

Superior Court
(Commercial Division)

Canada
Province of Québec
District of Montréal
No: 500-11-

In the matter of the *Companies' Creditors Arrangement Act* of:

NATIONAL BANK OF CANADA, as administrative agent for the lending syndicate identified herein having its principal place of business at 800 Saint-Jacques Street, Montréal, Québec, H3C 1A3

Applicant

-and-

PELICAN INTERNATIONAL INC., a corporation registered under the laws of Canada, having its head office at 21 Peronne Ave, Montréal, Québec, H3S 1X7

-and-

PELICAN US TOPCO LLC, a limited liability company having its registered office at 251 Little Falls Drive, Wilmington, Delaware 19808, County of New Castles, USA

-and-

CONFLUENCE OUTDOOR INC. a corporation registered under the laws of Delaware, having its registered office at 575 Mauldin Road, Greenville, South Carolina, USA

Debtors

-and-

FTI CONSULTING CANADA INC., a legal person having a place of business at 915-1000 Sherbrooke Street W., Montréal, Québec, H3A 3G4

Monitor

-and-

KPMG INC., a legal person having a place of business at 1500-600 Maisonneuve Blvd W., Montréal, Québec, H3A 0A3

Proposal Trustee of Pelican International Inc.

**APPLICATION FOR THE ISSUANCE OF AN INITIAL ORDER, AN AMENDED AND
RESTATED INITIAL ORDER AND A SALE AND INVESTMENT SOLICITATION PROCESS
ORDER**

(Sections 11, 11.001, 11.02, 11.03, 11.2, 11.51, 11.7, 23, 36, 45 and 56 of the *Companies' Creditors Arrangement Act*)

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TO ONE OF THE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE APPLICANT SUBMITS AS FOLLOWS:

I. ORDERS SOUGHT

1. As part of the present *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order* (the “**Application**”), National Bank of Canada (the “**Applicant**” or the “**Agent**”), in its capacity as lender and administrative agent, collateral agent and hypothecary representative of Bank of Montreal, Fédération des Caisses Desjardins du Québec and The Toronto-Dominion Bank, in any capacity (together with National Bank of Canada in its capacity as lender, the “**Lenders**”), seeks the commencement of proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”) and, more specifically, the issuance of :
 - a) an initial order substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the “**Draft Initial Order**”) appointing FTI Consulting Canada inc. (“**FTI**”) as monitor in these CCAA Proceedings (if so appointed, the “**Monitor**”), which order will be sought at the initial hearing. A copy of a comparative version of the draft Initial Order and the draft Standard Initial Order is communicated herewith as **Exhibit R-1A**.
 - b) an order substantially in the form of the draft SISP order communicated herewith as **Exhibit R-2** (the “**Draft SISP Order**”), which will be sought at the initial hearing concurrently with the Draft Initial Order; and
 - c) an amended and restated initial order substantially in the form of the draft order communicated as **Exhibit R-3** (the “**Draft ARIO**”), which will be sought at the comeback hearing. A copy of a comparative version between the Draft ARIO and the Draft Initial Order is communicated herewith as **Exhibit R-3A**.
2. The Lenders are collectively owed over \$129,839,000, in principal and interest, by Pelican International Inc. (“**Pelican**”), Pelican US Topco LLC. (“**Pelican US Topco**”), Confluence Outdoor Inc. (“**Confluence**” and together with Pelican and Pelican US Topco, the “**Debtors**”) and GSI Outdoors Inc. (“**GSI**” and together with the Debtors, the “**Pelican Group**”) pursuant to a fifth amended and restated credit agreement dated as of December 15, 2023 entered into between Pelican and Pelican US TopCo, as borrowers, Confluence and GSI, as guarantors, and a syndicate of lenders, which is comprised of the Lenders, as such credit agreement was amended by a First Amending Agreement dated as of March 26, 2024, a Second Amending Agreement dated as of August 1, 2024, a Third Amending Agreement dated as of October 31, 2024, a Fourth Amending Agreement dated as of December 3, 2024, and a Fifth Amending Agreement dated as of December 30, 2024 (collectively the “**Credit Agreement**”). A copy of the Second Amending Agreement (which includes a consolidated version of the previous amendments and the initial Credit Agreement), the Third Second Amending Agreement, the Fourth Second Amending Agreement and the Fifth Amending Agreement are communicated herewith as **Exhibit R-4**.
3. On February 28, 2025, Pelican filed a *Notice of Intention to Make a Proposal* pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) bearing court/estate file no. 41-3193685 (the “**Pelican NOI Proceedings**”) and KPMG Inc. was appointed as the proposal trustee in the Pelican NOI Proceedings (the “**Proposal Trustee**”), the whole as appears from a copy of a Certificate of Filing of a Notice of Intention to Make a Proposal dated March 3, 2025 communicated as **Exhibit R-5**.

