COURT FILE NUMBER	2501 01350
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	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 PEAVEY INDUSTRIES GENERAL PARTNER LIMITED, TSC STORES GP INC., GUY'S FREIGHTWAYS LTD., and PEAVEY INDUSTRIES LIMITED
DOCUMENT	FIRST REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR OF PEAVEY INDUSTRIES GENERAL PARTNER LIMITED, TSC STORES GP INC., GUY'S FREIGHTWAYS LTD., and PEAVEY INDUSTRIES LIMITED **February 3, 2025**
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Feb 4, 2025
8:45 AM
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FIRST REPORT OF THE MONITOR

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INTRODUCTION

1. Peavey Industries General Partner Limited ("**Peavey GP**"), TSC Stores GP Inc. ("**TSC GP**"), Guy's Freightways Ltd. ("**Guy's**"), and Peavey Industries Limited ("**Peavey Industries**") (collectively, the "**Applicants**") applied to the Court of King's Bench of Alberta (the "**Court**") for an initial order (the "**Initial Order**") to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") to, among other things, obtain a stay of proceedings (the "**Stay of Proceedings**") to allow the Applicants an opportunity to restructure their business and affairs. The Initial Order was granted by Order of Justice Feasby on January 27, 2025. FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**") was appointed Monitor of the Applicants as well as in in respect of Peavey Industries LP ("**Peavey LP**") and Peavey Industries Mutual Fund Trust ("**MFT**") (collectively, Peavey LP, MFT and the Applicants are referred to as the "**Peavey Group**").

2. The Initial Order granted, among other things, the following relief:

    i. granted the Stay of Proceedings up to and including February 6, 2025;

    ii. authorized the Applicants to continue performance of a store closing consulting agreement ("**SC Agreement**") between Peavey LP and Gordon Brothers Canada ULC ("**GBC**") dated December 20, 2024, and continued performance thereunder;

    iii. authorized the Applicants to continue performance of a master service agreement for consignment of memo merchandise between Peavey LP, as consignee and GBC, as consignor, dated December 20, 2024, ("**Consignment Agreement**") and continued performance thereunder;

iv. authorized (but did not obligate) the Peavey Group to pay any critical supplier for inventory delivered prior to the date of the Initial Order, provided such payment is supported by the Agent and the Monitor;

v. authorized the Peavey Group to continue to use the Cash Management Accounts (as defined below); and

vi. granted certain Court-ordered charges sought by the Applicants including an administration charge ("**Administration Charge**"), interim lender's charge ("**Interim Lender's Charge**") and a directors and officers charge ("**D&O Charge**") (collectively, the "**Charges**").

3. On January 31, 2025, the Applicants filed a notice of application returnable on February 6, 2024, for the following orders:

a. an amended and restated Initial Order (the "**ARIO**") which will provide for:

i. an extension of the stay of proceedings until April 30, 2025;

ii. increases to the amounts of the Administration Charge, the Interim Lender's Charge, and the D&O Charge;

iii. approval of a Key Employee Retention Plan ("**KERP**") and Key Employee Incentive Plan ("**KEIP**") to facilitate retention and incentivize key employees to remain in their employment during the CCAA Proceeding, and approval of a corresponding fourth-ranking Charge on the Property;

iv. a declaration that pursuant to section 5(5) of the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1 ("**WEPPA**") that the Peavey Group meet the criteria established by section 3.2 of the Wage Earner Protection

Program Regulations, SOR/2008-222 (the "WEPP Regulations") as of the date of the granting of the Stay Extension and WEPPA Order; and

v. A restricted access order with respect to the KERP and KEIP

PURPOSE

4. The purpose of this report (this "**Report**" or the "**First Report**") is to provide the Court and the Applicants' stakeholders with information and the Monitor's comments with respect to the following:

   a. a summary of the Monitor's initial activities subsequent to the date of the Initial Order and the Pre-Filing Report;

   b. the Applicants' application for and relief requested in the ARIO;

   c. the Monitor's ongoing independent review of the security held by the Lenders securing obligations owing under the 1903 Credit Agreement; and

   d. the Monitor's conclusions and recommendations.

5. This Report should be read in conjunction with the second affidavit of Douglas Anderson, sworn on January 31, 2025 (the "**Second Anderson Affidavit**") and the First Anderson Affidavit.

TERMS OF REFERENCE

6. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Anderson Affidavit Second Anderson Affidavit or the proposed form of ARIO.

7. In preparing this report, the Monitor has relied upon certain information (the "**Information**") including the Peavey Group's unaudited financial information, books and records and discussions with Peavey Group senior management ("**Management**").

8. Except as described in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.

9. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.

10. Future oriented financial information reported to be relied on in preparing this Report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

INITIAL ACTIVITIES OF THE MONITOR

12. The Monitor's activities since the date of the Pre-Filing Report have included the following:

    a. ongoing discussions with Management and the Peavey Group's legal counsel, Norton Rose Fulbright LLP, regarding the Applicants' business and financial affairs;

    b. retaining McCarthy Tétrault LLP to act as independent legal counsel to the Monitor;

c. establishing a website (the "**Monitor's Website**") at the following URL: http://cfcanada.fticonsulting.com/Peavey/ where the Monitor has and will continue to post all court materials related to these CCAA Proceedings. The Monitor's website includes contact information where secured creditors, unsecured creditors, employees and other stakeholders can reach the Monitor to ask any questions they may have;

d. preparing and issuing notices required under the CCAA and Initial Order, including the following:

    i. mailing notices to creditors as referenced in paragraph 45 of the Initial Order;

    ii. publishing a notice to creditors in the Globe and Mail which ran or will run on January 31 and February 7, 2025;

    iii. publishing a notice to creditors in the Retail Insider which ran or will run on January 30 and February 5, 2025;

    iv. publishing a notice to creditors in the Calgary Herald which ran or will run on January 29 and February 5, 2025; and

e. issuing Form 1 and Form 2 notices to the Office of the Superintendent of Bankruptcy in the prescribed form as required under section 23(1)(f) of the CCAA; and

f. consulting with Management of the Peavey Group and GBC in respect of the Company's ongoing store closure sales and supporting management with respect planning for significant employee terminations resulting from the Peavey Group's store closures;

g. attending to numerous telephone and email inquiries from the Applicants' creditors, suppliers and stakeholders; and

h. preparing this Report.

