor holding a proven claim in an amount less than, or equal to, the Convenience Amount.
- **DIP Financing or Interim Financing:** The First DIP from EDC and NBC and the Second and Third DIP from EDC approved by the Court during the CCAA proceedings, for a total principal amount of \$8.95M and secured by a court-ordered charge.
- **EDC Claim:** Shall mean claims of EDC in the amount of CAD 16,910,325 (converted from USD as of the Filing Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are herein reduced by EDC to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Filing Date in the aggregate amount of CAD 987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order.
- **EDC Deficiency Claim:** Shall mean the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plans of CDA, CAL, NOR, UEC, XBC and XHU.
- **EDC Secured Claim:** EDC Secured Claim shall mean, as defined in the EDC Support Agreement, the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the EDC Support Agreement, plus any amount of Allocated Net Proceeds of BLA. The EDC Secured Claim is currently estimated at CAD 5,443,494 (converted from USD as of the Filing Date), as illustrated in current document, and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any Plan of the other Debtors pursuant to paragraph 2.3 of the EDC Support Agreement.
- **EDC Subrogated Claim:** Shall mean collectively EDC's revised claims in the original amounts of USD 360,000.00, CAD 2,394,010.18, and CAD 200,000 (which is contingent and related to the letter of credit issued to Enbridge) relating to the Account Performance Security Guarantee to NBC, guaranteeing, inter alia, (i) amounts of principal and interest owed to NBC by BLA pursuant to the Letters of Guarantee Credit Facility, the whole up to the Maximum Guaranteed Amount of CAD 16,500,000, as set out and defined in the Account PSG Certificate of Cover dated February 9, 2022, pursuant to which EDC is subrogated in NBC's rights and interest in NBC's security, as reduced by the payments made to EDC in the amounts of CAD 2,416,988.69 and CAD 261,813.48 pursuant to the Agreement in Respect of the Release of Surplus Funds Held in a NBC's Suspense Account and of Funds Held in a Monitor's Trust Account dated October 23, 2023.
- **Filing Date:** September 29, 2022, being the date of the First Day Initial Order rendered by the Court.
- **Intercompany Transactions:** The intercompany monetary transfers, intercompany sales and purchases (unpaid) and corporate overhead recharges since the Filing Date. This includes all Intercompany Transactions defined in the Fifth ARIO, other than the restructuring costs, the Secured Debt Reimbursements and the interim financing receipts and repayments.
- **KERP:** Key employee retention plan approved by the Court and paid to key employees and secured by a prior ranking charge.
- **Petitioners / Debtors:** Debtors and petitioners subject to the protection of the Court as detailed in the Initial Order and in the Subsequent Amended and Restated orders rendered by the Court, including the Fifth ARIO. Refer to Appendix E for the naming convention and entity codes.

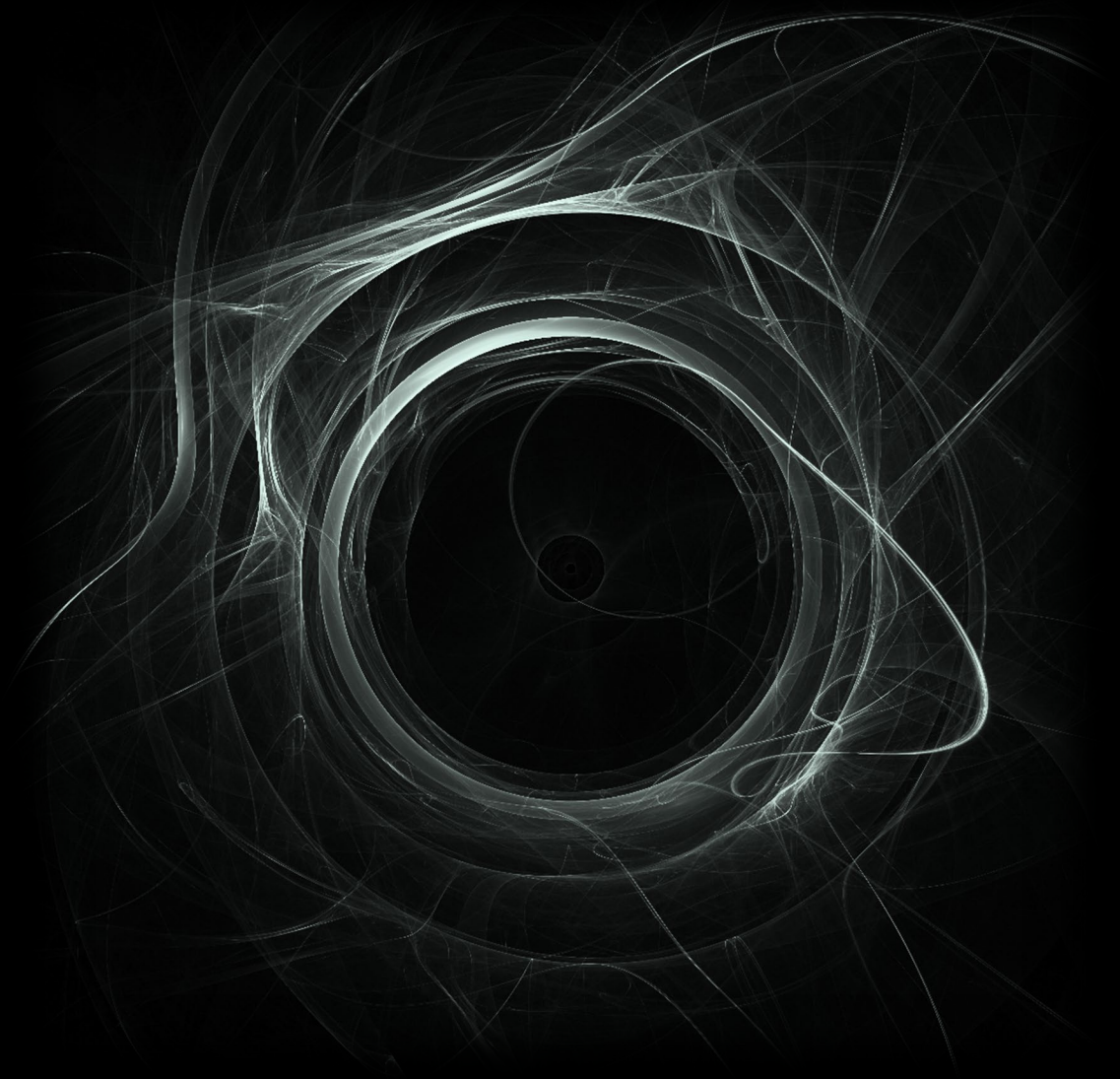


# Definitions

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- **Proceeds from transactions:** Shall mean the amount of the proceeds allocated to a Debtor in accordance with the Allocation Method and subparagraph 51(a) of the Allocation Order. This includes all of the sale transactions involving the Petitioners for which the proceeds were received by the Monitor, as well as the estimated impact of the BLA recovery from Xebec UK further to the Xebec UK transaction realized as part of the SISP and the subrogation of Xebec UK in the rights of NBC.
- **Restructuring Costs:** Include the professional fees (Petitioners' counsel in Canada, the U.S. and the foreign jurisdictions, Monitor, Monitor's counsel in Canada and in the U.S., NBC's counsel in Canada, in the U.S. and in the U.K., NBC's financial advisor, EDC's counsel in Canada and in the U.S, EDC's financial advisor), the fees of National Bank Financial as part of the SISP (monthly fee and Transaction Fee), the interest and fees on the DIP Financing, the KERP, as well as BLA and XSU disbursements since the month of May 2023.
- **Secured Debt Reimbursements:** The reimbursements of capital, interest and fees made to NBC since the Filing Date and the reimbursements of capital (after recharacterization of all amounts paid as capital reimbursements) made to EDC since the Filing Date, excluding reimbursements under the Interim Financing. This also includes the estimated impact of the reimbursement of Xebec UK as subrogated in the rights of NBC as well as the estimated future repayments of the outstanding letters of credit.
- **SISP:** Sale and Investment Solicitation Process ("SISP") approved by the Court.
- **Entity Naming Convention:** Please refer to **Appendix E** for full list of Group Naming Convention and Entity Codes

