

**ORIGINAL TRADERS ENERGY LTD. ET AL.**

**FIFTH REPORT OF KPMG INC.,  
IN ITS CAPACITY AS MONITOR**

**September 28, 2023**

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,**  
**R.S.C.1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF**  
**ORIGINAL TRADERS ENERGY LTD. AND 2496750 ONTARIO INC.**

**FIFTH REPORT OF KPMG INC.**  
**In its capacity as Monitor of the OTE Group**

**September 28, 2023**

## I. INTRODUCTION

1. On January 30, 2023 (the “**Filing Date**”), Original Traders Energy Ltd. and 2496750 Ontario Inc. (together, the “**Applicants**”) were granted relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) by Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The relief granted under the Initial Order included a stay of proceedings in favour of the Applicants from January 30, 2023, until February 9, 2023 (the “**Initial Stay**”); the appointment of KPMG Inc. (“**KPMG**”) as the monitor in these proceedings (in such capacity, the “**Monitor**”); and other related relief. These proceedings under the CCAA are referred to herein as the “**CCAA Proceedings**”.
2. OTE Logistics LP (“**OTE Logistics**”) and Original Traders Energy LP (“**OTE LP**”) and together with OTE Logistics, the “**Limited Partnerships**”) are not Applicants in this proceeding. However, the Initial Order extended the same protections granted to the Applicants to the Limited Partnerships, on the grounds that the Limited Partnerships are related to and carry-on operations that are integral to the business of the Applicants. The term “**OTE Group**” throughout this report refers to the Applicants and Limited Partnerships collectively.
3. KPMG, in its capacity at that time as proposed Monitor, filed a report with the Court dated January 30, 2023 (the “**Pre-Filing Report**”) in support of the OTE Group’s application for the Initial Order. Copies of materials filed with the Court and other materials pertaining to the CCAA Proceedings, including all reports issued by the Monitor in these proceedings, are available on the Monitor’s website (<http://home.kpmg/ca/OTEGroup>) (the “**Monitor’s Website**”).
4. On February 9, 2023, the OTE Group was granted additional relief under the CCAA by Order of the Court (the “**Amended and Restated Initial Order**”). The relief granted under the Amended and Restated Initial Order included, among other items:
  - (i) extending the Initial Stay, as defined in the Initial Order, to April 28, 2023;
  - (ii) amending the breadth of the Initial Stay to require regulatory agencies to provide no less than ten (10) days notice if seeking leave of the Court to vary the stay in relation to the possible revocation of licenses; and
  - (iii) increasing the Directors’ Charge to \$2,250,000.

5. The Amended and Restated Initial Order also extended all protections in favour of the Applicants to the Limited Partnerships. The Monitor filed a report with the Court dated February 9, 2023, in connection with the OTE Group’s application for the Amended and Restated Initial Order.
6. On March 15, 2023, the Court granted a Mareva injunction as part of an Order (the “**Injunctive Order**”) which restrained Glenn Page (“**Page**”), Mandy Cox (“**Cox**”) and 2658658 Ontario Inc. (“**265**”, and collectively, the “**Mareva Respondents**”) from selling, removing, dissipating, alienating, transferring, assigning, encumbering or similarly dealing with a seventy foot yacht from the Italian shipbuilder Azimut Benetti, named “Cuz We Can” (the “**Italian Yacht**”), more particularly described in Schedule “A” of the Injunctive Order. On March 21, 2023 and March 28, 2023, the Honourable Justice Osborne granted certain endorsements (collectively, the “**Injunctive Endorsements**”) related to the Injunctive Order. In the Injunctive Endorsements, the Honourable Justice Osborne also noted the Applicants’ intention to commence proceedings pursuant to Chapter 15 of the U.S. Bankruptcy Code in the United States to recognize and enforce orders made by the Ontario Court.
7. On April 28, 2023, the Court made the following Orders:
  - (i) an Order (the “**Information Order**”), among other things, authorizing and directing AirSprint Inc. (“**AirSprint**”) to provide the information requested by the Monitor or its counsel in connection with the Amended and Restated Initial Order and any other Order of this Court, related to: (a) the OTE Group, (b) any of the OTE Group’s directors or officers (together with the OTE Group, the “**OTE Group Affiliates**”), or (c) any third party owned, controlled by, or otherwise related to the OTE Group Affiliates (the “**Information**”), notwithstanding that the Information may include “personal information” as defined in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5;
  - (ii) an Order (the “**Stay Extension Order**”), among other things, extending the Stay Period (as defined in paragraph 16 of the Initial Order) to August 4, 2023; and
  - (iii) an Order (the “**Claims Procedure Order**”) approving and authorizing the Monitor to conduct a claims procedure (the “**Claims Procedure**”) to call for, assess and determine claims against the OTE Group, and authorizing, directing, and empowering the Monitor to administer the Claims Procedure in accordance with the terms of the Claims Procedure Order.
8. Proceedings under Chapter 15 of the U.S. Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “**US Bankruptcy Code**”) were also commenced by U.S. counsel to the Monitor. On May 15, 2023, the

United States Bankruptcy Court Southern District of Florida (Fort Lauderdale Division) granted a motion for provisional relief under s. 1519 and 1520 of the US Bankruptcy Code. In connection therewith, the U.S. Court entered an Order for provisional relief to protect assets of the OTE Group and to impose an automatic stay of proceedings in the United States in accordance with the ongoing Canadian proceedings.

9. On May 31, 2023, the United States Bankruptcy Court Southern District of Florida (West Palm Beach Division) granted an Order recognizing the Canadian proceedings as a “foreign main proceeding” within the meaning of 11 U.S.C. § 1502 of the U.S. Bankruptcy Code, and granted certain other relief, including recognizing the Initial Order, the Amended and Restated Initial Order, and the Injunctive Order. The aforementioned Orders are available on the Monitor’s Website.
10. On July 17, 2023, the Court made the following Orders:
  - (i) an Order (the “**Second Stay Extension Order**”), among other things, extending the Stay Period (as defined in paragraph 16 of the Initial Order) to November 3, 2023; and
  - (ii) an Order (the “**Yacht Sale and AirSprint Proceeds Order**”) authorizing and directing the Monitor to conduct a sales process for the Italian Yacht (“**Yacht Sale Process**”) and directing AirSprint to remit to the Monitor any funds, proceeds of sale or use of any aircraft or fractional ownership or other interests therein in which the OTE Group has claimed an interest (the “**OTE Claimed AirSprint Property**”).