STORE CLOSURE SALES

13. As described in the Anderson Affidavit, filed January 27, 2025 in support of the Initial Order (the "**First Anderson Affidavit**"), the Peavey Group had commenced store closure sales at all retail locations across Canada prior to the commencement of these CCAA Proceedings. The Peavey Group entered into the SC Consulting Agreement with GBC to assist with the store closure sales. The Initial Order authorized the Peavey Group to carry on the performance of the SC Consulting Agreement. In the Monitor's pre-filing report it reviewed the terms of the SC Consulting Agreement and compared it to similar precedent store closure sale/liquidation consulting agreements that had been approved in prior CCAA Proceedings. The Monitor determined the terms of the SC Consulting Agreement were reasonable for the reasons described in its Pre-Filing Report.

14. Since the Initial Order, as further described in the Second Anderson Affidavit, the Monitor has consulted with the Applicants and GBC to monitor results and progress of the store closure sales. To date, the store closure sales and recoveries therefrom have exceeded initial projections. Discounts from standard retail pricing sheets have ranged between 10% and 30% with an average discount of approximately 15% and certain item have not been discounted. Total sales revenue has increased 146% compared to the same dates from the prior year. However, the Monitor is advised by management of Peavey Group and GBC that store closure sales can be volatile and margins are expected to diminish as the sales progress and inventory is depleted. The Peavey Group and GBC will continue to consult in an effort to maximize value from the store closure sales.

15. Operational disruptions have been minimal due largely to the dedication and resilience of the Peavey Group employees and cooperation from vendors/suppliers and landlords and compliance with the Initial Order.

REVISED CASH FLOW STATEMENT

16. As described more fully in the First Anderson Affidavit, the Peavey Group has cash dominion obligations in favour of the Lenders which mandates that all proceeds from collateral are to be deposited into the Cash Management Accounts. For certain periods of time and following certain events (including the occurrence and continuation of any events of default), all amounts in the Cash Management Accounts must be wired daily to accounts designated by the Agent. The operation of the Cash Management Accounts result in all sales proceeds being swept by the Agent who then re-advances cash on a weekly basis to cover the Peavey Group's expenditures.

17. The Peavey Group, with the assistance of the Monitor, has prepared a revised cash flow statement ("**Revised Cash Flow Statement**") which sets out the liquidity requirements of the Peavey Group during the forecast period for the 14-weeks ending May 3, 2025 ("**Forecast Period**"). The Revised Cash Flow Statement is attached hereto as Appendix "**A**". The Revised Cash Flow Statement is summarized in the following table:

Cash Flow Statement For the 14 week period ending May 3, 2025	14 Weeks
(C$000s)	**Total**
Receipts	
Cash Receipts	**125,994**
Cash Sweep	**(65,660)**
Net Proceeds for Operations	**$ 60,334**
Disbursements	
Operating Disbursements	
Payroll & Benefits	**(14,387)**
Occupancy Expenses	**(8,313)**
Merchandise Fee	**(3,208)**
Other Liquidation Expenses	**(4,935)**
Sales Tax Payable	**(12,634)**
Other Operating Expenses	**(6,685)**
Professional Fees	**(2,190)**
Product Expenses	**(1,050)**
Freight and Duty	**(760)**
Interest Expenses	**(1,388)**
Contingency	**(350)**
Total Disbursements	**$ (55,900)**
Net Cash Flow	**$ 4,434**
Cash	
Opening Cash	**3,174**
Net Cash Flow	**4,434**
Draw / (Repayment) of Post-Petition Debt	**-**
Ending Cash	**$ 7,608**
Pre-Filing debt under 1903 Credit Agreement	
Opening Balance	**65,660**
Draw / (Repayments)	**(65,660)**
Ending Pre-Filing debt under 1903 Credit Agreement	**$ -**
Post-Petition Debt under 1903 Credit Agreement	
Opening Balance	**-**
Draws / (Repayment)	**-**
Ending Post-Petition debt under 1903 Credit Agreement	**$ -**

18. The Monitor has the following comments on the Revised Cash Flow Statement:

a. The Forecast Period ends on May 3, 2025, at which time, it is anticipated that the liquidation and store closing process will be substantially completed; and

b. The Revised Cash Flow Statement includes forecast proceeds from the liquidation of inventory and related operating costs and professional fees. Given the uncertainty at this time, the Revised Cash Flow Statement does not include any potential recoveries on other items including furniture, fixtures and equipment ("FF&E") or intangibles.

19. As set out in the Revised Cash Flow Statement, during the Forecast Period the Peavey Group estimates:

a. Cash receipts from the inventory liquidation of approximately $126 million;

b. $65.7 million in cash sweeps are applied to repay the principal pre-filing debt outstanding under the 1903 Credit Agreement, excluding the fees claimed under the Capital Fees Letter as defined and discussed below. Interest in the approximate amount of $1.388 million is also forecast to be paid;

c. Amounts drawn post-filing on the 1903 Credit Agreement (secured by the Interim Lender's Charge) are repaid in full; and

d. The Peavey Group forecasts to have a positive cash flow of approximately $4.4 million and ending cash of $7.6 million after repayments of the principal amount of $65.7 million and interest of $1.38 million of pre-filing obligations owing the Lenders through cash sweeps and repayment of post-filing advances under the 1903 Credit Agreement that are secured by the proposed Interim Lender's Charge.