# Xebec Estimated Distribution



# Xebec – Estimated Distribution

## Executive Summary – Estimated Distribution overview

XEBEC ADSORPTION INC. & AI. Estimated Distribution As at September 15, 2023 - In thousands CAD	Consolidated All Petionners	EDC		EDC			EDC		EDC		EDC		EDC		
		Petitioners													
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU	XHU	
<b>Allocated Net Proceeds</b>	<b>14,479</b>	<b>1,329</b>	<b>1,662</b>	-	<b>1,334</b>	<b>1,137</b>	<b>4,715</b>	<b>296</b>	<b>698</b>	<b>1,431</b>	<b>30</b>	<b>1,596</b>	<b>235</b>	<b>13</b>	
Amounts distributed on the account of the EDC Secured Claim	(5,443)	-	(1,533)	-	-	-	(2,506)	(287)	-	(1,117)	-	-	-	-	
<b>Remaining Allocated Net Proceeds</b>	<b>9,035</b>	<b>1,329</b>	<b>129</b>	-	<b>1,334</b>	<b>1,137</b>	<b>2,209</b>	<b>10</b>	<b>698</b>	<b>314</b>	<b>30</b>	<b>1,596</b>	<b>235</b>	<b>13</b>	
<b>Convenience class ("CC")</b>															
Unsecured - External Others	(402)	(11)	(36)	-	-	(44)	(191)	(18)	(31)	(39)	-	(20)	(6)	(6)	
Unsecured - External EDC	(12)	(2)	(2)	-	-	-	(2)	(2)	-	(2)	-	-	-	(2)	
Unsecured - Interco	(57)	(6)	(8)	-	-	(4)	(4)	(8)	(4)	(12)	-	(5)	(4)	(2)	
<b>Total - CC payment</b>	<b>(471)</b>	<b>(19)</b>	<b>(46)</b>	-	-	<b>(48)</b>	<b>(197)</b>	<b>(28)</b>	<b>(35)</b>	<b>(53)</b>	-	<b>(25)</b>	<b>(10)</b>	<b>(10)</b>	
<b>Remaining Allocated Net Proceeds</b>	<b>8,564</b>	<b>1,309</b>	<b>83</b>	-	<b>1,334</b>	<b>1,090</b>	<b>2,012</b>	<b>(19)</b>	<b>663</b>	<b>261</b>	<b>30</b>	<b>1,572</b>	<b>225</b>	<b>3</b>	
Unsecured distributions under other debtors' plans (CC payments)	57	4	3	18	-	2	4	4	2	2	-	2	14	2	
Unsecured distributions under other debtors' plans (other than CC payments)	5,307	6	3	3,798	-	203	1	18	-	1	-	3	1,238	36	
BLA Shortfall Repayment	(0)	182	92	(551)	64	16	78	18	57	3	1	41	-	-	
Distribution to BLA as shareholder	0	-	-	91	(60)	-	-	-	-	-	(31)	-	-	-	
<b>Remaining Allocated Net Proceeds &amp; amounts received from other debtors</b>	<b>13,928</b>	<b>1,501</b>	<b>182</b>	<b>3,355</b>	<b>1,338</b>	<b>1,311</b>	<b>2,096</b>	<b>21</b>	<b>721</b>	<b>267</b>	<b>1</b>	<b>1,618</b>	<b>1,477</b>	<b>41</b>	
Additional EDC Secured Claim collections from dividends under other debtors' plans	(3,520)	-	(91)	(3,355)	-	-	(47)	(21)	-	(6)	-	-	-	-	
<b>Remaining Allocated Net Proceeds</b>	<b>10,407</b>	<b>1,501</b>	<b>90</b>	-	<b>1,338</b>	<b>1,311</b>	<b>2,049</b>	<b>0</b>	<b>721</b>	<b>261</b>	<b>1</b>	<b>1,618</b>	<b>1,477</b>	<b>41</b>	
Unsecured - External Others	(2,615)	(3)	(6)	-	(420)	(240)	(1,005)	-	(440)	(19)	-	(457)	(23)	(1)	
Unsecured - External EDC	(2,486)	(1,392)	(72)	-	-	-	(823)	-	(0)	(189)	0	0	-	(10)	
Unsecured - Interco	(5,307)	(106)	(12)	-	(918)	(1,071)	(220)	-	(281)	(53)	(1)	(1,160)	(1,454)	(30)	
<b>Total - Unsecured creditors distribution</b>	<b>(10,407)</b>	<b>(1,501)</b>	<b>(90)</b>	-	<b>(1,338)</b>	<b>(1,311)</b>	<b>(2,049)</b>	-	<b>(721)</b>	<b>(261)</b>	<b>(1)</b>	<b>(1,618)</b>	<b>(1,477)</b>	<b>(41)</b>	
<b>Remaining Allocated Net Proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Unsecured creditors - Total recovery including CC payments</b>															
Unsecured - External Others	(3,017)	(15)	(42)	-	(420)	(284)	(1,196)	(18)	(471)	(58)	-	(477)	(29)	(7)	
Unsecured - External EDC	(2,498)	(1,394)	(74)	-	-	-	(825)	(2)	(0)	(191)	0	0	-	(12)	
Unsecured - Interco	(5,363)	(112)	(20)	-	(918)	(1,075)	(224)	(8)	(285)	(65)	(1)	(1,165)	(1,458)	(32)	
<b>Total</b>	<b>(10,879)</b>	<b>(1,521)</b>	<b>(136)</b>	-	<b>(1,338)</b>	<b>(1,358)</b>	<b>(2,246)</b>	<b>(28)</b>	<b>(756)</b>	<b>(314)</b>	<b>(1)</b>	<b>(1,642)</b>	<b>(1,487)</b>	<b>(51)</b>	
<b>Unsecured creditors - Total recovery including CC payments (%)</b>															
Unsecured - External Others		37.3%	4.6%	0.0%	105.4%	36.9%	8.4%	2.6%	34.0%	5.0%	0.0%	86.2%	26.0%	0.7%	
Unsecured - External EDC		12.2%	0.6%	0.0%	0.0%	0.0%	7.2%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.1%	
Unsecured - Interco		12.7%	1.0%	0.0%	105.4%	33.2%	7.3%	0.2%	32.8%	2.0%	100.0%	85.7%	21.8%	0.1%	
<b>Total</b>		<b>12.3%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>105.4%</b>	<b>33.9%</b>	<b>7.8%</b>	<b>0.2%</b>	<b>33.6%</b>	<b>2.0%</b>	<b>100.0%</b>	<b>85.8%</b>	<b>21.9%</b>	<b>0.1%</b>	
Unsecured - External Others - less than 10,000		48.3%	38.8%	0.0%	105.4%	78.0%	49.3%	61.0%	68.0%	42.1%	0.0%	90.1%	43.2%	0.0%	
Unsecured - External Others - between 10,000-25,000		28.2%	14.3%	0.0%	0.0%	40.2%	18.6%	8.9%	41.1%	13.4%	0.0%	87.8%	0.0%	9.1%	
Unsecured - External Others - between 25,000-50,000		0.0%	6.3%	0.0%	105.4%	37.5%	12.4%	0.0%	36.8%	7.6%	0.0%	0.0%	25.7%	0.0%	
Unsecured - External Others - between 50,000-100,000		0.0%	4.1%	0.0%	105.4%	34.9%	9.8%	2.2%	34.4%	4.2%	0.0%	86.0%	24.2%	0.0%	
Unsecured - External Others - over 100,000		0.0%	1.2%	0.0%	105.4%	33.8%	7.5%	0.7%	33.0%	2.4%	0.0%	85.8%	0.0%	0.5%	
<b>Total</b>		<b>37.3%</b>	<b>4.6%</b>	<b>0.0%</b>	<b>105.4%</b>	<b>36.9%</b>	<b>8.4%</b>	<b>2.6%</b>	<b>34.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>86.2%</b>	<b>26.0%</b>	<b>0.7%</b>	