## II. PURPOSE OF REPORT

11. The purpose of the Fifth Report of the Monitor (the “**Fifth Report**”) is to provide information and the Monitor’s conclusions and/or recommendations to the Court pertaining to:
  - (i) the activities of the OTE Group and the Monitor since the Monitor’s report dated July 12, 2023 (the “**Fourth Report**”);
  - (ii) the OTE Group’s reported receipts and disbursements for the period of July 3, 2023, to September 17, 2023, including a comparison of reported to forecasted results;
  - (iii) the OTE Group’s motion for an order (the “**Third Stay Extension Order**”), among other things:
    - (a) extending the Stay Period to April 26, 2024;

- (b) amending the claim procedure approved pursuant to the Claims Procedure Order (term as defined below, the “**Claims Procedure**”) to enable the OTE Group, with the assistance of the Monitor to identify, quantify and resolve certain claims by former employees terminated during the CCAA Proceedings;
  - (c) approving a sales process (the “**Bid Process**”) for the business and property of the OTE Group, to be carried out by the Monitor, as set out in Appendix “A” herein, excluding the assets identified at Schedule “A” to the Injunctive Order; and
  - (d) approving the Fifth Report and the activities and conduct of the Monitor in relation to the OTE Group and the CCAA Proceedings;
- (iv) the review of the security held by the Royal Bank of Canada (“**RBC**”), completed by the Monitor’s counsel at the request of the Monitor;
  - (v) the Reduced Operations Plan (as defined below), to significantly reduce operating costs and conserve cash, due to the unexpected loss of key customers and operational and financial difficulties faced by the OTE Group;
  - (vi) the Monitor’s asset tracing and recovery activities, including: (a) an update on the Yacht Sale Process; and (b) sending the AirSprint Letters (as defined herein) for the purposes of obtaining further details on use of the OTE Claimed AirSprint Property; and
  - (vii) the Monitor’s review of historical bank statements to establish a more complete set of books and records and in furtherance of its investigatory powers pursuant to the Initial Order.

### III. TERMS OF REFERENCE

12. In preparing the Fifth Report, the Monitor has relied solely on information and documents provided by the OTE Group and their advisors, including unaudited financial information, declarations, in addition to information and documents from third parties that responded to the Monitor’s Information Request Letters, which are defined herein (collectively, the “**Information Received**”). In accordance with industry practice, except as otherwise described in the Second Report (as defined herein), KPMG has reviewed the Information Received 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 the Information Received in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the *Chartered*

*Professional Accountants of Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information Received.

13. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

#### **IV. BACKGROUND**

14. Detailed information with respect to the OTE Group's business, operations, products and causes of insolvency is provided in the Affidavit of Scott Hill sworn January 27, 2023 (the "**Hill Affidavit**") and the Pre-Filing Report.
15. As described in the Pre-Filing Report and the Hill Affidavit, at the time of the application for the Initial Order, the OTE Group was missing a significant amount of its business and financial records, and property and funds of the OTE Group are alleged to have been misappropriated. Accordingly, the Monitor was granted expanded investigatory powers in the Initial Order and the Amended and Restated Initial Order.

#### **V. ACTIVITIES OF THE OTE GROUP**

16. The OTE Group's activities since the Fourth Report have included:
  - (i) attending Court via videoconference for the hearing of its motion in respect of the Second Stay Extension Order and the Yacht Sale and AirSprint Proceeds Order;
  - (ii) corresponding with the Monitor and the OTE Group's legal counsel on changes impacting the OTE Group's business and the resulting financial challenges;
  - (iii) continuing to manage the business of the OTE Group in the ordinary course in accordance with the Amended and Restated Initial Order;
  - (iv) managing relationships with key stakeholders, including RBC, employees, customers, and suppliers in coordination with the Monitor;
  - (v) working with the Monitor to implement procedures to monitor cash flows and corresponding with the Monitor related to its review of payments;
  - (vi) managing cash flows and making payments in accordance with the Amended and Restated Initial Order;



- (vii) working with the Monitor to trace, investigate and review missing books and records of the OTE Group;
- (viii) developing cash flow forecast extensions, including the extended cash flow forecast for the period September 18, 2023 to April 26, 2024 (the “**Third Extended Cash Flow Forecast**”), in coordination with the Monitor;
- (ix) corresponding with the Monitor and the OTE Group’s legal counsel on lease disclaimers pursuant to paragraph 10 of the Amended and Restated Initial Order; and
- (x) corresponding with the Monitor and the OTE Group’s legal counsel on various matters pertaining to the CCAA Proceedings, including the Claims Procedure, the Reduced Operations Plan and the Bid Process.

## **VI. ACTIVITIES OF THE MONITOR**

17. The Monitor, with the support of its legal advisors, has been working with the OTE Group with respect to the following activities since the Fourth Report:
- (i) attending Court via videoconference for the hearing of the OTE Group’s motion in respect of the Second Stay Extension Order and the Yacht Sale and AirSprint Proceeds Order;
  - (ii) working with the OTE Group to assess the challenges facing the OTE Group’s business which resulted in the Reduced Operations Plan;
  - (iii) maintaining the Monitor’s Website where all court materials and other relevant documents pertaining to the CCAA Proceedings are available in electronic form;
  - (iv) supporting the OTE Group in managing relationships with key stakeholders, including employees and suppliers;
  - (v) working with the OTE Group to implement procedures to monitor cash flows and making payments in accordance with the Initial Order and the Amended and Restated Initial Order;
  - (vi) responding to enquiries from and engaging in calls with creditors, governmental authorities, including the Canada Revenue Agency and the Ministry of Finance for Ontario, and other stakeholders in connection with these CCAA Proceedings;

- (vii) assisting the OTE Group in developing cash flow forecast extensions, including the Third Extended Cash Flow Forecast;
- (viii) corresponding with the Monitor’s legal counsel with respect to its review of security granted to RBC by the Limited Partnerships;
- (ix) progressing the sale process for the Yacht Sale Process;
- (x) reviewing and approving lease disclaimers pursuant to paragraph 10 of the Amended and Restated Initial Order;
- (xi) preparing and sending the AirSprint Letters for the purposes of obtain additional information with respect to the use of OTE Claimed AirSprint Property;
- (xii) corresponding with the OTE Group, its legal counsel, and the Monitor’s legal counsel on various matters pertaining to the CCAA Proceedings, including the relief sought at this motion;
- (xiii) reviewing materials filed with the Court in respect of the CCAA Proceedings;
- (xiv) attending to matters in respect of the Claims Procedure, as discussed further below; and
- (xv) preparing this Fifth Report.

18. The Monitor believes that its activities were reasonable and conducted in the best interests of the OTE Group and its stakeholders, and therefore should be approved.

## **VII. SECURITY REVIEW**

19. The Monitor instructed its independent counsel, Bennett Jones LLP (“**Bennett Jones**”), to provide an opinion (the “**Security Opinion**”) on the validity and enforceability of security granted by the Limited Partnerships (referred to as the “**Debtors**” herein) to RBC as lender under various credit facilities agreements (the “**Loan Documents**”) and security documents (the “**Security Documents**”) executed at various points in 2021 and 2022.

20. Based on Bennett Jones’ review of the Loan Documents, the Security Documents and the results of certain public registration searches, and subject to the customary assumptions and qualifications which are set out in the Security Opinion, Bennett Jones has opined that:

- (i) the Security Documents constitute valid and binding obligations of the Debtors noted as parties to the Security Documents, enforceable against such Debtors in accordance with the terms thereof;
- (ii) Security Documents created in favour of RBC are valid security interests in the properties, assets, interests, and rights of the Debtors (the “**Charged Property**”) described in the Security Documents to which the *Personal Property Security Act* (Ontario) (the “**PPSA**”) applies; and
- (iii) as of the applicable dates of the PPSA searches, registration has been made in all public offices in Ontario provided for under applicable law where such registration is necessary to preserve, protect and perfect the security interests in the Charged Property of the OTE Group to which the PPSA applies, as created by the Security Documents.