20. The Monitor notes that the summary table above does not present the week by week need for post-filing funding that occurs throughout the Forecast Period; however, the detailed weekly Revised Cash Flow Statement is presented at Appendix "**A**". The weekly Revised Cash Flow Statement indicates that the post-filing funding need peaks in the week ending March 1, 2025 at approximately $24 million. It is on this basis that the Monitor supports

the Applicants' request for an increase to the Interim Lender's Charge from $15 million to $25 million.

21. The Revised Cash Flow Statement is based on the following key assumptions:

a. all cash receipts are based on GBC's expectations on the proceeds from the sale of inventory over the Forecast Period. Receipts include the collection of applicable Sales Taxes;

b. payroll & benefits are based on recent payroll amounts and future forecast amounts;

c. occupancy expenses are based on current rent obligations and future payments required to operate during the term of the SC Consulting Agreement at the Peavey Group's stores, distribution centres and offices;

d. Merchandise Fee represents GBC's fee of 2.5% of Gross Proceeds, net only of sales taxes, of merchandise sold during the term of SC Consulting Agreement.

e. other liquidation expenses include estimated other fees paid to GBC during the sale timeline pursuant to the SC Consulting Agreement;

f. sales tax payable represents the remittances of sales tax collected through the sale of the Peavey Group's inventory net of input tax credits;

g. other operating expenses includes general and administrative expenses including IT costs, utilities and maintenance, equipment rentals, capital leases and other costs necessary for operation during the Forecast Period;

h. professional fees are the estimated legal and professional fees associated with the CCAA proceedings;

i. product expenses represent potential amounts paid to vendors for inventory delivered prior and after the date of the Initial Order. These payments are subject to the support of the Agent and the Monitor;

j. freight and duty reflect the payment to freight vendors for transporting product from warehouses to stores during the Forecast Period;

k. interest expenses include interest payable pursuant to the 1903 Credit Agreement;

l. post filing liquidity needs are based on funding requirements throughout the Forecast Period;

m. assumes the Peavey Group maintains a minimum of $2.0 million in cash on hand. All post filing liquidity needs consider this minimum cash balance;

n. assumes, in accordance with the 1903 Credit Agreement, cash is swept to repay the pre-filing debt obligations owed to the Lenders under the 1903 Credit Agreement; and

o. post petition debt is based on the funding required through the Forecast Period as discussed above the detailed weekly Revised Cahs Flow Statement at Appendix "A" demonstrates the week over week post-filing funding requirements.

22. With continued access to the 1903 Credit Agreement, the Applicants will have the necessary funding to satisfy post filing liquidity needs.

<u>Monitor's Comments on the Cash Flow Statement</u>

23. Section 23(1)(b) of the CCAA states that the Monitor shall, "review the company's cash-flow statement as to its reasonableness and file a report with the court on the Monitor's findings".

24. Pursuant to section 23(1)(b) of the CCAA, and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:

a. the Revised Cash Flow Statement has been prepared by management of the Peavey Group for the purpose described in the notes to the Revised Cash Flow Statement, using the probable assumptions and the hypothetical assumptions set out therein;

b. the Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by certain of the management and employees of the Peavey Group. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to those assumptions were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Statement. The Monitor has also reviewed the information in provided by Management in support of the probable assumptions and the preparation and presentation of the Revised Cash Flow Statement;

c. based on its review, and as at the date of this Report, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:

    i. the hypothetical assumptions are not consistent with the purpose of the Revised Cash Flow Statement;

    ii. the probable assumptions developed by management are not suitably supported and consistent with the plans of the Peavey Group or do not provide a reasonable basis for the Revised Cash Flow Statement, given the hypothetical assumptions; or

    iii. the Revised Cash Flow Statement does not reflect the probable and hypothetical assumptions;

d. since the Revised Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Monitor in preparing this Report; and

e. the Revised Cash Flow Statement has been prepared solely for the purpose of estimating liquidity requirements of the Peavey Group during the forecast period. The Revised Cash Flow Statement should not be relied upon for any other purpose.

EXTENSION OF THE STAY OF PROCEEDINGS

25. The Monitor has considered the Applicants' application for the extension of the Stay of Proceedings to April 30, 2025, and has the following comments:

a. with the Lender's commitment to ongoing access to the 1903 Credit Agreement (subject to the increase to the Interim Lender's Charge being granted) the Applicants are projected to have sufficient available liquidity to fund their ongoing obligations and the costs of the CCAA Proceedings during the term of the proposed extension of the Stay of Proceedings;

b. there will be no material prejudice to the Peavey Group's creditors and other stakeholders as a result of the extension of the Stay of Proceedings;

c. the Applicants are acting in good faith and with due diligence;

d. the overall prospects of the Applicants effecting a viable restructuring and continuing with the store liquidations will both be enhanced by the extension of the Stay of Proceedings; and

e. the length of the proposed Stay of Proceedings of approximately 3 months is reasonable given the timeline expected for ongoing store closure sales to be completed.

INTERIM FINANCING

26. The Peavey Group requires interim financing to fund its liquidity requirements for post-filing expenses and costs during the CCAA Proceedings. The Lender has agreed to act as Interim Lender (the "**Interim Lender**") and provide interim financing through continued access to funding under the 1903 Credit Agreement (the "**Interim Financing**"). It is a condition of the Lender continuing to advance credit to the Peavey Group that post-filing advances made to the Peavey Group be secured by a court ordered security interest, lien and charge over all of the assets and undertakings of the Peavey Group (the "**Interim Lender's Charge**").

27. It is anticipated that proceeds from the liquidation of the Peavey Group inventory and FF&E will be used to reduce or repay prefiling obligations outstanding under the 1903 Credit Agreement and post filing liquidity needs will be funded through continued access to the 1903 Credit Agreement as Interim Financing. In accordance with the 1903 Credit Agreement and the current cash management system, in effect, the Peavey Group's cash from the liquidation will be deposited into the blocked accounts and swept by the Agent in order to reduce pre-filing amounts outstanding under the 1903 Credit Agreement. The Monitor notes that the FF&E may be subject to prior ranking secured claims or subject to fixture claims from landlords. GBC will seek the Monitor's consent prior to the sale of any FF&E and the Monitor will review the priority of any landlord or secured creditor claims before it consents to the sale of any FF&E. The Monitor notes that section13 of the

proposed for of ARIO provides landlords with seven days notice before any fixtures are removed from any of the leased premises.