# Xebec – Estimated Distribution

## Executive Summary – EDC distribution overview

<b>EDC - Distribution overview</b>		
As at September 15, 2023 - In thousands CAD		
	<b>Notes</b>	<b>Distribution</b>
<b>EDC Subrogated Claim</b>		
Drawn LC		(491)
Drawn LC - London RNG (Subject to Court decision or settlement)	<b>1</b>	(2,394)
Outstanding LC		(200)
<b>Total - EDC Subrogated Claim</b>	<b>A</b>	<b>(3,085)</b>
<b>EDC Claim</b>		
Amounts distributed on the account of the EDC Secured Claim	<b>2</b>	(5,443)
Additional EDC Secured Claim collections from dividends under other debtors' plans	<b>3</b>	(3,520)
Unsecured - External EDC	<b>4</b>	(2,486)
Unsecured - External EDC - Convenience Class	<b>4</b>	(12)
<b>Total - EDC Claim</b>	<b>B</b>	<b>(11,462)</b>
<b>EDC - Amounts collected post-filing from the Debtors' bank accounts</b>		
EDC - Secured debt - Reimbursement		(1,007)
EDC - Secured debt - Fees and Interest (Capital reimbursement)	<b>5</b>	(988)
<b>Total - EDC - Amounts collected post-filing from the Debtors' bank accounts</b>	<b>C</b>	<b>(1,995)</b>
<b>Total - EDC projected distribution</b>	<b>ΣA to C</b>	<b>(16,541)</b>
<b>EDC outstanding debt as at Filing Date (before post filing capital reimbursement)</b>	<b>6</b>	<b>21,993</b>
<b>EDC - Global recovery %</b>		<b>75.2%</b>

### Notes

- 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") are currently held as a reserve in a distinct trust account until determination of the parties' respective rights under the LRNG 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.
- Result of the sharing of the Allocated Net Proceeds between the secured and unsecured creditors for CAL, UEC, XBC and NOR, as further detailed in the following pages.
- Subsequent amount distributed on the account of the EDC secured claim however resulting of the collection from the unsecured creditors distribution.
- EDC collections as an unsecured creditor.
- Post-filing interest paid to EDC are being recharacterized as capital reimbursements since EDC will not recover 100% of the pre-filing amounts owed.
- EDC Claim (\$17.9M CAD) + EDC Subrogated Claim as detailed above (\$3.1M CAD) + Capital reimbursements collected from the Debtors' bank accounts (\$1.0M CAD).

# Xebec – Estimated Distribution

## Allocated Net Proceeds

XEBEC ADSORPTION INC. & AI. Estimated Distribution As at September 15, 2023 - In thousands CAD	Consolidated All Petitioners	EDC		EDC			EDC		EDC		EDC		EDC	
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU	XHU
<b>Allocated Net Proceeds</b>														
Updated version with the information as of September 15, 2023	<b>14,479</b>	1,329	1,662	-	1,334	1,137	4,715	296	698	1,431	30	1,596	235	13
Version presented to Court on June 2023	<b>14,123</b>	1,355	1,766	-	1,457	1,133	4,356	306	696	1,443	33	1,529	37	13
<b>Variance - Favorable (Unfavorable)</b>	<b>356</b>	<b>(26)</b>	<b>(103)</b>	<b>-</b>	<b>(122)</b>	<b>5</b>	<b>359</b>	<b>(10)</b>	<b>2</b>	<b>(11)</b>	<b>(3)</b>	<b>67</b>	<b>198</b>	<b>(0)</b>

- ✓ Projected consolidated Allocated net proceeds available are higher than the version under seal initially projected and as presented to Court in June 2023. The version under seal included the Biostream and Western Midstream transactions (Exhibit M-3 to the Monitor’s Application to approve the Allocation Method).
- ✓ Variances are mainly explained as follows:
  - ✓ **CAI:** Certain unbudgeted post-filing obligations were disbursed during the summer 2022;
  - ✓ **UEC:** Favorable variance due to lower disbursements, in part pursuant to the Western Midstream transaction which assumed some liabilities related to the project;
  - ✓ **AIR:** Higher collections than initially forecasted;
  - ✓ **XSU:** Favorable variance due to lower disbursements and certain unbudgeted credits collected from suppliers.

# Xebec – Estimated Distribution

## Sharing of the Allocated Net Proceeds and BLA Shortfall Repayment

<b>EDC Security - US Petitioners</b>		EDC	EDC	EDC	EDC	
<b>Sharing of the Allocated Net Proceeds and dividends received from other debtors' plans</b>		CAL	UEC	XBC	NOR	Total
As at September 15, 2023 - In thousands CAD		Notes				
<b>Key Information supporting the calculation</b>						
Allocated Net Proceeds			<b>1,662</b>	<b>4,715</b>	<b>296</b>	<b>1,432</b>
BLA Shortfall Repayment	<b>1</b>		<b>92</b>	<b>78</b>	<b>18</b>	<b>3</b>
Proceeds from transaction			7,712	6,524	1,477	209
US Cash on Filing Date			650	5,750	50	314
			<b>8,362</b>	<b>12,274</b>	<b>1,527</b>	<b>523</b>
<b>Main Scenario - Sharing of the Allocated Net Proceeds and dividends</b>						
Proceeds from transaction			92.23%	53.15%	96.73%	39.96%
US Cash on Filing Date			7.77%	46.85%	3.27%	60.04%
<b>Total</b>			<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Sharing of the Allocated Net Proceeds and dividends</b>						
Amounts distributed on the account of the EDC Secured Claim			1,533	2,506	287	1,117
Amount distributed to the unsecured creditors - Before BLA Shortfall Repayment			129	2,209	10	314
			<b>1,662</b>	<b>4,715</b>	<b>297</b>	<b>1,431</b>
Additional EDC Secured Claim collections from dividends under other debtors' plans			85	42	17	3
Amount distributed to the unsecured creditors - BLA Shortfall Repayment impact	<b>2</b>		7	37	1	-
			<b>92</b>	<b>78</b>	<b>18</b>	<b>3</b>
						<b>191</b>
<b>Sharing of the Allocated Net Proceeds and dividends - Impact on the distribution</b>						
Amounts distributed on the account of the EDC Secured Claim			1,533	2,506	287	1,117
Additional EDC Secured Claim collections from dividends under other debtors' plans	<b>1</b>		85	42	17	3
			<b>1,618</b>	<b>2,548</b>	<b>304</b>	<b>1,120</b>
Amount distributed to the unsecured creditors - Before BLA Shortfall Repayment			136	2,246	11	314
			<b>1,754</b>	<b>4,793</b>	<b>315</b>	<b>1,434</b>
						<b>8,296</b>