4. Notwithstanding the implementation of various cost cutting measures, Pelican Group is cash flow negative and, in a liquidity, crisis leading to the filing of the Pelican NOI Proceedings.
5. Over the last few weeks, several discussions have been conducted between the Pelican Group, the Applicant and the Lenders with respect to the filing of restructuring proceedings pursuant to the CCAA. It has always been the intention of the Pelican Group and the Lenders that the Pelican NOI Proceedings be continued pursuant to the CCAA.
6. The Applicant recently received an offer from a potential purchaser interested in acquiring the Debtors' businesses, which offer requires the implementation of a going concern transaction. It is to be noted that the offer involves a party related to the Debtors (the "**Related Party Offer**"). In addition to the Related Party Offer, the Applicant is aware of certain other third parties having an interest in the business or the assets of the Debtors.
7. Considering the Related Party Offer and the primary objective of these CCAA Proceedings, namely to implement a sale and investment solicitation process in respect of the Debtors (as detailed below), the parties determined that it would be in the best interest of all stakeholders that the Applicant institute and lead the present CCAA Proceedings.
8. Considering the interest manifested by potential purchasers, the Applicant has agreed to provide sufficient funding to maintain the Debtors' going concern operations for a period of three (3) weeks in order to allow the Monitor to implement a targeted, structured and expedited going concern sale and investment solicitation process (the "**Going Concern SISP**") in order to maximize the value of the Debtors' assets and business. If the Going Concern SISP fails to provide satisfactory results, the Monitor will then, have the discretion, with the consent of the Interim Lender (as herein defined), to pivot into a broader liquidation sale and investment solicitation process (the "**Liquidating SISP**").
9. Authorizing these "creditor-led" CCAA Proceedings is necessary and appropriate in the particular circumstances of this case. The Lenders have the main economic interests and their support of these CCAA Proceedings is conditional to the Monitor being vested with the "super" monitor powers as provided in the Draft Initial Order.
10. The Draft Initial Order provides for, amongst other things, the following relief:
 - a) Stay of Proceedings: A stay of proceedings in favour of the Debtors, their respective assets, undertakings and properties (collectively, the "**Property**") and of the Debtors' directors, de facto directors and certain senior officers ("**D&Os**") for an initial period of ten (10) days in accordance with the CCAA (the "**Stay Period**");
 - b) Appointment of a Monitor: The appointment of FTI, which has been acting as financial advisor to the Lenders, as the monitor of the Debtors in these CCAA Proceedings with the extensive powers necessary to manage the Debtors' affairs and to implement the restructuring measures provided for herein;
 - c) Interim Financing and Interim Lender's Charge: The approval of an Interim Financing Loan Agreement (as defined below) to be entered into between the Monitor, for and on behalf of the Debtors, the Applicant and the Lenders, as interim lenders (in such capacity, the "**Interim Lender**") and the authorization for the Monitor, for and on behalf of the Debtors, to borrow thereunder an initial amount of up to \$4,000,000 (the "**Interim Facility**"), to be secured by a super-priority charge against the Property in an initial amount of \$4,800,000 (the "**Interim Lender's Charge**"), in all cases subject to the ranking set out in the Draft Initial Order;