## VIII. BUSINESS UPDATE

- 21. The OTE Group operates in a highly competitive industry that is based on high sales volume, low profit margins and a low-cost structure.
- 22. Since the commencement of the CCAA proceedings, the OTE Group has faced a variety of challenges, including, in particular, aggressive customer pricing from competitors and reduced vendor terms. These challenges have negatively impacted the OTE Group’s sales volumes and financial condition.
- 23. In response, the OTE Group implemented several initiatives in an effort to mitigate the financial impact of these challenges. Key initiatives have included price increases, discontinuing fuel blending activities and other cost reduction activities.
- 24. Subsequent to the Fourth Report, the OTE Group became aware of the departure of certain key customers. The OTE Group does not anticipate being able to replace the lost sales volumes attributable to these customers in the current circumstances of its restructuring. As a result, the OTE Group, with the assistance of the Monitor, reviewed additional mitigation strategies and scenarios. Consequently, the OTE Group, with the assistance of the Monitor, has prepared a plan to significantly reduce the operations of the OTE Group (the “**Reduced Operations Plan**”) in order to reduce the operating costs and conserve cash, as a result of the challenges stated above.
- 25. At the commencement of the CCAA Proceedings, the OTE Group had three blending locations: Tyendinaga, Whitefish, and Six Nations. As at the date of the report, in order to save costs and streamline operations, the Reduced Operations Plan has commenced and operations at the Tyendinaga

blending location and Whitefish blending location (collectively, the “**Discontinued Locations**”) have been discontinued. In connection therewith, all employees employed at the Discontinued Locations have been terminated. Further, any assets, with the exception of any blending equipment and any assets that are not movable, have been transferred from the Discontinued Locations to the Six Nations blending location.

26. Operations at the Six Nations blending location will continue, and all remaining OTE Group customers will be serviced from the Six Nations location for the time being, subject to the Reduced Operations Plan. In connection with the Reduced Operations Plan, the OTE Group, with assistance of the Monitor, will undertake a Bid Process, as further discussed below.
27. As discussed in the Fourth Report, the Monitor was working with the OTE Group and the Ministry of Finance on an agreement that extended certain time limited gas licenses and fuel licences until December 31, 2023. Subsequently, an extension of the aforementioned licenses to December 31, 2023 was granted by the Ministry of Finance. In light of the Reduced Operations Plan and the proposed Bid Process, the OTE Group does not currently intend to seek further extensions of the gas licenses and fuel licenses beyond December 31, 2023.
28. In addition to carrying out the Bid Process to try and find one or more buyers for the business and/or assets of the OTE Group, the Monitor will continue with its investigative and asset recovery efforts pursuant to the powers granted to the Monitor by the Court and the CCAA, in order to try and achieve recoveries for the OTE Group's creditors.

## **IX. CASH RECEIPTS AND DISBURSEMENTS – JULY 3, 2023 TO SEPTEMBER 17, 2023**

29. As noted in the Fourth Report, the OTE Group, in consultation with the Monitor, prepared an extended cash flow forecast (the “**Extended Cash Flow Forecast**”) for the period from July 3, 2023, to November 5, 2023, in support of the requested stay extension, representing a forecast of the OTE Group’s projected receipts and disbursements during that time period. The OTE Group continues to co-operate with the Monitor and provide access to their books and records and disbursements on a weekly basis, and has prepared a forecast-to-actual variance analysis regarding the OTE Group’s receipts and disbursements.
30. A comparison of the Extended Cash Flow Forecast to actual results for the 10-week period from July 3, 2023, to September 17, 2023 (the “**Comparison Period**”) is summarized as follows:

<b>Original Traders Energy</b>			
<b>Summary of Actual Receipts and Disbursements</b>			
<i>For the 10-week period from July 3, 2023 - September 17, 2023</i>			
<b>In C\$; unaudited</b>			
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b> Fav/(Unfav)
<b>Receipts</b>			
Customer collections	54,283,720	63,054,030	(8,770,310)
Tax refunds	10,111,946	2,759,577	7,352,369
<b>Total receipts</b>	<b>64,395,666</b>	<b>65,813,607</b>	<b>(1,417,941)</b>
<b>Operating disbursements</b>			
Purchases	42,399,552	49,944,365	7,544,813
Pre-filing payments/deposits	-	215,000	215,000
Operating expense	1,454,391	3,590,510	2,136,119
Rent and royalties	85,834	85,886	52
Payroll	833,711	949,389	115,678
Professional fees	445,497	750,000	304,503
Tax remittances	15,072,437	13,810,097	(1,262,340)
Bank payments	369,529	254,776	(114,753)
<b>Total operating disbursements</b>	<b>60,660,951</b>	<b>69,600,023</b>	<b>8,939,072</b>
Foreign Exchange	55,400	-	55,400
<b>Net cash flow</b>	<b>3,790,115</b>	<b>(3,786,416)</b>	<b>7,576,531</b>
<b>Opening cash</b>	<b>10,076,418</b>	<b>10,076,418</b>	-
Net cash flow	3,790,115	(3,786,416)	7,576,531
<b>Ending cash</b>	<b>13,866,533</b>	<b>6,290,002</b>	<b>7,576,531</b>

**Note:** "Fav/(unfav)" denotes favourable or unfavourable variances against forecast.

31. As shown in the above table, the OTE Group reported a net cash inflow of approximately \$3.8 million over the Comparison Period resulting in a favourable cash flow variance of approximately \$7.6 million as compared to the Extended Cash Flow Forecast for the same period.
32. The favourable cash flow variance of \$7.6 million is principally the result of the following:
- (i) *Timing Differences:* tax refunds during the Comparison Period were \$7.4 million higher than expected. This was offset by a \$1.3 million unfavourable cash flow variance related to the timing differences of tax remittances; and
  - (ii) *Lower Sales Volume:* sales volume for the OTE Group was lower than forecast which resulted in customer collections being lower by \$8.8 million. However, disbursements related to purchases, operating expenses, payroll and professional fees were collectively lower than forecast by \$10.1 million.

33. As a result of the net impact of the above two items, the ending cash balance is higher than forecasted, however, this is a temporary positive variance due to favourable timing of the tax refunds.

## **X. PROPOSED BID PROCESS**

34. The Monitor notes that, to date, no active marketing of the OTE Group and/or its assets has been undertaken during the CCAA Proceedings. In light of the loss of key customers and the shift to the Reduced Operations Plan, as noted above, the OTE Group, in consultation with the Monitor, has determined that a process to try and sell the business and assets of the OTE Group is the most prudent and reasonable course of action in the circumstances to try and maximize recoveries for the OTE Group's creditors. Accordingly, the Bid Process has been developed as a means of gauging interest in the OTE Group and/or its assets and determining whether a transaction that would result in greater than liquidation value is available for the property, assets and undertakings of the OTE Group (collectively, the “**Property**”).
35. The Property available under this process would also include the blending equipment located at the Discontinued Locations, as well as any assets that have been transferred to Six Nations as part of the Reduced Operations Plan.
36. The purpose of the Bid Process is to identify one or more purchasers for all or part of the Property of the OTE Group. In order to provide third parties with an opportunity to bid on the Property, the Monitor proposes to market the OTE Group and/or its assets to third parties for a period of approximately 35 days.
37. Any sale of the assets or the business of the OTE Group will be on an “as is, where is” basis, without surviving representations or warranties of any kind, nature, or description by the OTE Group, the Monitor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the OTE Group in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.
38. The key aspects of the Bid Process are as follows:
- (i) On or about October 5, 2023, an initial offering summary (the “**Teaser Letter**”), a bid process letter (the “**Bid Process Letter**”) and form of non-disclosure letter (the “**NDA**”) prepared by counsel to the Monitor and counsel to the OTE Group will be sent to a list of potential interested