28. The Monitor's counsel has conducted an independent review of the security held by the Lender under the 1903 Credit Agreement relating to the grant of security over the goods located at the stores and the Offered FF&E (as defined in the Store Closure Consulting Agreement) which security is comprised of a Pledge and Security Agreement dated December 20, 2024 among Peavey LP, Peavey GP, Guys, TSC Stores and the Agent (the "**Pledge and Security Agreement**"). The Pledge and Security Agreement is governed by Alberta law. Each of Peavey LP, Peavey GP, Guys, and TSC Stores granted a security interest in all of their respective present and after acquired personal property.

29. The Monitor's counsel has also conducted an independent review of the security held by Gordon Brothers Canada ULC under the Master Service Agreement for Consignment of Memo Merchandise dated December 20, 2024 between Peavy LP, as consignee, and Gordon Brothers Canada ULC (the "**Consignment Agreement"**).

30. In connection with collateral located within the provinces of British Columbia, Alberta and Ontario, under both the Pledge and Security Agreement and the Consignment Agreement, the Monitor's counsel has issued an opinion that both security agreements create a valid security interest in favour of Agent on behalf of the Lender in the collateral described therein and that the security interests in the collateral and proceeds derived therefrom that are capable of perfection through the registration of a financing statement under the applicable *Personal Property Security Act* have been so perfected.

31. The Monitor is in the process of securing similar opinions in each of Saskatchewan, Manitoba, and Nova Scotia. The Monitor would note that its independent counsel has opined that the Pledge and Security Agreement and Consignment Agreement create valid security interests in favour of the Agent under the laws of the provinces of British Columbia, Alberta and Ontario. Additionally, the Monitor has conducted a review of the

PPSA registrations made by the Agent in each of Saskatchewan, Manitoba, and Nova Scotia and notes that the Agent has made registrations in the personal property registries against the Collateral. A summary of the registrations is attached as Appendix "**B**".

32. The Store Closing Consulting Agreement purports to grant the Consultant a purchase money security interest in Additional Consultant Goods (i.e. augmentation goods). As at the date of this Report the Monitor understands that there have been no Additional Consultant Goods supplied by the Consultant and that no such goods are anticipated to be supplied.

33. The security opinion expressly disclaims any opinion on whether any of the security creates a valid purchase money security interest including purchase money security interests over inventory.

34. The Monitor has considered the provisions of section 11.2(1) of the CCAA which prohibits the Interim Lender's Charge from securing an obligation that exists before the order is made. In consultation with Monitor's counsel, the Monitor is of the view that since the pre-filing amounts are being reduced by liquidation proceeds generated from the liquidation, the Interim Lender's Charge is only securing advances for required expenses made post-filing under the Interim Financing.

35. The Monitor notes the issue of payment of the Lender's pre-filing indebtedness from the liquidation proceeds presupposes that the Lender has priority to such proceeds. In this case, the CCAA Charges including, the Administration Charge, Interim Lender's Charge, D&O Charge and KERP / KEIP Charge rank in priority to the prefiling indebtedness. In addition, holders of valid pmsi's (none of which relate to inventory) would rank in priority to the prefiling indebtedness as would statutory claims for things such as unremitted source deductions. As it pertains to the CCAA Charges, the Peavey Group, with the assistance of the Monitor, will continually review the status of the value of the security available to satisfy the CCAA Charges and, if it is determined that a material risk arises with respect to

satisfying such security, the Peavey Group will commence an application to seek direction or relief in this regard.

36. As it pertains to pmsi's, Management has advised the Monitor that none of the Peavey Group has secured any inventory whatsoever from any party other than GBC on consignment. As it pertains to potential priority statutory claims, Peavey management has advised that the Peavey Group is current on payroll source deductions, employment insurance and Canada Pension Plan.

37. On January 16, 2025 the Lenders served demand letters and notices of intention to enforce security under s. 244 of the *Bankruptcy and Insolvency Act (Canada)*. The amount demanded was $66,414,413.41, plus fees, costs, charges, disbursements and expenses ("**Pre-filing Indebtedness**"). On January 25, 2025 the Lenders issued a capital fee letter (the "**Capital Fees Letter**") to the Applicants setting out certain fees that have been triggered in respect of the Prepayment Fee Events and Liquidation Events as those terms are defined in the 1903 Credit Agreement. The fees claimed in the Capital Fees Letter total $19,155,369.

38. The Revised Cash Flow Statement projects that the Pre-filing Indebtedness will be fully repaid by March 8, 2025 and the post-filing Interim Financing will be fully repaid by March 22, 2025. The ARIO proposes to limit the cash sweeps to repayment of the Pre-filing Indebtedness and Interim Financing. The Lenders will subsequently apply to the Court for approval to continue its cash sweeps until the fees claimed in the Capital Fees Letter are paid out in full.

KERP AND KEIP

39. Peavey Group is seeking the Court's approval of a KERP and KEIP. The KERP proposes a payment up to a maximum aggregate amount of $954,470 to 256 employees ("**KERP Employees**") and the KEIP proposes a contingent payment of $250,000 to five senior employees ("**KEIP Employees**") based on a specific recovery threshold. The KERP and

the KEIP do not include any proposed payment to the CEO, Douglas Anderson. The Monitor notes the number of final KERP Employees differs slightly from the Applicants materials as the KERP was still being finalized when the Applicants materials were filed. The KERP and KEIP are formalized in an agreement ("**KERP and KEIP Agreement**") attached as Appendix "**A**" to the confidential supplement to this First Report dated, February 3, 2025. ("**Confidential Supplement Report**"). The Applicants are seeking a Restricted Court Access Order requesting that the Confidential Supplement Report be sealed as it contains commercially and personally sensitive information. The Monitor supports the Applicants' request for the Restricted Access Order on this basis.