### Notes

- BLA Shortfall Repayment is taking place following the dividends received pursuant to the Plans of other Debtors, as part of the distributions to unsecured creditors. This reimbursement is however associated to the shortfall prior to the allocation of the net proceeds. Consequently, the BLA Shortfall Repayment is treated in a "sharing" base similar to a scenario where BLA would have had sufficient funds to cover for all the shortfall in the first place.
- The amount to be distributed to the unsecured creditors from the Allocated Net Proceeds shall never exceed the relevant Debtor's US Cash on Filing Date. Therefore, BLA shortfall allocation in NOR is fully allocated to EDC Secured Claim.

### Sharing of the Allocated Net Proceeds and BLA Shortfall Repayment

$$\begin{aligned}
 &\text{Amount distributed on account of the EDC Secured Claim} = \left( \text{Allocated Net Proceeds} + \text{BLA Shortfall Repayment} \right) \times \frac{\text{Proceeds from transaction} + \text{US Cash on Filing Date}}{\text{Proceeds from transaction} + \text{US Cash on Filing Date}} + \text{dividends received pursuant to any Plan of the other Debtors} \\
 &\text{Amount distributed to the unsecured creditors} = \left( \text{Allocated Net Proceeds} + \text{BLA Shortfall Repayment} \right) \times \frac{\text{US Cash on Filing Date}}{\text{Proceeds from transaction} + \text{US Cash on Filing Date}}
 \end{aligned}$$

↓  
Max cash on hand at Filing date

# Xebec – Estimated Distribution

## EDC distribution as a secured lender

EDC - Deficiency claim calculation As at September 15, 2023 - In thousands CAD	Petitioners					
	CDA	CAL	UEC	XBC	NOR	XHU
<b>EDC - Deficiency Claim calculation</b>						
EDC Claims - Secured and Unsecured	<b>EDC</b>	<b>EDC</b>	<b>EDC</b>	<b>EDC</b>	<b>EDC</b>	<b>EDC</b>
EDC Claim (USD)	13,057	13,057	13,057	13,057	13,057	<b>13,057</b>
FX rate at Filing Date	1.3707	1.3707	1.3707	1.3707	1.3707	1.3707
EDC Claim (converted to CAD)	17,897	17,897	17,897	17,897	17,897	17,897
EDC - Secured debt - Fees and Interest (Capital reimbursement)	(988)	(988)	(988)	(988)	(988)	(988)
Proven Claim	<b>16,909</b>	<b>16,909</b>	<b>16,909</b>	<b>16,909</b>	<b>16,909</b>	<b>16,909</b>
Amounts distributed on the account of the EDC Secured Claim	(5,443)	(5,443)	(5,443)	(5,443)	(5,443)	(5,443)
<b>Deficiency Claim</b>	<b>11,466</b>	<b>11,466</b>	<b>11,466</b>	<b>11,466</b>	<b>11,466</b>	<b>11,466</b>

Deficiency Claim: EDC Deficiency Claim shall mean the unsecured portion of the EDC Claim, being the amount of the EDC Claim, minus the amount of the EDC Secured Claim as defined herein, for voting and distribution purposes as unsecured creditor under the Plans of CDA, CAL, UEC, XBC, NOR and XHU.

- ✓ Calculated on the following entities (CAL, UEC, XBC and NOR).
- ✓ EDC also has an unsecured claim against in CDA and XHU.
- ✓ Interest paid to EDC since the Filing Date are being recharacterized as capital reimbursement since EDC will not recover 100% of the amounts due pre-filing. These amounts were deducted from the claim amounts to determine the deficiency claim.
- ✓ Amounts distributed on the account of the EDC Secured Claim resulting from the sharing of the Allocated Net Proceeds and BLA Shortfall Repayment between the secured and unsecured creditors for CAL, UEC, XBC and NOR are detailed in the prior page.