- parties (the “**Interested Parties**”) by the Monitor, which list has been developed by the Monitor and the OTE Group;
- (ii) The Monitor will cause a notice of the Bid Process (and such other relevant information which the Monitor, in consultation with the OTE Group, considers appropriate) (the “**Notice**”) to be published in The Globe and Mail (National Edition);
  - (iii) Interested Parties will be required to sign the NDA prior to obtaining information to assist with their evaluation of the OTE Group’s assets;
  - (iv) The Monitor will establish an electronic data room (the “**Data Room**”) to provide Interested Parties with access to relevant information relating to the OTE Group;
  - (v) Interested Parties that wish to view and inspect the OTE Group’s assets will be required to schedule an appointment with the Monitor;
  - (vi) Interested Parties will be required to submit binding offers (the “**Binding Offers**”) to the Monitor by 5 pm Eastern Standard Time on November 10, 2023 (the “**Bid Deadline**”). Interested parties may submit a Binding Offer for all the OTE Group’s Property or a subset of same;
  - (vii) The acceptability of any Binding Offers received is to be determined by the Monitor, in consultation with the OTE Group, and subject to any confidentiality restrictions considered appropriate by the Monitor; and
  - (viii) If there are Binding Offers that are acceptable to both the Monitor and the OTE Group, they will be presented to this Court for final approval, with the closing of the sale to occur as soon as possible after all approvals are received.
39. The Monitor notes that the proposed Bid Process timeframe is condensed. However, the Monitor believes that the deadlines proposed in the Bid Process are reasonable and balance the search for a prospective purchaser with the costs associated with administering a sales process of this nature in light of the challenges facing the OTE Group. The Monitor will report back to this Court if facts or circumstances require the OTE Group or the Monitor to re-evaluate the time periods or the Bid Process based on facts or circumstances at that time.
40. Additional aspects of the Bid Process are as follows:

- (i) The Monitor may amend any timelines and make any minor amendments it deems necessary or advisable to the Bid Process to help ensure the fairness, integrity and efficacy of the Bid Process;
  - (ii) Any transaction will be subject to Court approval;
  - (iii) In order to facilitate due diligence or maximize participation by Interested Parties in the Bid Process, the Monitor will have the right to extend any of the timelines in the Bid Process, provided that the OTE Group does not object to any extension of timeline; and
  - (iv) The Monitor has the right to reject any and all Binding Offers, including the highest dollar value Binding Offer(s), acting commercially reasonably.
41. The Monitor recommends that this Court issue the Third Stay Extension Order, which includes relief approving this Bid Process, for the following reasons:
- (i) The Bid Process is a fair, open and transparent process intended to canvass the market broadly on an orderly basis;
  - (ii) There will be no delay in commencing the Bid Process, such that the process can be conducted in a timely nature for stakeholders;
  - (iii) The duration of the Bid Process is sufficient to allow Interested Parties to participate and to submit an offer on or before a reasonable timeline; and
  - (iv) The OTE Group has assisted the Monitor in designing the Bid Process' framework, to best maximize value for the OTE Group's creditors.

## **XI. EMPLOYEE CLAIMS**

42. As discussed previously, the Monitor was authorized by the Court to conduct a Claims Procedure to call for, assess and determine claims against the OTE Group. Accordingly, the Monitor, with the assistance of the OTE Group, carried out the Claims Procedure in accordance with the Claims Procedure Order. The claims bar date was June 27, 2023.
43. As a result of the Discontinued Locations, OTE terminated some employees and it is anticipated that further terminations of employees will be required as a result of the Reduced Operations Plan, unless a going-concern buyer who is willing to retain the employees can be found in the Bid Process. As the



termination of employees may result in Restructuring Claims for employees, the Monitor proposes an adjustment to the Claims Procedure to include any employees of OTE Group terminated during the CCAA Proceedings (the “**Terminated Employees**”) to enable Terminated Employees to assert claims resulting from their termination (e.g. for termination pay, severance pay, wages, vacation pay, commissions or other remuneration arising as a result of the termination of their respective employment).

44. In order to simplify the administration of the Claims Procedure, Terminated Employees will not be required to file proof of claim forms with respect to their claims (the “**Employee Restructuring Claims**”). Rather, the OTE Group will prepare, in consultation with the Monitor, and based on the OTE Group’s books and records, a notice of Employee Restructuring Claim, setting out the classification, nature and amount of each Employee Restructuring Claim. The Monitor will deliver such notice (the “**Notice of Employee Restructuring Claim**”), along with a claims package (the “**Claims Package**”), to each Terminated Employee as soon as reasonably practicable and not later than fifteen business days following the date of the Third Stay Extension Order in respect of each Terminated Employee who was terminated prior to the date of this Order or within fifteen business days following the date on which such Employee Restructuring Claim arises in respect of any Terminated Employee who is terminated following the date of the Third Stay Extension Order.
45. If a Terminated Employee disputes the classification, nature and/or amount of the Employee Restructuring Claim, as set out in their Notice of Employee Restructuring Claim, such Terminated Employee must complete a notice of dispute (the “**Notice of Dispute of Employee Restructuring Claim**”) and send it to the Monitor by no later than 5 pm Eastern Standard Time on the date that is fifteen business days after the date on which the Monitor sent a Claims Package, accompanied by a Notice of Employee Restructuring Claim, to such Terminated Employee having an Employee Restructuring Claim (the “**Employee Claims Bar Date**”).
46. Any Terminated Employee who does not deliver a Notice of Dispute of Employee Restructuring Claim such that it is received by the Monitor by the Employee Claims Bar Date shall be deemed to accept as final and binding the amount of its Claim as set out in the Notice of Employee Restructuring Claim and will be forever barred, estopped and enjoined from disputing the classification, nature and/or amount of the Employee Restructuring Claim set forth in the Notice of Employee Restructuring Claim, and any other claims that such Terminated Employee may have in respect of, arising from or related to such Terminated Employee’s employment or former employment with any of the OTE Group entities.

47. The Monitor is of the view that the Employee Restructuring Claim process and the prescribed timelines are reasonable in that they provide sufficient time for Terminated Employees to evaluate, accept or dispute any Employee Restructuring Claim that any Employee may have against the OTE Group or its Directors and Officers.
48. The Monitor recommends this amendment to the Claims Procedure Order, as it further understands from its counsel that the Employee Restructuring Claim mechanism designed above is structured to mirror “negative notice” employee Claims Procedure that are regularly granted by this Court in other CCAA filings.