- d) Administration Charge: The establishment of a super-priority charge against the Property in an initial amount of \$1,000,000 (the “**Administration Charge**”) to secure the professional fees of McCarthy Tétrault LLP as counsel for the Applicant and the Interim Lender’s counsel, the Monitor, Osler, Hoskin & Harcourt LLP as Canadian counsel to the Monitor, Troutman Pepper Locke LLP and Haynsworth Sinkler Boyd, P.A. as US counsel to the Monitor, Fasken Martineau DuMoulin LLP as Canadian counsel to the Debtors and FTI Capital Advisors – Canada ULC (“**FTICA**”) in its role as SISP Advisor (as defined below) (together, the “**CCAA Professionals**”), for work performed and to be performed in connection with these CCAA Proceedings, subject to the rankings set out in the Draft Initial Order;
- e) KERP and KERP Charge: The approval of a Key Employee Retention Plan (“**KERP**”) which provides for various retention incentives to be paid to certain key employees and executives that are considered to be essential for the successful conduct of these CCAA Proceedings, and the establishment of a super-priority charge against the Property in the amount of \$495,000 (the “**KERP Charge**”), sufficient to secure the Debtors’ obligations under the KERP, in all cases subject to the ranking set out in the Draft Initial Order;
- f) Directors’ and Officers’ Charge: The establishment of a super-priority charge against the Property for an amount of \$1,300,000 (the “**D&O Charge**”) in favour of the Debtors’ directors and officers to secure their indemnification obligations towards their respective directors, de facto directors and senior officers in connection with potential liabilities which are not covered by existing insurance policies, subject to the rankings set out in the Draft Initial Order; and
- g) Ranking of charges: A declaration that each of the Administration Charge, the Interim Lender’s Charge and the KERP Charge shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, deemed trusts, encumbrances or other liens of whatever nature or kind against the Property;
- h) COMI: A declaration that the province of Québec, Canada is the Debtors’ “center of main interest” (the “**COMI**”).

11. The Draft SISP Order provides for, among other things, the following reliefs:

- a) SISP: the authorization for the Monitor, in consultation with FTICA as the SISP Advisor (“**SISP Advisor**”), to conduct the Going Concern SISP and, if necessary, the Liquidating SISP in accordance with the procedures set out in the annex appended to the Draft SISP Order (the “**SISP Procedures**”);
- b) Appointment of FTICA as SISP Advisor: the appointment of FTICA as the SISP Advisor in accordance with the terms and conditions set out in the SISP Advisor Engagement letter (as defined below).

12. The Draft ARIO provides for, among other things, the following reliefs:

- a) Extension of the Stay Period: The extension of the Stay Period until April 30, 2025;
- b) Interim Financing and Interim Lender’s Charge: An increase in the amount of the Interim Facility which the Monitor may, for and on behalf of the Debtors, borrow from the Interim Lender under the Interim Financing Loan Agreement, up to a total amount to be determined before the comeback hearing, and a corresponding increase in the Interim Lender’s Charge

(namely, 120% of the maximum amount of the Interim Facility), in all cases subject to the ranking set out in the ARIO;

- c) Administrative Charge: The Administrative Charge remains unchanged;
 - d) KERP and KERP Charge: The KERP and the KERP Charge remain unchanged; and
 - e) D&O Charge: The D&O Charge remains unchanged.
13. FTI, in its capacity as proposed Monitor, will be submitting to the Court, in advance of the initial hearing, a pre-filing report (the “**Pre-Filing Report**”) setting out its observations and recommendations with respect to the Applicant’s request for the issuance of an Initial Order and a SISF Order. The Pre-Filing Report will be filed as **Exhibit R-14** in support of this Application.
14. The Applicant also understands that, to the extent that FTI is appointed as Monitor, it will be submitting to the Court, in advance of the comeback hearing, an additional report setting out its observations and recommendations with respect to the Applicant’s request for the issuance of the ARIO.