# Xebec – Estimated Distribution

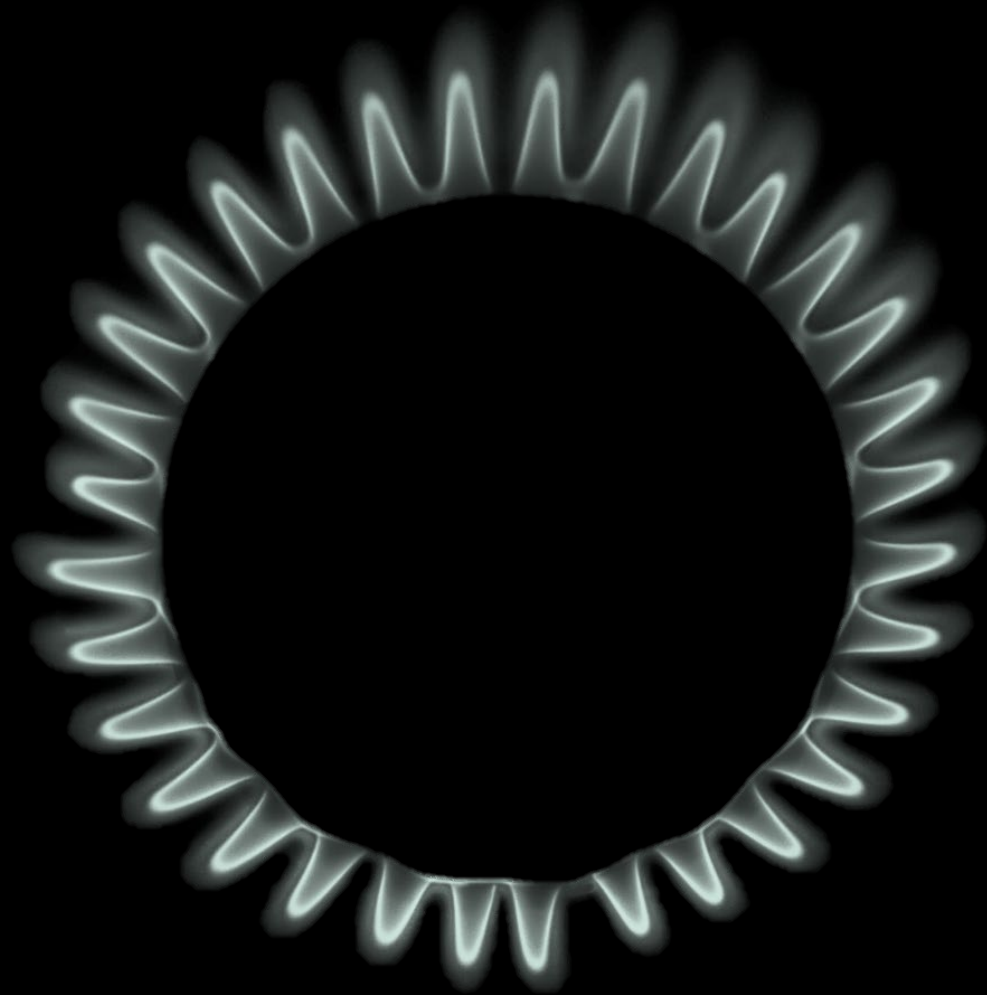
## Convenience Class

XEBEC ADSORPTION INC. & AI. Convenience Class payment As at September 15, 2023 - In thousands CAD	Consolidated All Petitioners	EDC												
		Petitioners					EDC							
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU	XHU
<b>Convenience Class ("CC")</b>														
<b>Unsecured claims - Proven Claims (Before CC payments)</b>														
Unsecured - External Others	90,368	40	907	69,226	399	769	14,197	698	1,384	1,160	-	554	112	921
Unsecured - External EDC	80,268	11,467	11,467	11,467	-	-	11,467	11,467	-	11,467	-	-	-	11,467
Unsecured - Interco	80,558	876	1,967	18,929	918	3,236	3,070	4,178	865	3,209	1	1,355	6,671	35,284
<b>Total - \$</b>		<b>12,383</b>	<b>14,341</b>	<b>99,622</b>	<b>1,317</b>	<b>4,005</b>	<b>28,734</b>	<b>16,343</b>	<b>2,249</b>	<b>15,836</b>	<b>1</b>	<b>1,909</b>	<b>6,783</b>	<b>47,672</b>
<b>Unsecured claims - # of creditors</b>														
Unsecured - External Others	378	7	21	143	14	24	104	12	17	20	-	10	3	3
Unsecured - External EDC	7	1	1	1	-	-	1	1	-	1	-	-	-	1
Unsecured - Interco	15	3	4	1	3	2	2	4	2	6	1	3	2	1
<b>Total - #</b>	<b>400</b>	<b>11</b>	<b>26</b>	<b>145</b>	<b>17</b>	<b>26</b>	<b>107</b>	<b>17</b>	<b>19</b>	<b>27</b>	<b>1</b>	<b>13</b>	<b>5</b>	<b>5</b>
<b>Convenience class payment (000\$ CAD)</b>														
Unsecured - External Others	402	11	36	-	-	44	191	18	31	39	-	20	6	6
Unsecured - External EDC	12	2	2	-	-	-	2	2	-	2	-	-	-	2
Unsecured - Interco	57	6	8	-	-	4	4	8	4	12	-	5	4	2
<b>Total - CC payment</b>	<b>471</b>	<b>19</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>197</b>	<b>28</b>	<b>35</b>	<b>53</b>	<b>-</b>	<b>25</b>	<b>10</b>	<b>10</b>
<b>Fully reimbursed creditors</b>														
Convenience Class - # of creditors collecting an amount	256	11	26	-	-	26	107	17	19	27	-	13	5	5
Convenience Class - # of creditors fully reimbursed	39	2	4	-	-	6	17	5	4	1	-	-	-	-
% of Unsecured - External Others		<b>18.2%</b>	<b>15.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>23.1%</b>	<b>15.9%</b>	<b>29.4%</b>	<b>21.1%</b>	<b>3.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Creditors highly impacted</b>														
Convenience Class - # of creditors collecting an amount	256	11	26	-	-	26	107	17	19	27	-	13	5	5
Convenience Class - # of creditors highly impacted	125	7	20	-	-	9	53	12	5	16	-	-	-	3
% of Unsecured - External Others		<b>63.6%</b>	<b>76.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>34.6%</b>	<b>49.5%</b>	<b>70.6%</b>	<b>26.3%</b>	<b>59.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>60.0%</b>
<b>Unsecured creditors - Distribution Overview</b>														
Unsecured - External Others		37.3%	4.6%	0.0%	105.4%	36.9%	8.4%	2.6%	34.0%	5.0%	0.0%	86.2%	26.0%	0.7%
Unsecured - External EDC		12.2%	0.6%	0.0%	0.0%	0.0%	7.2%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.1%
Unsecured - Interco		12.7%	1.0%	0.0%	105.4%	33.2%	7.3%	0.2%	32.8%	2.0%	100.0%	85.7%	21.8%	0.1%
<b>Total</b>		<b>12.3%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>105.4%</b>	<b>33.9%</b>	<b>7.8%</b>	<b>0.2%</b>	<b>33.6%</b>	<b>2.0%</b>	<b>100.0%</b>	<b>85.8%</b>	<b>21.9%</b>	<b>0.1%</b>
Unsecured - External Others - less than 10,000		48.3%	38.8%	0.0%	105.4%	78.0%	49.3%	61.0%	68.0%	42.1%	0.0%	90.1%	43.2%	0.0%
Unsecured - External Others - between 10,000-25,000		28.2%	14.3%	0.0%	0.0%	40.2%	18.6%	8.9%	41.1%	13.4%	0.0%	87.8%	0.0%	9.1%
Unsecured - External Others - between 25,000-50,000		0.0%	6.3%	0.0%	105.4%	37.5%	12.4%	0.0%	36.8%	7.6%	0.0%	0.0%	25.7%	0.0%
Unsecured - External Others - between 50,000-100,000		0.0%	4.1%	0.0%	105.4%	34.9%	9.8%	2.2%	34.4%	4.2%	0.0%	86.0%	24.2%	0.0%
Unsecured - External Others - over 100,000		0.0%	1.2%	0.0%	105.4%	33.8%	7.5%	0.7%	33.0%	2.4%	0.0%	85.8%	0.0%	0.5%
<b>Total</b>		<b>37.3%</b>	<b>4.6%</b>	<b>0.0%</b>	<b>105.4%</b>	<b>36.9%</b>	<b>8.4%</b>	<b>2.6%</b>	<b>34.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>86.2%</b>	<b>26.0%</b>	<b>0.7%</b>

- ✓ Convenience Class payment of \$2K for each unsecured creditor of all petitioners other than BLA, CAI and GNR resulting in the full reimbursement of 39 creditors.
- ✓ Creditors highly impacted: identified by comparing the full recovery of each external creditors (excluding Interco and EDC) to the recovery the same creditor would obtain without any convenience class payment. If the recovery of a creditor is more than doubled, the creditor is identified as highly impacted.