## **XII. OTE GROUP’S REQUEST TO EXTEND STAY PERIOD TO APRIL 26, 2024**

49. The current Stay Period expires on November 3, 2023. The OTE Group is seeking an extension of the Stay Period to April 26, 2024, to, among other things, advance the Reduced Operations Plan as well as the Bid Process.
50. In support of the stay extension, the OTE Group, with the assistance of the Monitor, has prepared the Third Extended Cash Flow Forecast, a copy of which is attached hereto as Appendix “B” (along with reports of both management and the Monitor on the Third Extended Cash Flow Forecast). The Third Extended Cash Flow Forecast is summarized below:

<b>Original Traders Energy</b>	
<b>Third Extended Cash Flow Forecast</b>	
<b>For the 32-week period from September 18, 2023 - April 28, 2024</b>	
<b>In C\$; unaudited</b>	<b>Total</b>
<b>Receipts</b>	
Customer collections	63,000,000
Tax refunds	-
<b>Total receipts</b>	<b>63,000,000</b>
<b>Operating disbursements</b>	
Purchases	44,000,000
Pre-filing payments/deposits	-
Operating expense	6,000,000
Rent and royalties	200,000
Payroll	795,000
Professional fees	2,205,000
Tax remittances	14,000,000
Bank payments	938,715
<b>Total operating disbursements</b>	<b>68,138,715</b>
<b>Net cash flow</b>	<b>(5,138,715)</b>
<b>Opening cash</b>	<b>13,866,533</b>
Net cash flow	(5,138,715)
<b>Ending cash</b>	<b>8,727,818</b>

51. The Third Extended Cash Flow Forecast indicates that the OTE Group will have sufficient liquidity to fund both operating costs and the costs of the CCAA Proceedings during the extension of the Stay Period, if granted.
52. The Monitor is of the view that the extension of the Stay Period is appropriate in the circumstances. The Monitor supports the OTE Group's request for an extension of the Stay Period to April 26, 2024, for the following reasons:
- (i) the OTE Group has, to the knowledge of the Monitor, acted and continues to act in good faith and with due diligence;
  - (ii) the extension will provide the time necessary for the OTE Group to: (a) assess the claims that are submitted or may be submitted as part of the Claims Procedure Order; (b) advance the Reduced Operations Plan with the assistance of the Monitor; and (c) progress the Bid Process; and

- (iii) the extension should not materially prejudice any creditor, as the OTE Group is projected to have sufficient funds through its continuing operations to pay post-filing services and supplies, as contemplated in the Third Extended Cash Flow Forecast.

### **XIII. ITALIAN YACHT UPDATE**

- 53. Pursuant to the Yacht Sale and AirSprint Proceeds Order, the Monitor commenced the Yacht Sale Process. As discussed in the Fourth Report, the Monitor was to select one or more boat dealers or brokers (the “**Boat Broker**”) in Florida to market the Italian Yacht for sale.
- 54. On August 21, 2023, the Monitor provided the Mareva Respondents with a summary of four proposed Boat Brokers with a recommendation for one of the four Boat Brokers (the “**Recommended Boat Broker**”) headquartered in Florida, USA, for reasons of, among others, relatively lower storage and operating costs quoted. The Monitor has not yet formally engaged the Recommended Boat Broker because upon commencement of the search for same, the Monitor was made aware of certain legal issues, particularly with respect to unpaid duties, surrounding the Italian Yacht that would prohibit the sale of same in Florida, USA.
- 55. The Monitor’s investigation regarding the legal issues surrounding the planned sale of the Italian Yacht remains ongoing at the time of this report.
- 56. The Monitor’s selection of the Boat Broker was also dependent on the arrangement of insurance for the Italian Yacht. Shortly before the date of this Fifth Report, the Monitor successfully placed alternate insurance coverage for the Italian Yacht. In the Monitor’s view, the insurance previously in place was not satisfactory in providing adequate coverage that protects the OTE Group against potential loss or damage to the Italian Yacht.

### **XIV. AIRSPRINT LETTER**

- 57. As discussed in the Fourth Report, on April 28, 2023, the Court issued the Information Order authorizing and directing AirSprint to provide to the Monitor or its counsel any requested information relating to the OTE Group, the OTE Group Affiliates (as defined in the Information Order) or any third party owned, controlled by, or otherwise related to the OTE Group Affiliates.
- 58. Pursuant to the Information Order and in cooperation with the Monitor, AirSprint provided certain information to the Monitor. This information included flight manifests identifying the individuals

who travelled with the OTE Claimed Airsprint Property (the "**Flight Manifest**") between April 20, 2021 to February 23, 2023 (the "**Review Period**").

59. The Monitor reviewed the Flight Manifest and identified persons who traveled on OTE Claimed AirSprint Property during the Review Period. On or about September 15, 2023, the Monitor sent letters (the "**AirSprint Letters**") to certain persons to allow the Monitor to obtain further information relating to the use of the OTE Claimed AirSprint Property, particularly with respect to the nature of each trip taken whether personal or business related. The Monitor will seek reimbursement for any travel determined to be in relation to personal matters.
60. The recipients of the AirSprint Letters have been provided a deadline of fourteen (14) days from the date of the letter to provide a response. Should a response not be received from an individual by this date, the Monitor will assume that all travel associated with that individual was personal in nature and will seek reimbursement.

## **XV. HISTORICAL TRANSACTIONS REVIEW**

61. As described in the second report of the Monitor (the "**Second Report**"), in connection with its investigatory powers, the Monitor sent letters (the "**Information Request Letters**") to certain parties (collectively, the "**Requested Parties**") who may have been in possession, custody or control of any books, records, accountings, documents, correspondences or papers, electronically stored or otherwise, relating to the OTE Group (the "**Requested Information**").
62. The Monitor, with the assistance of the OTE Group, is currently in the process of reviewing the limited Requested Information received from Requested Parties, along with the historical bank statements of OTE Group, to identify any further gaps in the books and records of the OTE Group for the purposes of establishing a more complete set of same (the "**Historical Transactions Review**").
63. As at the date of this report, the Historical Transactions Review is ongoing. The Monitor intends to attend this Court at a later date to report more fully on the status of the Monitor's Historical Transactions Review.

## **XVI. MONITOR'S RECOMMENDATIONS**

64. For the reasons set out in this Fifth Report, the Monitor is of the view that the Bid Process is reasonable in the circumstances, balances the search for a prospective purchaser with the costs associated with

administering a sales process of this nature, and should provide Interested Parties with sufficient time to value the company and to make an offer in respect of the business and/or its assets.

65. Based on the foregoing, the Monitor respectfully recommends that this Court approve the relief sought in the Third Stay Extension Order.

All of which is respectfully submitted this 28th day of September 2023.

**KPMG Inc.**  
**In its capacity as Monitor of**  
**Original Traders Energy Group**  
**And not in its personal or corporate capacity**

Per:



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**Paul van Eyk**  
**CPA, CA-IFA, CIRP, LIT, Fellow of INSOL**  
President



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**Duncan Lau**  
**CPA, CMA, CIRP**  
Senior Vice President

# **APPENDIX “A”**

## BID PROCESS

On January 30, 2023, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) providing certain relief pursuant to the *Companies' Creditors Arrangement Act* (the “**CCAA**”, and these proceedings, the “**CCAA Proceedings**”), including a stay of proceedings against Original Traders Energy Ltd., 2496750 Ontario Inc., OTE Logistics LP, and Original Traders Energy LP (collectively, the “**OTE Group**”). The Initial Order also appointed KPMG Inc. as monitor of the OTE Group (in such capacity, the “**Monitor**”). On February 9, 2023, the OTE Group was granted additional relief under the CCAA by Order of the Court (the “**ARIO**”). These CCAA Proceedings are ongoing.