40. The KERP is structured as follows:

a. KERP Employees includes a mix of employees from the corporate head office, the individual retail store locations and the warehouse distribution centers; and

b. The KERP payments will become payable on the earlier of April 30, 2025, or when the KERP Employees employment is terminated by the Peavey Group without cause.

41. The Monitor has reviewed the KERP and is of the view that its terms are reasonable based on the following:

a. Peavey is currently executing store closing sales at all of its retail locations geographically spread across Canada. This process has resulted in an increase in store traffic and additional demand on the distribution warehouses to move product into stores. At the same time the employees are dealing with the many distractions and obstacles that arise after commencing CCAA Proceedings. The Monitor has been onsite with at Peavey's head office and commends the dedication and professionalism demonstrated by the Peavey employees. Although 263 employees is a large number of employees to be included in a KERP, the Peavy Group requires many key people to execute on the store closure sales.

b. the KERP Employees are integral to the efficient execution of ongoing store closure sales. To date the store closure sales have been advancing efficiently without any substantial disruption. The KERP Employees are key to continuing with these efforts which will ultimately assist in maximizing value to Peavey Group stakeholders;

c. The Monitor, in consultation with certain Peavey Group executives, the Lenders, GBC, have reviewed the KERP Employees list and is satisfied that the list is appropriate, not unduly broad and includes the critical employees necessary to advance the store closure sales and the CCAA Proceedings;

d. The Monitor has consulted with the Lenders regarding the nature and quantum of the KERP and understand that all are supportive; and

e. The Monitor considers the quantum and extent of the KERP are reasonable in the circumstances and consistent with prior approved KERPs granted by this Honourable Court.

42. The KEIP is structured as follows:

a. Five senior employees/executives ("**KEIP Employees**") are included in the KEIP. The KEIP does not include the Company's CEO, Douglas Anderson.

b. The KEIP will pay the KEIP Employees $250,000 split evenly between the KEIP Employees if net proceeds after repayment of post-filing Interim Financing advances is great than or equal to $75,000,000.

c. If the $75,000,000 threshold is triggered, the KEIP Employee will receive their payment on the later of April 30, 2025 or when the KEIP Employees employment is terminated (without cause).

d. If the employee voluntarily resigns or is terminated with cause before April 30, 2025 they will not be eligible for a KEIP payment.

43. The Monitor has reviewed the KEIP and is of the view that its terms are reasonable based on the following:

a. The KEIP Employees are integral leaders within the Peavey Group from various departments (head office, stores operations and warehouse distribution centers) that play a key role in ensuring the CCAA Proceedings and store closures are executed in an efficient and value maximizing manner;

b. The threshold is reasonable and in the Monitor's initial view will take a concerted effort by the KEIP Employees to achieve;

c. The Monitor consulted with the Lenders with respect to the KEIP and understand they are supported; and

d. The KEIP Employees are senior leaders and many long-term employees of Peavey Group who will likely not be receiving any termination pay or severance once terminated, accordingly the Monitor considers the quantum and extent of the KEIP reasonable in the circumstances.

CCAA CHARGES

ADMINISTRATION CHARGE

44. The ARIO provides for an increase in the Administration Charge of $500,000 granted under the Initial Order to a maximum of $750,000. The Monitor has reviewed the

underlying assumptions upon which the Applicants have based the quantum of the proposed increase to the Administration Charge, the anticipated complexity of the CCAA Proceedings, the size of the Applicants operations and the services to be provided by the beneficiaries of the Administration Charge and is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances.

INTERIM LENDER'S CHARGE

45. In the proposed form of ARIO, the Applicants are seeking an increase to the Interim Lender's Charge from $15,000,000 to $25,000,000 subject only to the Administration Charge. The Interim Lender's Charge will secure all post-filing advances under the 1903 Credit Agreement.

46. In the Monitor's view:

   a. The quantum of the increase in the Interim Lender's Charge is supported by the revised cash flow statement presented at Appendix "**A**".

   b. the continuation of the 1903 Credit Agreement provides the necessary funding to allow the Peavey Group to continue with ongoing store closure sales, maintain operations and enhance its ability to present a restructuring plan to its creditors. The Interim Lender's Charge is a condition precedent to the continued access to funding under the 1903 Credit Agreement and the financing would not be advanced without the Court-ordered charge; and

   c. the Interim Lender's Charge does not materially prejudice any creditors.

47. Accordingly, the Monitor recommends that the Court approve the increase to the Interim Lender's Charge.

DIRECTOR'S CHARGE

48. The Initial Order provided for the charge not to exceed $2,500,000 over the Peavey Group's property in favour of the directors and officers of the Applicants as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceeding (the "**D&O Charge**"). In the Monitor's pre-filing report it opined that the request was reasonable and appropriate for the reasons described in its Pre-Filing Report.

49. The Applicants are requesting to increase the D&O Charge from $2,500,000 to $7,000,000.

50. The Monitor is of the view that the increased amount of the D&O Charge is reasonable. The reason for the increase is mainly due to forecast expected sales over the Forecast Period and the sales taxes that will be collected on these sales by the Applicants. Over the Forecast Period Peavey Group will be liquidating its existing inventory while not purchasing new inventory. Therefore there will be limited input tax credits being generated to offset sales tax collected which increases the monthly sales tax remittance. The increase in the D&O Charge is supported by the increased expected post-filing sales tax obligations.

KERP/KEIP CHARGE

51. The Applicants are requesting a fourth-ranking priority charge ("**KERP/KEIP Charge**") on the Applicants' Property securing the obligations under the KERP and KEIP up to a maximum amount of ranking only behind the Administration Charge, the Interim Lender's Charge and the D&O Charge. The Monitor supports the granting of the KERP/KEIP Charge and notes that is common practice in CCAA Proceedings to secure obligations under these types of retention and incentive plans through a Court ordered charge as long as it is reasonable and appropriate, which the Monitor has opined on above.