# Appendices



# Appendix A

## Detailed Calculation – Detailed calculation up to the Allocated Net Proceeds

<b>XEBEC ADSORPTION INC. &amp; AI.</b>		Consolidated All Petitioners	EDC		EDC		EDC		EDC		EDC		Forum Xebec UK XUK	Monitor's trust accounts			
Estimated Distribution As at September 15, 2023 - In thousands CAD			CDA	CAL	BLA	CAI	ACS	UEC	Petitioners XBC		TIT	NOR			GNR	AIR	XSU
<b>Proceeds from transactions - Allocation</b>																	
Proceeds from transactions		31,239	4,510	7,712	6,320	1,580	400	6,524	1,477	1,402	209	100	1,004	-	-	7,617	31,239
Xebec UK Transaction estimated impact from BLA		7,197	-	-	7,197	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Proceeds</b>	<b>A</b>	<b>38,436</b>	<b>4,510</b>	<b>7,712</b>	<b>13,517</b>	<b>1,580</b>	<b>400</b>	<b>6,524</b>	<b>1,477</b>	<b>1,402</b>	<b>209</b>	<b>100</b>	<b>1,004</b>	<b>-</b>	<b>-</b>	<b>7,617</b>	<b>31,239</b>
Allocation %		100.00%	11.73%	20.06%	35.17%	4.11%	1.04%	16.97%	3.84%	3.65%	0.54%	0.26%	2.61%	0.00%	0.00%		
<b>Post-Filing Intercompany Transactions</b>																	
Net intercompany monetary transfers	<b>B.1</b>	<b>1</b>	983	335	(10,085)	1,423	983	6,803	404	938	1,803	-	2,286	(5,885)	13	-	-
Net intercompany transactions (sales and purchases)	<b>B.2</b>	<b>(1)</b>	(59)	74	909	(149)	248	(537)	(100)	159	83	-	(16)	(613)	-	-	-
Management fees - Corporate recharge (XSU) (5,395k)	<b>B.3</b>	<b>(0)</b>	(239)	(393)	(714)	(94)	-	(2,221)	(258)	(481)	(377)	-	(617)	5,395	-	-	-
Management fees - Corporate recharge (BLA) up to Apr 30 (2,152k)	<b>B.4</b>	<b>-</b>	(110)	(171)	2,152	(110)	(161)	(867)	(98)	(206)	(128)	-	(224)	(77)	-	-	-
<b>Intercompany Transactions - Net</b>	<b>Σ B</b>	<b>(0)</b>	<b>575</b>	<b>(155)</b>	<b>(7,738)</b>	<b>1,070</b>	<b>1,071</b>	<b>3,178</b>	<b>(52)</b>	<b>409</b>	<b>1,382</b>	<b>-</b>	<b>1,429</b>	<b>(1,181)</b>	<b>13</b>	<b>-</b>	<b>-</b>
<b>Allocations</b>																	
<b>Restructuring Costs &amp; Secured Debt Reimbursements to be allocated</b>																	
Aggregate disbursements to be allocated - From Petitioners	<b>C.1</b>	<b>23,362</b>	-	-	21,892	-	-	-	-	54	-	-	-	1,416	-	-	-
Aggregate disbursements to be allocated - From Proceeds	<b>C.2</b>	<b>-</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,947
<b>Total to be allocated</b>	<b>Σ C</b>	<b>23,362</b>	<b>-</b>	<b>-</b>	<b>21,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,416</b>	<b>-</b>	<b>-</b>	<b>6,947</b>
<b>Restructuring Costs &amp; Secured Debt Reimbursements - Allocation</b>																	
<b>Disbursements - Paid</b>																	
Professional fees		(16,508)	(1,937)	(3,312)	(5,805)	(679)	(172)	(2,802)	(635)	(602)	(90)	(43)	(431)	-	-	-	-
KERP		(1,375)	(161)	(276)	(484)	(57)	(14)	(233)	(53)	(50)	(7)	(4)	(36)	-	-	-	-
DIP Financing - Interest and fees		(546)	(64)	(109)	(192)	(22)	(6)	(93)	(21)	(20)	(3)	(1)	(14)	-	-	-	-
EDC - Secured debt - Reimbursement		(1,007)	-	(264)	(462)	-	-	(223)	(51)	-	(7)	-	-	-	-	-	-
NBC - Secured debt - Reimbursement		(1,865)	(375)	-	(1,125)	(131)	(33)	-	-	(117)	-	-	(84)	-	-	-	-
EDC - Secured debt - Fees and Interest (Capital reimbursement)		(988)	-	(259)	(453)	-	-	(219)	(50)	-	(7)	-	-	-	-	-	-
NBC - Secured debt - Fees and Interest		(139)	(28)	-	(84)	(10)	(2)	-	(9)	-	-	-	(6)	-	-	-	-
NBF Transaction charge		(975)	(114)	(196)	(343)	(40)	(10)	(165)	(37)	(36)	(5)	(3)	(25)	-	-	-	-
Other restructuring expenses		(1,072)	(126)	(215)	(377)	(44)	(11)	(182)	(41)	(39)	(6)	(3)	(28)	-	-	-	-
Payroll		(1,368)	(161)	(274)	(481)	(56)	(14)	(232)	(53)	(50)	(7)	(4)	(36)	-	-	-	-
<b>Total - Paid</b>	<b>D.1</b>	<b>(25,841)</b>	<b>(2,966)</b>	<b>(4,905)</b>	<b>(9,806)</b>	<b>(1,039)</b>	<b>(263)</b>	<b>(4,150)</b>	<b>(940)</b>	<b>(922)</b>	<b>(133)</b>	<b>(57)</b>	<b>(660)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements - Future</b>																	
Professional fees		(2,259)	(265)	(453)	(795)	(93)	(24)	(383)	(87)	(82)	(12)	(6)	(59)	-	-	-	-
KERP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other restructuring expenses		(576)	(68)	(116)	(203)	(24)	(6)	(98)	(22)	(21)	(3)	(2)	(15)	-	-	-	-
Payroll		(613)	(72)	(123)	(216)	(25)	(6)	(104)	(24)	(22)	(3)	(2)	(16)	-	-	-	-
<b>Total - Future</b>	<b>D.2</b>	<b>(3,448)</b>	<b>(405)</b>	<b>(692)</b>	<b>(1,213)</b>	<b>(142)</b>	<b>(36)</b>	<b>(585)</b>	<b>(133)</b>	<b>(126)</b>	<b>(19)</b>	<b>(9)</b>	<b>(90)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other items to be allocated</b>																	
Professional fees - Theoretical amount (Administration Charge + EDC estimated costs)		(1,250)	(147)	(251)	(440)	(51)	(13)	(212)	(48)	(46)	(7)	(3)	(33)	-	-	-	-
D&O Charge (if applicable)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interests revenues		303	36	61	107	12	3	51	12	11	2	1	8	-	-	-	-
FX Rate favorable (unfavorable) variance, bank fees and other expenses (Trust accounts)		(73)	(9)	(15)	(26)	(3)	(1)	(12)	(3)	(3)	(0)	(0)	(2)	-	-	-	-
<b>Total - Other items to be allocated</b>	<b>D.3</b>	<b>(1,020)</b>	<b>(120)</b>	<b>(205)</b>	<b>(359)</b>	<b>(42)</b>	<b>(11)</b>	<b>(173)</b>	<b>(39)</b>	<b>(37)</b>	<b>(6)</b>	<b>(3)</b>	<b>(27)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - Allocated disbursements</b>	<b>Σ D</b>	<b>(30,309)</b>	<b>(3,490)</b>	<b>(5,802)</b>	<b>(11,377)</b>	<b>(1,223)</b>	<b>(310)</b>	<b>(4,908)</b>	<b>(1,111)</b>	<b>(1,085)</b>	<b>(157)</b>	<b>(68)</b>	<b>(777)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DIP Financing receipts to be allocated</b>																	
<b>DIP Financing receipts - To be allocated</b>	<b>E</b>	<b>(8,950)</b>	-	-	(8,950)	-	-	-	-	-	-	-	-	-	-	-	-
<b>DIP Financing receipts - Allocation</b>	<b>F</b>	<b>8,950</b>	1,050	1,796	3,148	368	93	1,519	344	327	49	23	234	-	-	-	-
<b>Total - Allocation net impact</b>	<b>Σ C to F</b>	<b>(6,947)</b>	<b>(2,440)</b>	<b>(4,006)</b>	<b>4,712</b>	<b>(855)</b>	<b>(216)</b>	<b>(3,389)</b>	<b>(767)</b>	<b>(705)</b>	<b>(109)</b>	<b>(45)</b>	<b>(543)</b>	<b>1,416</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Use of proceeds to cover Restructuring Costs (authorized by the Court)</b>	<b>G</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,947)</b>
<b>Net proceeds before DIP Financing and other Secured Debts reimbursements</b>	<b>Σ A to G</b>	<b>31,489</b>	<b>2,645</b>	<b>3,551</b>	<b>10,491</b>	<b>1,796</b>	<b>1,254</b>	<b>6,313</b>	<b>658</b>	<b>1,107</b>	<b>1,483</b>	<b>55</b>	<b>1,889</b>	<b>235</b>	<b>13</b>	<b>7,617</b>	<b>24,292</b>