Pursuant to an order dated October 4, 2023 (the “**Bid Process Order**”), the Court approved, among other things, the sale process described herein (the “**Bid Process**”). The Monitor, with the assistance of the OTE Group, shall conduct the Bid Process as provided below.

Capitalized terms used in this Bid Process and not otherwise defined herein have the meanings given to them in the fifth report of the Monitor (the “**Fifth Report**”).

### **Opportunity**

1. The Bid Process is intended to solicit interest in and opportunities for the property, assets and undertakings of the OTE Group, excluding the assets identified at Schedule “A” to the injunctive order dated March 15, 2023 (collectively, the “**Property**”).
2. Any sale of the Property will be on an “as is, where is” basis, without surviving representations or warranties of any kind, nature, or description by the Monitor, the OTE Group, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the OTE Group in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

### **Key Dates**

3. The following are the key dates of the Bid Process:

<b>Milestone</b>	<b>Date</b>
Commence solicitation of interest from parties	No later than October 5, 2023.
Binding Offer Deadline	November 10, 2023, at 5:00 p.m. EST.
Deadline to notify Qualified Bidders of Successful Bid	November 16, 2023, at 5:00 p.m. EST.



## **Solicitation of Interest: Notice of Bid Process**

4. As soon as reasonably practical, but no later than October 5, 2023:
  - a. the Monitor, with the assistance of the OTE Group, will prepare a list of parties that have expressed interest in the Opportunity, or that the Monitor believes may have an interest in the Opportunity (the “**Interested Parties**”);
  - b. the Monitor, with the assistance of the OTE Group, will prepare a process summary (the “**Teaser Letter**”) describing the Opportunity, outlining the Bid Process and inviting recipients of the Teaser Letter to express their interest pursuant in the Bid Process;
  - c. the OTE Group, with the assistance of the Monitor, will prepare a non-disclosure agreement in form and substance satisfactory the OTE Group and the Monitor (an “**NDA**”);
  - d. the Monitor will cause a notice of the Bid Process (and such other relevant information which the Monitor, in consultation with the OTE Group, considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition).
5. The Monitor will send the Teaser Letter and NDA to all Known Potential Bidders by no later than October 5, 2023 and to any other party who requests a copy of the Teaser Letter and NDA.

## **Due Diligence**

6. Any party that wishes to participate in the Bid Process (a “**Potential Bidder**”) must provide to the Monitor at the addresses specified in Schedule “A” hereto (including by email transmission), with an NDA executed by it, acceptable to the Monitor, in consultation with the OTE Group, and written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.
7. A Potential Bidder (who has delivered the executed NDA and letter as set out above) will be deemed a “**Qualified Bidder**” if the Monitor, in consultation with the OTE Group, determines such person is likely, based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the Bid Process. All Qualified Bidders will be granted access to a virtual data room (the “**Data Room**”).
8. At any time during the Bid Process, the Monitor may, in its reasonable business judgement, eliminate a Qualified Bidder from the Bid Process.
9. Potential Bidders must rely solely on their own independent review, diligence, investigation and/or inspection of all information and of the Property in connection with their participation in the Bid Process and any transaction they enter into with one or more of the OTE Group entities.

10. The Monitor, in consultation with the OTE Group, shall, subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property as the Monitor, in consultation with the OTE Group, may deem appropriate. The Monitor may also, in consultation with the OTE Group, limit the access of any Qualified Bidder to any confidential information in the Data Room if the Monitor, in consultation with the OTE Group, reasonably determines that such access could negatively impact the Bid Process, the ability to maintain the confidentiality of the information, the Property or its value.
11. Qualified Bidders that wish to view and inspect the OTE Group's assets in person must schedule an appointment with the Monitor.

### **Binding Offers**

12. Qualified Bidders that wish to make a formal offer to purchase or make an investment in the OTE or their Property or any part thereof shall submit a binding offer (a "**Binding Offer**") that complies with all of the following requirements to the Monitor at the addresses specified in Schedule "A" hereto (including by email), so as to be received by them no later 5 p.m. EST on November 10, 2023 (the "**Bid Deadline**"). For greater certainty, Binding Offers must:
  - (a) be submitted on or before the Bid Deadline by a Qualified Bidder;
  - (b) be made by way of binding, definitive transaction document(s) that is/are executed by the Qualified Bidder;
  - (c) includes an acknowledgement by the Qualified Bidder: (i) that it has had an opportunity to conduct any and all due diligence prior to making the Binding Offer; (ii) that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Binding Offer; and (iii) that it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer;
  - (d) does not provide for any break or termination fee, expense reimbursement or similar type of payment, it being understood and agreed that no bidder will be entitled to any bid protections;
  - (e) contain a clear indication of whether the Qualified Bidder is offering to: (i) acquire all, substantially all or a portion of the Property (a "**Binding Sale Offer**"); or (ii) make an investment in, restructure, reorganize or refinance the Property and/or one or more of the OTE Group (a "**Binding Investment Offer**"), on terms and conditions reasonably acceptable to the Monitor and to the OTE Group;
  - (f) provide proof of funds acceptable to the Monitor, in consultation with the OTE Group;

- (g) provide for a deposit of 10% of the total purchase price of the Property to be purchased; and
- (h) include such other information as reasonably requested or identified as being necessary or required by the Monitor, in consultation with the OTE Group.

### **Selection of Successful Bid**

13. Binding Offers will be valued based upon numerous factors, including, without limitation, items such as the purchase and the net value provided by such offer, the claims likely to be created by such offer in relation to other offers, the identity, circumstances and ability of the bidder to successfully complete such transactions, the proposed transaction documents, the effects of the bid on the stakeholders of the OTE Group, factors affecting the speed, certainty and value of the transactions, the assets included or excluded from the offer, any related restructuring costs, and the likelihood and timing of consummating such transactions, each as determined by the Monitor, in consultation with the OTE Group.
14. The Monitor may aggregate separate Binding Offers together to create one "Binding Offer" package for the whole sale of the Property of the OTE Group, upon consultation with the OTE Group.
15. The Monitor will: (i) review and evaluate each Binding Offer, provided that each Binding Offer may be re-negotiated with the Monitor and the applicable Qualified Bidder, upon consultation with the OTE Group, and may be amended, modified or varied to improve such Binding Offer as a result of such negotiations; and (ii) identify the highest or otherwise best Binding Offer(s) (the "**Successful Bid(s)**", and a Qualified Bidder making such Successful Bid, a "**Successful Bidder**") for any particular Property of the OTE Group in whole or part.
16. The Monitor, in consultation with the OTE Group may provide a recommendation to the Court to approve one or more Successful Bids. The Monitor shall have no obligation to enter into a Successful Bid to reject any or all Binding Offers and/or to recommend to the Court that the Bid Process be terminated without the selection of a Successful Bid.
17. Notwithstanding the process and deadlines outlined above with respect to the Bid Process, the Monitor, at its reasonable discretion and upon consultation with the OTE Group may, at any time:
  - a. pause, terminate, amend or modify the Bid Process in accordance with the terms set out herein;
  - b. remove any portion of the Property from the Bid Process; and/or
  - c. establish further or other procedures for the Bid Process.