II. DESCRIPTION OF THE PELICAN GROUP AND THEIR BUSINESS

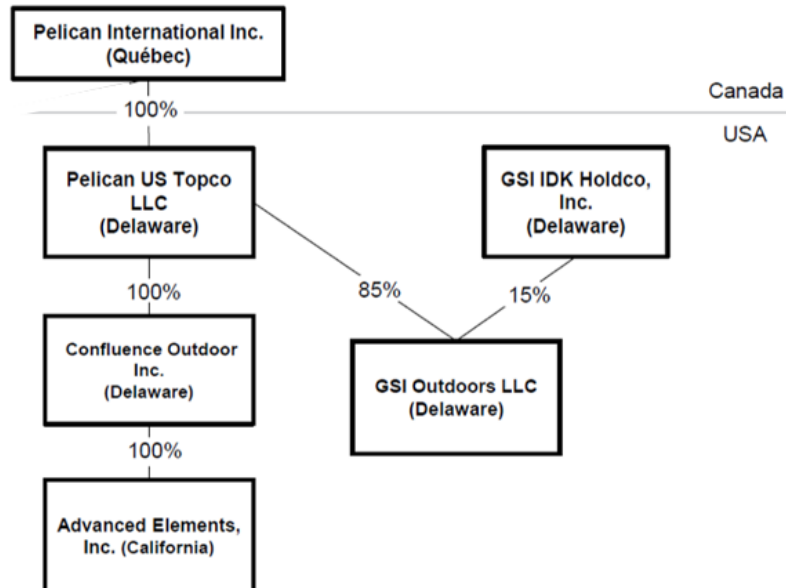
A. *History of the Pelican Group*

15. Pelican was founded in 1968 under Eskay Plastics Ltd as a manufacturer of custom-modeled industrial parts.
16. In 1970, M. Gérard Élie acquired the company and invested in technological advancement, making it a pioneer in thermoforming plastic boats, by creating the first pedal boat manufactured by this process. In the following years, the first canoe, snowmobile sled and motorboat were produced using the same process.
17. Between 1974 and 1995, Pelican expanded its product line to include kayaks, windsurfing boards, pedal boats and motorboats. This diversification was supported by investments in various manufacturing processes.
18. In 1995, Christian and Antoine Élie acquired all of the shares of Pelican. Following their acquisition, Pelican once again saw significant growth, increasing its products offering from 19 to 48 models.
19. In 2000, Pelican acquired Coleman Company’s boat division, which allowed it to enter the mass-market distribution channels in the United States of America.
20. In 2019, Pelican acquired Confluence Outdoor Inc. (“**Confluence**”), a company with operations in Greenville, South Carolina founded in 1998, and which had already consolidated six brands in water sports.
21. In the years following the global COVID-19 pandemic, sales increased substantially, which allowed it to significantly expand and diversify its activities, notably by acquiring:
- a) Advanced Elements Inc. (“**Advanced Elements**”) in 2021 as a wholly-owned subsidiary of Confluence. Advanced Elements was a pioneer in the inflatable boat market for over 20 years. This acquisition allowed Pelican an opportunity to further consolidate its position in the paddle sports industry by expanding its range of products. All of the business and operations of Advanced Elements have been folded into Confluence; and

- b) an 85% stake in GSI in 2022. GSI was founded in 1985 and has operations in Spokane, Washington. GSI develops and distributes a complete line of camping cookware and outdoor accessories that allowed Pelican to solidify its growth through diversification.

B. Corporate Structure

22. The Pelican Group's corporate structure is reflected in the organization chart below.



23. GSI Outdoors LLC, GSI IDK Holdco Inc. (Delaware) and Advanced Elements, Inc. are not party to the present CCAA Proceedings.

C. Description of the Pelican Group

i. Pelican

24. Pelican is the ultimate parent company of the Pelican Group, and directly or indirectly owns all of the issued and outstanding shares of the entities forming part of the group (with the exception of GSI, for which Pelican indirectly owns 85% of the share capital).
25. Pelican was incorporated in 1968 pursuant to Part I of Companies Act, RLRQ c. C-38) and continued pursuant to the Québec *Business Corporations Act*, RLRQ c. S-31.1.
26. Pelican's head office is in Montreal.
27. The ultimate beneficial owners of Pelican are Mr. Antoine Elie (≈40.67%), Mr. Christian Elie (≈40.67%), Fonds de Solidarité FTQ (≈16.8%), Danick Lavoie (≈1%) and Marie-Christine Piedboeuf (≈0.82%).
28. Pelican operates out of two leased facilities in the province of Québec – one in Laval (the “**Laval Facility**”) and one in Valleyfield (the “**Valleyfield Premises**”). Pelican also leases a third space in Varennes, but such leased premises are not currently being utilised in its operations (the “**Varennes Premises**”).