SUMMARY OF THE PROPOSED RANKINGS OF THE COURT-ORDERED CHARGES

52. If the proposed ARIO is granted, the Court-ordered charges would have the following ranking:

   a. First – the Administration Charge in the amount of $750,000;

   b. Second – the Interim Lender's Charge in the amount of $25,000,000;

   c. Third – the Director's Charge in the amount of $7,000,000;

   d. Fourth – KERP Charge in the amount of $1,204,470.

   (collectively, the "**Charges**").

53. The Monitor believes that the CCAA Charges, including their proposed quantum and ranking are required and reasonable in the circumstances of these CCAA Proceedings to preserve the operations of the Peavey Group as a result, supports the granting of the Charges as proposed by the Applicants in the ARIO.

WEPPA DECLARATION

54. Section 5(1) of the WEPPA provides that an individual is eligible to receive payment under that Act if, among other things, (i) the individual is owed eligible wages by a former employer; (ii) the former employer is subject to proceedings under the CCAA; and (iii) a court determines under subjection 5(5) that criteria prescribed by regulation are met.

55. Section 5(5) of WEPPA provides that, on application by any person, a court under the CCAA may determine that a former employee meets criteria prescribed by regulation. Section 3.2 of the WEPP Regulations provides that "for purposes of subsection 5(5) of the WEPPA, a court may determine whether the former employer is the former employer of

all of whose employees in Canada have been terminated other than any retained to wind down it business operations."

56. At the commencement of the CCAA Proceedings, the Applicants had approximately 1,900 employees across all of the Applicants entities. The Peavey Group is currently in the process of store closing sales at all retail locations. Although the Applicants are exploring restructuring or sale options of parts of the Peavey Group's business as a going concern, there is no assurance in the success of these efforts. Since the commencement of the CCAA Proceedings the Applicants have terminated approximately 116 employees and there will be additional terminations as store closure sales are completed. At the date of this Report, it is unclear how many employees will ultimately be terminated during the CCAA Proceedings but it will be substantial. Collectively, any employees already terminated during these CCAA Proceedings or terminated in the future as a result of these CCAA Proceedings are hereafter referred to as the "**Terminated Employees**".

57. The Monitor is of the view that the Terminated Employees meet the criteria prescribed in the WEPP Regulations. As such, the Monitor supports the Applicants request for a declaration that the Peavey Group members are former employers for the purposes of section 5(5) of the WEPPA.

58. Labour Program Employment and Social Development Canada is on the Service List for these CCAA Proceedings and was served with the Applicants' materials for the February 6, 2024 application.

CONCLUSIONS

59. The Monitor is of the view that the relief requested by the Peavey Group pursuant to the proposed ARIO is necessary, reasonable and justified in the circumstances. The ARIO and extension to the Stay of Proceedings will provide the Applicants with stability and the best opportunity to preserve value and maximize recoveries for its stakeholders.

60. Accordingly, the Monitor respectfully recommends that the Peavey Group's request for the proposed ARIO be granted.

*****

All of which is respectfully submitted this 3rd day of February 2025.

FTI Consulting Canada Inc., in its capacity as
the Monitor of the Applicants
and not in its personal or corporate capacity