### **Confidentiality, Stakeholder/Bidder Communication and Access to Information**

18. All discussions regarding the Bid Process should be directed through the Monitor. Under no circumstances should the management of the OTE Group or any stakeholder of the OTE Group

be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the Bid Process. For greater certainty, nothing herein shall preclude a stakeholder from contacting potential bidders with the agreement of the Monitor to advise that the OTE Group have commenced a Bid Process and that they should contact the Monitor if they are interested in participating in the Bid Process.

19. If it is determined by the Monitor, in consultation with the OTE Group, that it would be worthwhile to facilitate a discussion between one or more Qualified Bidders and a stakeholder or other third party as a consequence of a condition to closing or potential closing condition identified by such Qualified Bidder, the Monitor may provide such Qualified Bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Monitor, in consultation with the OTE Group. The Monitor must be provided with the opportunity to be present at all such communications or meetings.

#### **Supervision of the Bid Process**

20. This Bid Process does not and will not be interpreted to create any contractual or other legal relationship between the OTE Group and any Qualified Bidder or any other party, other than as specifically set forth in an NDA or any definitive agreement executed.
21. Participants in the Bid Process are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Binding Offer, due diligence activities, and any other negotiations or other actions, whether or not they lead to the consummation of a transaction.
22. The Monitor shall have no liability whatsoever to any person or entity, including without limitation any Potential Bidder, Qualified Bidder, or any other creditor or stakeholder, or any Applicant, as a result of implementation or otherwise in connection with this Bid Process, except to the extent that any such liabilities result from the gross negligence or wilful misconduct of the Monitor, as determined by the Court, and all such persons or entities shall have no claim against the Monitor in respect of the Bid Process for any reason whatsoever.

## SCHEDULE "A"

### **The Monitor:**

#### **KPMG Inc.**

333 Bay Street, Suite 4600  
Bay Adelaide Centre  
Toronto, ON M5H 2S5

Attention: Paul van Eyk, Duncan Lau and Tahreem Fatima

Email: [pvaneyk@kpmg.ca](mailto:pvaneyk@kpmg.ca) / [duncanlau@kpmg.ca](mailto:duncanlau@kpmg.ca) / [tahreemfatima@kpmg.ca](mailto:tahreemfatima@kpmg.ca)

with copies to:

#### **Bennett Jones LLP**

100 King Street West, Suite 3400  
Toronto, ON M5X 1A5

Attention: Raj Sahni and Thomas Gray

Email: [sahnir@bennettjones.com](mailto:sahnir@bennettjones.com) / [grayt@bennettjones.com](mailto:grayt@bennettjones.com)

# **APPENDIX “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C.1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
ORIGINAL TRADERS ENERGY LTD. AND 2496750 ONTARIO INC.  
(collectively the "Applicants")**

**MONITOR'S REPORT ON CASH FLOW STATEMENT  
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash flow of Original Traders Energy Ltd. and 2496750 Ontario Inc. (collectively referred to herein as "**OTE Group**" or the "**Applicants**") prepared as of the 25th day of September 2023, consisting of the period from September 18, 2023 to April 28, 2024 (the "**Third Extended Cash Flow Forecast**"), has been prepared by management of the Applicants, in consultation with the Monitor for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Third Extended Cash Flow Forecast.

Our review and consultation consisted of inquiries, analytical procedures and discussions related to information supplied by management and employees of the Applicant. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Third Extended Cash Flow Forecast. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Third Extended Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Third Extended Cash Flow Forecast;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Third Extended Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Third Extended Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

Since the Third Extended Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Third Extended Cash Flow Forecast will be achieved.

The Third Extended Cash Flow Forecast has been prepared solely for the purpose described in the notes thereto and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, in the Province of Ontario, this 26th day of September 2023.

**KPMG Inc.**  
**In its capacity as Proposed Monitor of**  
**Original Traders Energy Group**  
**And not in its personal or corporate capacity**

**Per:**



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Paul van Eyk  
CPA, CA, CIRP, IFA, Fellow of INSOL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C.1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
ORIGINAL TRADERS ENERGY LTD. AND 2496750 ONTARIO INC.  
(collectively the "Applicants")**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)**

The management of Original Traders Energy Ltd. and 2496750 Ontario Inc. (collectively referred to herein as "**OTE Group**" or the "**Applicants**") have developed the assumptions and prepared the attached statement of projected cash flow as of the 25th day of September 2023, consisting of the period from September 18, 2023 to April 28, 2024 (the "**Third Extended Cash Flow Forecast**").

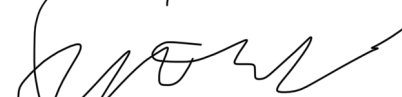
The hypothetical assumptions are reasonable and consistent with the purpose of the Third Extended Cash Flow Forecast described in the notes therein, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Third Extended Cash Flow Forecast. All such assumptions are disclosed in the notes therein.

Since the Third Extended Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The Third Extended Cash Flow Forecast has been prepared solely for the purpose described in the notes therein, using the probable and hypothetical assumptions set out therein. Consequently, readers are cautioned that the Third Extended Cash Flow Forecast may not be appropriate for other purposes.

Dated at Toronto, in the Province of Ontario, this 26th day of September 2023.

**Original Traders Energy Ltd. and 2496750 Ontario  
Inc.**



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Scott Hill  
President



**Original Traders Energy Group  
Third Extended Cash Flow Forecast  
Notes and Summary of Assumptions**

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**In the Matter of the CCAA Proceedings of Original Traders Energy Ltd. and 2496750 Ontario Inc.  
(collectively the “Applicants”)**

**Disclaimer**

In preparing this cash flow forecast (the “**Third Extended Cash Flow Forecast**”), the Applicants have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. Since the Third Extended Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Third Extended Cash Flow Forecast period will vary from the Third Extended Cash Flow forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

The Third Extended Cash Flow Forecast is presented in Canadian dollars. All defined terms that are not otherwise defined herein are to have the same meaning ascribed to them in the fifth report of the Monitor dated September 25, 2023 (the “**Fifth Report**”).

**Note 1 Purpose of the Third Extended Cash Flow forecast**

The purpose of the Third Extended Cash Flow Forecast is to present the estimated cash receipts and disbursements of the Applicants for the period from September 18, 2023 to April 28, 2023 (the “**Forecast Period**”), in respect of its proceedings under the CCAA. The Third Extended Cash Flow Forecast has been prepared by management of OTE Group (“**Management**”), in consultation with the Monitor based on available financial information at the date of the Fifth Report. Readers are cautioned that this information may not be appropriate or relied upon for any other purpose.

**Note 2 Customer Collections**

Customer collections are comprised of income earned from the collection of existing receivables and new sales generated from the sale of fuel products to petroleum stations and First Nations’ communities across Southern Ontario.

**Note 3 U.S. Tax Refunds**

These receipts relate to the collection of U.S. tax refunds. There are no U.S. tax refunds forecasted to be collected in the Forecast Period.

**Note 4 Purchases**

OTE Group purchases inventory from various third-party suppliers. Forecasted purchases are reflective of current operating levels.

**Note 5 Pre-Filing Payments/Deposits**

These disbursements relate to amounts owing for goods and services supplied prior to the filing date by certain third-party suppliers, up to a maximum aggregate amount of \$6.625 million (the “**Pre-Filing Critical Supplier Payments**”), if in the opinion of OTE Group, the supplier is critical to the ongoing operations and OTE Group's business. There are no Pre-Filing Critical Supplier Payments forecasted to be paid by the OTE Group in the Forecast Period.