# Appendix A – cont'd

## Detailed Calculation – Detailed calculation up to the Allocated Net Proceeds

XEBEC ADSORPTION INC. & AI. Estimated Distribution As at September 15, 2023 - In thousands CAD	Consolidated All Petionners	EDC		EDC		EDC		EDC		EDC		EDC		Forum Xebec UK XUK	Monitor's trust accounts	
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU			XHU
<b>Net proceeds before DIP Financing and other Secured Debts reimbursements</b>	<b>31,489</b>	<b>2,645</b>	<b>3,551</b>	<b>10,491</b>	<b>1,796</b>	<b>1,254</b>	<b>6,313</b>	<b>658</b>	<b>1,107</b>	<b>1,483</b>	<b>55</b>	<b>1,889</b>	<b>235</b>	<b>13</b>	<b>7,617</b>	<b>24,292</b>
<b>Xebec UK transaction - Impact</b>																
<b>Repayment of NBC secured debt</b>																
NBC --> Revolver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,904)	-
NBC --> Mastercard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48)	-
NBC --> EDC (guarantor) - LC Facility (drawn LCs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(491)	-
NBC --> EDC (guarantor) - LC Facility (London RNG paid in trust to Monitor - Partial)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,176)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,618)</b>	<b>-</b>
<b>Xebec UK transaction - BLA estimated impact</b>																
Pro forma repayment to Xebec UK (Subrogated in the rights of NBC)	(7,617)	-	-	(7,617)	-	-	-	-	-	-	-	-	-	-	-	-
Estimated proceeds to BLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,197)	-
Other known unsecured creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(420)	(420)
<b>Total</b>	<b>(7,617)</b>	<b>-</b>	<b>-</b>	<b>(7,617)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,617)</b>	<b>(420)</b>
<b>Available net proceeds - After UK Transaction Impact</b>	<b>23,872</b>	<b>2,645</b>	<b>3,551</b>	<b>2,874</b>	<b>1,796</b>	<b>1,254</b>	<b>6,313</b>	<b>658</b>	<b>1,107</b>	<b>1,483</b>	<b>55</b>	<b>1,889</b>	<b>235</b>	<b>13</b>	<b>-</b>	<b>23,872</b>
<b>DIP Financing repayments - Allocation</b>																
NBC - First DIP	(1,500)	(176)	(301)	(528)	(62)	(16)	(255)	(58)	(55)	(8)	(4)	(39)	-	-	-	-
EDC - First DIP	(1,500)	(176)	(301)	(528)	(62)	(16)	(255)	(58)	(55)	(8)	(4)	(39)	-	-	-	-
EDC - Second DIP	(2,500)	(293)	(502)	(879)	(103)	(26)	(424)	(96)	(91)	(14)	(7)	(65)	-	-	-	-
EDC - Third DIP	(3,450)	(405)	(692)	(1,213)	(142)	(36)	(586)	(133)	(126)	(19)	(9)	(90)	-	-	-	-
<b>Total</b>	<b>(8,950)</b>	<b>(1,050)</b>	<b>(1,796)</b>	<b>(3,148)</b>	<b>(368)</b>	<b>(93)</b>	<b>(1,519)</b>	<b>(344)</b>	<b>(327)</b>	<b>(49)</b>	<b>(23)</b>	<b>(234)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,950)</b>
Excess (shortfall) after DIP Financing repayments	32,822	1,595	1,755	(274)	1,428	1,161	4,794	314	780	1,434	32	1,656	235	13	-	14,922
Shortfall allocation	-	(50)	(85)	274	(17)	(4)	(72)	(16)	(15)	(2)	(1)	(11)	-	-	-	-
<b>Total DIP Financing repayments (incl. shortfall allocation)</b>	<b>(8,950)</b>	<b>(1,100)</b>	<b>(1,880)</b>	<b>(2,874)</b>	<b>(385)</b>	<b>(98)</b>	<b>(1,591)</b>	<b>(360)</b>	<b>(342)</b>	<b>(51)</b>	<b>(24)</b>	<b>(245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,950)</b>
<b>Available net proceeds - After allocated DIP repayments</b>	<b>14,922</b>	<b>1,546</b>	<b>1,670</b>	<b>-</b>	<b>1,410</b>	<b>1,157</b>	<b>4,722</b>	<b>298</b>	<b>765</b>	<b>1,432</b>	<b>30</b>	<b>1,645</b>	<b>235</b>	<b>13</b>	<b>-</b>	<b>14,922</b>
<b>Priority claims</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25)</b>
Excess (shortfall)	14,897	1,546	1,670	(25)	1,410	1,157	4,722	298	765	1,432	30	1,645	235	13	-	14,897
Shortfall allocation	-	(5)	(8)	25	(2)	(0)	(7)	(1)	(1)	(0)	(0)	(1)	-	-	-	-
<b>Priority claims - After shortfall allocation</b>	<b>(25)</b>	<b>(5)</b>	<b>(8)</b>	<b>-</b>	<b>(2)</b>	<b>(0)</b>	<b>(7)</b>	<b>(1)</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25)</b>
<b>Available net proceeds - After Priority claims</b>	<b>14,897</b>	<b>1,541</b>	<b>1,662</b>	<b>-</b>	<b>1,409</b>	<b>1,156</b>	<b>4,715</b>	<b>296</b>	<b>764</b>	<b>1,431</b>	<b>30</b>	<b>1,644</b>	<b>235</b>	<b>13</b>	<b>-</b>	<b>14,897</b>
<b>Estimated outstanding letters of credit ("LC")</b>																
NBC (EDC as guarantor) - Letter of credit (London RNG) - Unpaid portion	(218)	(44)	-	(132)	(15)	(4)	-	-	(14)	-	-	(10)	-	-	-	(218)
NBC (EDC as guarantor) - Letters of credit (Outstanding LCs)	(200)	(40)	-	(121)	(14)	(4)	-	-	(13)	-	-	(9)	-	-	-	(200)
<b>Outstanding letters of credit - estimated future repayment</b>	<b>(418)</b>	<b>(84)</b>	<b>-</b>	<b>(252)</b>	<b>(30)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>(26)</b>	<b>-</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(418)</b>
Excess (shortfall)	14,479	1,457	1,662	(252)	1,379	1,149	4,715	296	737	1,431	30	1,625	235	13	-	14,479
Shortfall allocation	-	(128)	-	252	(45)	(11)	-	-	(40)	-	-	(28)	-	-	-	-
<b>Total outstanding LCs estimated future repayments (incl. shortfall allocation)</b>	<b>(418)</b>	<b>(212)</b>	<b>-</b>	<b>-</b>	<b>(74)</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>(66)</b>	<b>-</b>	<b>-</b>	<b>(47)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(418)</b>
<b>Allocated Net Proceeds</b>	<b>14,479</b>	<b>1,329</b>	<b>1,662</b>	<b>-</b>	<b>1,334</b>	<b>1,137</b>	<b>4,715</b>	<b>296</b>	<b>698</b>	<b>1,431</b>	<b>30</b>	<b>1,596</b>	<b>235</b>	<b>13</b>	<b>-</b>	<b>14,479</b>