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Appendix A

Revised Cash Flow Statement

Peavey Group

Consolidated Cash Flow Forecast
For the 13 week period ending May 3, 2025

Cash Flow Statement	1	2	3	4	5	6	7	8	9	10	11	12	13	14	14 Week
(C$000s)	**1-Feb**	**8-Feb**	**15-Feb**	**22-Feb**	**1-Mar**	**8-Mar**	**15-Mar**	**22-Mar**	**29-Mar**	**5-Apr**	**12-Apr**	**19-Apr**	**26-Apr**	**3-May**	**Total**
Receipts															
Cash Receipts	15,179	10,717	11,434	13,070	13,615	14,513	14,098	13,148	13,408	3,206	1,467	139	2,000	-	**125,994**
Cash Sweep	(15,179)	(10,717)	(11,434)	(13,070)	(13,615)	(1,645)	-	-	-	-	-	-	-	-	**(65,660)**
Net Proceeds for Operations	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 12,867**	**$ 14,098**	**$ 13,148**	**$ 13,408**	**$ 3,206**	**$ 1,467**	**$ 139**	**$ 2,000**	**$ -**	**$ 60,334**
Disbursements															
Operating Disbursements															
Payroll & Benefits	(1,599)	(917)	(1,376)	(849)	(1,180)	(827)	(1,215)	(782)	(1,132)	(645)	(879)	(1,272)	(435)	(1,278)	**(14,387)**
Occupancy Expenses	-	(3,815)	-	-	-	(3,351)	-	-	-	(1,147)	-	-	-	-	**(8,313)**
Merchandise Fee	(59)	(409)	(288)	(286)	(327)	(340)	(363)	(352)	(329)	(335)	(80)	(37)	(3)	-	**(3,208)**
Other Liquidation Expenses	(663)	(380)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(278)	(254)	(47)	-	**(4,935)**
Sales Tax Payable	-	(2,202)	-	(1,075)	(1,379)	-	-	-	(3,594)	-	-	-	-	(4,383)	**(12,634)**
Other Operating Expenses	(372)	(1,942)	(212)	(239)	(632)	(1,704)	(257)	(241)	(226)	(853)	(6)	(1)	-	-	**(6,685)**
Professional Fees	(270)	(115)	(130)	(130)	(355)	(95)	(95)	(95)	(295)	(95)	(95)	(95)	(245)	(80)	**(2,190)**
Product Expenses	(300)	(500)	(250)	-	-	-	-	-	-	-	-	-	-	-	**(1,050)**
Freight and Duty	(198)	(154)	(154)	(154)	(99)	-	-	-	-	-	-	-	-	-	**(760)**
Interest Expenses	-	(767)	-	-	-	(558)	-	-	-	(63)	-	-	-	-	**(1,388)**
Contingency	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	**(350)**
Total Disbursements	$ (3,486)	$ (11,227)	$ (2,849)	$ (3,173)	$ (4,412)	$ (7,314)	$ (2,369)	$ (1,909)	$ (6,015)	$ (3,578)	$ (1,363)	$ (1,683)	$ (755)	$ (5,767)	**$ (55,900)**
Net Cash Flow	**$ (3,486)**	**$ (11,227)**	**$ (2,849)**	**$ (3,173)**	**$ (4,412)**	**$ 5,553**	**$ 11,729**	**$ 11,239**	**$ 7,394**	**$ (372)**	**$ 104**	**$ (1,544)**	**$ 1,245**	**$ (5,767)**	**$ 4,434**
Cash															
Opening Cash	3,174	2,000	2,000	2,000	2,000	2,000	2,000	2,000	6,549	13,942	13,570	13,674	12,130	13,375	**3,174**
Net Cash Flow	(3,486)	(11,227)	(2,849)	(3,173)	(4,412)	5,553	11,729	11,239	7,394	(372)	104	(1,544)	1,245	(5,767)	**4,434**
Draw / (Repayment) of Post-Petition Debt	2,312	11,227	2,849	3,173	4,412	(5,553)	(11,729)	(6,690)	-	-	-	-	-	-	**-**
Ending Cash	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 6,549	$ 13,942	$ 13,570	$ 13,674	$ 12,130	$ 13,375	$ 7,608	**$ 7,608**
Pre-Filing debt under 1903 Credit Agreement															
Opening Balance	65,660	50,481	39,764	28,330	15,260	1,645	-	-	-	-	-	-	-	-	**65,660**
Draw / (Repayments)	(15,179)	(10,717)	(11,434)	(13,070)	(13,615)	(1,645)	-	-	-	-	-	-	-	-	**(65,660)**
Ending Pre-Filing debt under 1903 Credit Agreement	$ 50,481	$ 39,764	$ 28,330	$ 15,260	$ 1,645	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Post-Petition Debt under 1903 Credit Agreement															
Opening Balance	-	2,312	13,539	16,388	19,561	23,973	18,420	6,690	-	-	-	-	-	-	**-**
Draws / (Repayment)	2,312	11,227	2,849	3,173	4,412	(5,553)	(11,729)	(6,690)	-	-	-	-	-	-	**-**
Ending Post-Petition debt under 1903 Credit Agreement	**$ 2,312**	**$ 13,539**	**$ 16,388**	**$ 19,561**	**$ 23,973**	**$ 18,420**	**$ 6,690**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Notes to the Consolidated Cash Flow Forecast:

Management of Peavey Industries General Partner Ltd. and its subsidiaries (the "**Peavey Group**") has prepared this Projected
This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-16. Consequently, actual results will

1 Cash Receipts are based on GBC's expectations on the proceeds from the sale of inventory over the 14-week period. Receipts
2 The Forecast assumes cash is swept in accordance with the 1903 Credit Agreement until the pre-filing secured debt obligations of GBC is
3 Payroll & Benefits are based on recent payroll amounts and future forecast amounts.
4 Occupancy Expenses are based on current rent obligations and future payments required to operate during the term of the SC Consulting
5 Merchandise Fee represents GBC's fee of 2.5% of Gross Proceeds, net only of sales taxes, of merchandise sold during the term of SC
6 Other Liquidation Expenses include estimated other fees paid to GBC during the sale timeline pursuant to the SC Consulting Agreement.
7 Sales Tax Payable represents the remittances of sales tax collected through the sale of the Peavey Group's inventory net of input tax credits.
8 Other Operating Expenses includes general and administrative expenses including IT costs, utilities and maintenance, equipment rentals,
9 Professional Fees are the estimated legal and professional fees associated with the CCAA proceedings.
10 Product Expenses represent potential amounts paid to vendors for inventory delivered prior to and after the date of the Initial Order.
11 Freight and Duty reflects the payment to freight vendors for transporting product from warehouses to stores during the Forecast Period.
12 Interest Expenses include interest payable pursuant to the 1903 Credit Agreement.
13 Contingency is an estimate for unexpected costs that may arise during the Forecast Period.
14 Draws / (Repayments) represent the post filing liquidity needs based on funding requirements throughout the Forecast Period.
15 The Forecast assumes Peavey Group maintains a minimum of $2.0 million in cash on hand. All post filing liquidity needs consider this
16 Post-Petition Debt financing is based on funding requirements throughout the Forecast Period.

Appendix B

SUMMARY OF PPSA REGISTRATIONS (MANITOBA, NOVA SCOTIA, SASKATCHEWAN)

Province	Reg. No.	Date	Expiry	Debtor(s)	Secured Party	Collateral
MB	202500917409	2025-01-17	2032-01-17	Peavey Industries General Partner Limited; Peavey Industries LP	Gordon Brothers Canada ULC	ALL GOODS DELIVERED BY THE SECURED PARTY TO DEBTOR ON CONSIGNMENT PURSUANT TO THAT CERTAIN MASTER SERVICE AGREEMENT FOR CONSIGNMENT OF MEMO MERCHANDISE, DATED DECEMBER 20, 2024, BETWEEN THE SECURED PARTY AND THE DEBTOR (AS MAY BE FURTHER AMENDED, RESTATED, MODIFIED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME) TOGETHER WITH ANY AND ALL STATEMENTS OF WORK IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION, AUTO SUPPLIES AND PRODUCTS, ELECTRICAL SUPPLIES AND PRODUCTS, ANIMAL AND PET CARE PRODUCTS, ANIMAL FEED, LAWN AND GARDEN SUPPLIES, APPAREL, ACCESSORIES, PAINT SUNDRIES, HEATING AND COOLING PRODUCTS, TOOLS AND HARDWARE, HOUSEHOLD SUPPLIES AND PRODUCTS AND GENERAL MERCHANDISE, TOGETHER WITH ALL SUBSTITUTIONS, ADDITIONS, AND REPLACEMENTS, ALL OF EVERY KIND AND DESCRIPTION PREVIOUSLY, OR HEREINAFTER DELIVERED ON CONSIGNMENT BY THE SECURED PARTY, TO OR FOR THE ACCOUNT OF THE DEBTOR AT ANY LOCATION OF THE DEBTOR. TITLE TO THE COLLATERAL CONSIGNED GOODS SHALL BE AND REMAIN AT ALL TIMES IN THE NAME OF THE SECURED PARTY. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY, ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF MANITOBA AND REGULATIONS THEREUNDER, DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL COLLATERAL.
MB	202422126505	2024-12-19	2029-12-19	Peavey Industries General Partner Limited;	1903P Loan Agent, LLC, as agent;	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS

Province	Reg. No.	Date	Expiry	Debtor(s)	Secured Party	Collateral
				Peavey Industries LP	1903P Loan Agent, LLC	
NS	40768798	2025-01-17	2032-01-17	Peavey Industries General Partner Limited; Peavey Industries LP	Gordon Brothers Canada ULC	ALL GOODS DELIVERED BY THE SECURED PARTY TO DEBTOR ON CONSIGNMENT PURSUANT TO THAT CERTAIN MASTER SERVICE AGREEMENT FOR CONSIGNMENT OF MEMO MERCHANDISE, DATED DECEMBER 20, 2024, BETWEEN THE SECURED PARTY AND THE DEBTOR (AS MAY BE FURTHER AMENDED, RESTATED, MODIFIED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME) TOGETHER WITH ANY AND ALL STATEMENTS OF WORK IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION, AUTO SUPPLIES AND PRODUCTS, ELECTRICAL SUPPLIES AND PRODUCTS, ANIMAL AND PET CARE PRODUCTS, ANIMAL FEED, LAWN AND GARDEN SUPPLIES, APPAREL, ACCESSORIES, PAINT SUNDRIES, HEATING AND COOLING PRODUCTS, TOOLS AND HARDWARE, HOUSEHOLD SUPPLIES AND PRODUCTS AND GENERAL MERCHANDISE, TOGETHER WITH ALL SUBSTITUTIONS, ADDITIONS, AND REPLACEMENTS, ALL OF EVERY KIND AND DESCRIPTION PREVIOUSLY, OR HEREINAFTER DELIVERED ON CONSIGNMENT BY THE SECURED PARTY, TO OR FOR THE ACCOUNT OF THE DEBTOR AT ANY LOCATION OF THE DEBTOR. TITLE TO THE COLLATERAL CONSIGNED GOODS SHALL BE AND REMAIN AT ALL TIMES IN THE NAME OF THE SECURED PARTY. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY, ALLAS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF NOVA SCOTIA AND REGULATIONS THEREUNDER, DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL

Province	Reg. No.	Date	Expiry	Debtor(s)	Secured Party	Collateral
NS	40657843	2024-12-19	2029-12-19	Peavey Industries General Partner Limited; Peavey Industries LP	1903P Loan Agent, LLC, as agent; 1903P Loan Agent, LLC	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS
SK	302643493	2025-01-17	2032-01-17	Peavey Industries General Partner Limited; Peavey Industries LP	Gordon Brothers Canada ULC	ALL GOODS DELIVERED BY THE SECURED PARTY TO DEBTOR ON CONSIGNMENT PURSUANT TO THAT CERTAIN MASTER SERVICE AGREEMENT FOR CONSIGNMENT OF MEMO MERCHANDISE, DATED DECEMBER 20, 2024, BETWEEN THE SECURED PARTY AND THE DEBTOR (AS MAY BE FURTHER AMENDED, RESTATED, MODIFIED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME) TOGETHER WITH ANY AND ALL STATEMENTS OF WORK IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION, AUTO SUPPLIES AND PRODUCTS, ELECTRICAL SUPPLIES AND PRODUCTS, ANIMAL AND PET CARE PRODUCTS, ANIMAL FEED, LAWN AND GARDEN SUPPLIES, APPAREL, ACCESSORIES, PAINT SUNDRIES, HEATING AND COOLING PRODUCTS, TOOLS AND HARDWARE, HOUSEHOLD SUPPLIES AND PRODUCTS AND GENERAL MERCHANDISE, TOGETHER WITH ALL SUBSTITUTIONS, ADDITIONS, AND REPLACEMENTS, ALL OF EVERY KIND AND DESCRIPTION PREVIOUSLY, OR HEREINAFTER DELIVERED ON CONSIGNMENT BY THE SECURED PARTY, TO OR FOR THE ACCOUNT OF THE DEBTOR AT ANY LOCATION OF THE DEBTOR. TITLE TO THE COLLATERAL CONSIGNED GOODS SHALL BE AND REMAIN AT ALL TIMES IN THE NAME OF THE SECURED PARTY. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, CROPS AND MONEY, ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, 1993 OF SASKATCHEWAN AND REGULATIONS

Province	Reg. No.	Date	Expiry	Debtor(s)	Secured Party	Collateral
						THEREUNDER, DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL COLLATERAL."
SK	302633864	2024-12-18	2029-12-18	Peavey Industries General Partner Limited; Peavey Industries LP; Peavey Industries LP, by its general partner Peavey Industries General Partner Limited	1903P Loan Agent, LLC, as agent; 1903P Loan Agent, LLC;	ALL OF THE PRESENTLY OWNED OR HELD AND AFTER ACQUIRED OR HELD PERSONAL PROPERTY OF THE DEBTOR OF WHATSOEVER NATURE OR KIND AND WHERESOEVER SITUATE, AND ALL PROCEEDS AND RENEWALS THEREOF AND THEREFROM, ACCRETIONS THERETO AND SUBSTITUTIONS THEREFORE.