**Note 6 Operating Expenses**

Operating expenses are comprised of production expenses related to blending fuel products and general business expenses, including insurance, utilities, freight, general and administrative, among others.

- Note 7**            **Rent and Royalties**  
These disbursements represent rental payments for the Applicant’s four leased facilities. Rental payments include base rent and other costs provided for in the respective leases. Royalties are payable to the unrelated third parties which OTE Group leases two of its blending sites from and are based on quantities sold out of each location. Rent and royalties are forecasted based on historical run-rates and paid on the first day of each month.
- Note 8**            **Payroll**  
Payroll expenses include salaries and wages, payroll taxes and remittances, accrued vacation, and employee benefits paid to OTE Group Employees. Payroll expenses are forecasted based on current headcount levels and are paid weekly.
- Note 9**            **Professional Fees**  
Professional fees include payments to the Applicant’s legal counsel, the Proposed Monitor, and the Proposed Monitor’s legal counsel.
- Note 10**          **Tax Remittances**  
Tax remittances relate to federal and provincial tax payments made on the fifteenth day of each month related to the month prior.
- Note 11**          **Bank Payments**  
Bank payments represent lease payments made to the secured lender, Royal Bank of Canada (“RBC”), during the Forecast Period.

Original Traders Energy																																				
Third Extended Cash Flow Forecast																																				
In Thousands C\$, unaudited	Notes	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	Total		
		9/24/2023	10/1/2023	10/8/2023	10/15/2023	10/22/2023	10/29/2023	11/5/2023	11/12/2023	11/19/2023	11/26/2023	12/3/2023	12/10/2023	12/17/2023	12/24/2023	12/31/2023	1/7/2024	1/14/2024	1/21/2024	1/28/2024	2/4/2024	2/11/2024	2/18/2024	2/25/2024	3/3/2024	3/10/2024	3/17/2024	3/24/2024	3/31/2024	4/7/2024	4/14/2024	4/21/2024	4/28/2024			
<b>Receipts</b>	<b>1</b>																																			
Customer collections	2	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,500	2,310	1,190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,000	
Tax refunds	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total receipts</b>		<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>	<b>3,500</b>	<b>2,310</b>	<b>1,190</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>-</b>	<b>63,000</b>	
<b>Operating disbursements</b>																																				
Purchases	4	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,000	
Pre-filing payments/deposits	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating expense	6	200	200	200	200	200	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	125	125	-	-	-	-	-	-	-	6,000	
Rent and royalties	7	-	45	-	-	-	-	45	-	-	-	45	-	-	-	45	-	-	-	5	-	-	-	5	-	-	-	-	5	-	-	-	-	-	5	200
Payroll	8	75	75	75	75	75	25	25	25	25	25	25	25	25	25	25	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	795	
Professional fees	9	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	60	60	60	60	60	60	60	60	60	60	60	60	60	60	2,205	
Tax remittances	10	3,200	-	-	-	-	3,200	-	-	-	3,200	-	-	-	3,200	-	-	-	-	1,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,000
Bank payments	11	-	20	-	111	-	20	-	111	-	20	-	111	-	20	-	111	-	20	-	111	-	20	-	111	-	20	-	111	-	20	-	111	-	939	
<b>Total operating disbursements</b>		<b>6,550</b>	<b>3,415</b>	<b>3,350</b>	<b>3,461</b>	<b>3,350</b>	<b>6,570</b>	<b>3,395</b>	<b>3,461</b>	<b>3,350</b>	<b>6,570</b>	<b>3,395</b>	<b>3,461</b>	<b>3,350</b>	<b>6,550</b>	<b>2,415</b>	<b>335</b>	<b>446</b>	<b>335</b>	<b>1,560</b>	<b>320</b>	<b>431</b>	<b>320</b>	<b>345</b>	<b>320</b>	<b>306</b>	<b>195</b>	<b>90</b>	<b>75</b>	<b>181</b>	<b>70</b>	<b>90</b>	<b>75</b>	<b>68,139</b>		
<b>Net cash flow</b>		<b>(2,550)</b>	<b>585</b>	<b>650</b>	<b>539</b>	<b>650</b>	<b>(2,570)</b>	<b>605</b>	<b>539</b>	<b>650</b>	<b>(2,570)</b>	<b>539</b>	<b>650</b>	<b>(2,550)</b>	<b>1,085</b>	<b>1,975</b>	<b>744</b>	<b>(335)</b>	<b>(1,560)</b>	<b>(320)</b>	<b>(431)</b>	<b>(320)</b>	<b>(345)</b>	<b>(320)</b>	<b>(306)</b>	<b>(195)</b>	<b>(90)</b>	<b>(75)</b>	<b>(181)</b>	<b>(70)</b>	<b>(90)</b>	<b>(75)</b>	<b>(5,139)</b>			
<b>Opening cash</b>		<b>13,867</b>	<b>11,317</b>	<b>11,902</b>	<b>12,552</b>	<b>13,090</b>	<b>13,740</b>	<b>11,170</b>	<b>11,775</b>	<b>12,314</b>	<b>12,964</b>	<b>10,394</b>	<b>10,999</b>	<b>11,538</b>	<b>12,188</b>	<b>9,638</b>	<b>10,723</b>	<b>12,698</b>	<b>13,442</b>	<b>13,107</b>	<b>11,547</b>	<b>11,227</b>	<b>10,795</b>	<b>10,475</b>	<b>10,130</b>	<b>9,810</b>	<b>9,504</b>	<b>9,309</b>	<b>9,219</b>	<b>9,144</b>	<b>8,963</b>	<b>8,893</b>	<b>8,803</b>	<b>13,867</b>		
<b>Net cash flow</b>		<b>(2,550)</b>	<b>585</b>	<b>650</b>	<b>539</b>	<b>650</b>	<b>(2,570)</b>	<b>605</b>	<b>539</b>	<b>650</b>	<b>(2,570)</b>	<b>539</b>	<b>650</b>	<b>(2,550)</b>	<b>1,085</b>	<b>1,975</b>	<b>744</b>	<b>(335)</b>	<b>(1,560)</b>	<b>(320)</b>	<b>(431)</b>	<b>(320)</b>	<b>(345)</b>	<b>(320)</b>	<b>(306)</b>	<b>(195)</b>	<b>(90)</b>	<b>(75)</b>	<b>(181)</b>	<b>(70)</b>	<b>(90)</b>	<b>(75)</b>	<b>(5,139)</b>			
<b>Ending cash</b>		<b>11,317</b>	<b>11,902</b>	<b>12,552</b>	<b>13,090</b>	<b>13,740</b>	<b>11,170</b>	<b>11,775</b>	<b>12,314</b>	<b>12,964</b>	<b>10,394</b>	<b>10,999</b>	<b>11,538</b>	<b>12,188</b>	<b>9,638</b>	<b>10,723</b>	<b>12,698</b>	<b>13,442</b>	<b>13,107</b>	<b>11,547</b>	<b>11,227</b>	<b>10,795</b>	<b>10,475</b>	<b>10,130</b>	<b>9,810</b>	<b>9,504</b>	<b>9,309</b>	<b>9,219</b>	<b>9,144</b>	<b>8,963</b>	<b>8,893</b>	<b>8,803</b>	<b>8,728</b>	<b>8,728</b>		