Refer to the Monitors' Trust accounts reconciliation

# Appendix E

## Group Naming Convention and Entity Codes

<b>Naming convention - Xebec Group</b>		
<b>Legal names</b>	<b>Entity Code</b>	<b>Petitioners</b>
FormerXBC Inc. (formerly, Xebec Adsorption Inc.)	<b>BLA</b>	<b>Petitioner</b>
11941666 Canada Inc. (formerly, Xebec RNG Holdings Inc.)	<b>GNR</b>	<b>Petitioner</b>
1224933 Ontario Inc. (formerly, Compressed Air International Inc.)	<b>CAI</b>	<b>Petitioner</b>
Applied Compression Systems Limited	<b>ACS</b>	<b>Petitioner</b>
FormerXBC Holding USA Inc. (formely, Xebec Holding USA Inc. )	<b>XHU</b>	<b>Petitioner</b>
Enerphase Industrial Solutions Inc.	<b>AIR</b>	<b>Petitioner</b>
CDA Systems, LLC	<b>CDA</b>	<b>Petitioner</b>
FormerXBC Adsorption USA Inc. (formely, Xebec Adsorption USA Inc.)	<b>XSU</b>	<b>Petitioner</b>
FormerXBC Pennsylvania Company (formerly, The Titus Company)	<b>TIT</b>	<b>Petitioner</b>
FormerXBC NOR Corporation (formely, Nortekbelair Corporation)	<b>NOR</b>	<b>Petitioner</b>
FormerXBC Flow Services - Wisconsin Inc. (formerly, XBC Flow Services - Wisconsin Inc. )	<b>XBC</b>	<b>Petitioner</b>
California Compression LLC	<b>CAL</b>	<b>Petitioner</b>
FormerXBC Systems USA, LLC (formerly, Xebec Systems USA LLC)	<b>UEC</b>	<b>Petitioner</b>
Tiger Filtration Limited	<b>TIGER</b>	Non-Petitioner
Xebec Holding UK Limited	<b>XUK</b>	Non-Petitioner
Inmatec Gas Technology FZC-LLC	<b>IGT</b>	Non-Petitioner
Inmatec GaseTechnologie GmbH & Co. KG	<b>IGG</b>	Non-Petitioner
Xebec Komplementär GmbH / Xebec Complimentar GmbH	<b>XKG</b>	Non-Petitioner
Xebec Italy S.r.l.	<b>ITA</b>	Non-Petitioner
Xebec Europe B.V.	<b>EUR</b>	Non-Petitioner
Green Vision Holding B.V.	<b>GVH</b>	Non-Petitioner
HyGear B.V.	<b>HYB</b>	Non-Petitioner
HyGear Technology and Services B.V.	<b>HYT</b>	Non-Petitioner
HyGear Operations B.V.	<b>HYO</b>	Non-Petitioner
HyGear Fuel Cell Systems B.V.	<b>HYF</b>	Non-Petitioner
HyGear Hydrogen Plant B.V.	<b>HYH</b>	Non-Petitioner
Buse HyGear Limited	<b>BHY</b>	Non-Petitioner
GNR Québec Capital Management Inc. / Gestion GNR Québec Capital Inc.	<b>GNR1</b>	Non-Petitioner
GNR Québec Capital S.E.C. / GNR Québec Capital L.P.	<b>GNR2</b>	Non-Petitioner
GNR Bromont Management Inc. / Gestion GNR Bromont Inc.	<b>GNR3</b>	Non-Petitioner
GNR Bromont S.E.C. / GNR Bromont L.P.	<b>GNR4</b>	Non-Petitioner
Xebec Deutschland GmbH	<b>DEU</b>	Non-Petitioner
Xebec Adsorption Asia PTE LTD	<b>ASIA</b>	Non-Petitioner
Xebec Adsorption (Shanghai) Co. Ltd.	<b>SHG</b>	Non-Petitioner

# Appendix F

## Monitor's trust account reconciliation

<b>XEBEC ADSORPTION INC. &amp; AI.</b>			
Breakdown of net proceeds and transactions from the Monitor's trust accounts			
<i>In \$000s CAD, as of September 15, 2023</i>			
	<b>Petitioners</b>	<b>Amounts</b>	<b>Notes</b>
<b>PROCEEDS FROM TRANSACTIONS</b>			
<b>Transactions - Part of the SISP process</b>			
1396905 B.C. LTD	ACS	400	
FSTQ	GNR	100	
Sullair	CDA & CAL	12,222	
Ivys Energy Solutions	BLA & CAI	7,900	
Next Air & Gas	NOR	209	
Curtis Toledo	AIR	895	
Fluid-Aire Dynamics	TIT	1,402	
Total Energy Systems	XBC	1,477	
EnergyLink	UEC	4,037	
		<b>28,643</b>	
<b>Closed transactions - Remaining Other Assets</b>			
Air Products	UEC	236	
Enerphase - Vehicle Fleet sales	AIR	109	
Filters	UEC	250	
<b>Total proceeds</b>	<b>A</b>	<b>29,238</b>	
<b>PAYMENTS MADE TO THE BENEFICIARIES OF THE CCAA CHARGES AND OTHER DISBURSEMENTS</b>			
Professionnal fees		1,489	
Interest and fees on DIP Financing		31	
Transaction Fee		975	
KERP		432	
Interest revenues (net of bank fees)		(302)	
Funds from net proceeds - Advance to operation accounts		1,000	
Foreign exchange loss (gain)		48	
	<b>B</b>	<b>3,673</b>	
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>B</b>	<b>8,950</b>	
<b>Outstanding balance as of September 15, 2023</b>	<b>C=(A-B)</b>	<b>16,615</b>	
<b>UPCOMING DISBURSEMENTS FROM THE TRUST ACCOUNTS</b>			
Professional Fees - Theoretical amount of the Administration Charge + EDC Costs		1,250	
Funds from net proceeds - Transfer to the operation accounts		2,000	
Other potential distribution related to the Xebec UK Transaction		420	1
UEC - Sales tax remittance (Western Midstream transaction)		23	
	<b>D</b>	<b>3,693</b>	
<b>Outstanding balance after priority charges</b>	<b>E=(C-D)</b>	<b>12,922</b>	
<b>POTENTIAL TRANSACTIONS - OTHER REMAINING ASSETS</b>			
Biostream Assets	UEC	2,000	1
Claims to Non-Petitionners	IGT	TBD	
Claims to Non-Petitionners	ITA	TBD	
London RNG	BLA	TBD	
<b>Total proceeds from transactions to be completed</b>	<b>F</b>	<b>2,000</b>	
<b>Estimated net proceeds and transactions from the Monitor's trust accounts</b>	<b>G=(E+F)</b>	<b>14,922</b>	

**Note 1:** These transactions were completed at the date of this report and took place after September 15, 2023.



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