29. A copy of the relevant extract from the Québec Enterprise Register is communicated herewith as **Exhibit R-6**.

ii. Pelican US Topco

30. Pelican US Topco is a wholly owned subsidiary of Pelican, and is a Delaware limited liability company formed in Delaware on January 13, 2022, to support Pelican's expansion in the United States of America.
31. Pelican US Topco holds all of the issued and outstanding shares of Confluence, as well as 85% of the issued and outstanding shares of GSI. Other than holding such shares, Pelican US Topco has no operations nor activities of its own.
32. Pelican US Topco has its registered office located at 251 Little Falls Drive, Wilmington, Delaware 19808, County of New Castles, USA.
33. As explain below, Pelican US Topco's COMI is located in Québec, Canada, and, as such, attorns to the jurisdiction of the Court.

iii. Confluence

34. Confluence is a wholly owned subsidiary of Pelican US Topco and was incorporated in 1998 under the laws of Delaware.
35. Confluence holds all of the issued and outstanding shares of Advanced Elements.
36. Confluence is a manufacturer of premium paddle sports equipment and accessories. It has a comprehensive collection of on-trend watersports products appealing to the youthful and active outdoor consumer.
37. Confluence has its registered office located at 251 Little Falls Drive, Wilmington, Delaware 19808, County of New Castles, USA.
38. As explain below, Confluence's COMI is located in Québec, Canada, and, as such, attorns to the jurisdiction of the Court.

iv. GSI

39. GSI is a limited liability company created pursuant to the laws of Delaware. As indicated above, Pelican US Topco holds 85% of the issued and outstanding shares. The remaining 15% of GSI is held by GSI IDK Holdco Inc., a corporation owned by the original founders of GSI.
40. GSI specializes in the development and distribution of camping cookware and accessories. It was acquired by Pelican in 2022 as part of an effort to diversify its product offerings.
41. GSI has its registered head office located at 1023 S. Pines Road, Spokane, Washington.
42. GSI is not a debtor company in these CCAA Proceedings such that, GSI is not affected by these CCAA Proceedings. Nonetheless, the assets and shares of GSI will be included in the Going Concern SISP, subject to certain changes and a specific timeline.

D. The Pelican Group's Business and Operations

i. Products

- 43. Pelican is a designer, manufacturer and marketer of non-motorized nautical recreation products. It offers a line of products covering all major paddle sports market segments: from family-oriented recreational equipment to high-performance touring and fishing kayaks and a wide range of accessories and winter utility sleds. Pelican's family of products also spans all major lifestyles, retail channels and price points.
- 44. Pelican differentiates itself through its product design and production technology expertise. Unlike many of its competitors, the Pelican performs end-to-end new product research, development, manufacturing, and assembly in-house.
- 45. Confluence designs, manufactures, distributes and sells higher end nautical recreational products such as kayaks, canoes, stand-up paddle boards, inflatable kayaks and stand-up paddle boards, and related accessories.
- 46. GSI offers a range of drinkware, camp cookware, outdoor gear and accessories.

ii. Production and warehousing

- 47. Proprietary production technologies in sheet extrusion and thermoforming, coupled with a demand-flow manufacturing strategy, allow Pelican to minimize costs and offer short lead times in the industry.
- 48. Pelican operates from two sites located near Montreal, Quebec:
 - a) A 297,769 sq. ft. facility in Laval that houses its principal place of business, production activities and part of its warehousing; and
 - b) A 320,403 sq. ft. facility located in Valleyfield, featuring state-of-the-art production equipment and advanced production capabilities.
- 49. Confluence operates out of a 550,000 leased facility located in Greenville, South Carolina (the "**Greenville Facility**").
- 50. GSI distributes its products out of a 45,260 sq. ft. facility located in Spokane, Washington (the "**Spokane Facility**").

iii. Sales and distributions channels

- 51. The Pelican Group sells its products through six main channels: independent speciality stores, outdoor specialty stores (i.e. Sail), big-box sporting good chains (i.e. Dick's Sporting Goods), big-box general merchandise & hardware chains (Walmart, Costco, etc.), international customer, and e-commerce (i.e. Amazon and Confluence's own website, <confluenceoutdoor.com>).
- 52. While the majority of the Pelican Group's products are sold in North American, the Pelican Group also sells its products internationally.
- 53. The Pelican Group has a longstanding relationship with its major customers, with many relationships having existed for more than 20 years.

iv. *Employees*

54. Pelican currently has 294 employees
55. Pelican's factory workforce is unionized in its Laval, Valleyfield and Varennes locations, and it is affiliated with the Fraternité des Syndicats de l'Industrie et du Commerce (FISC).
56. Confluence currently employs 111 non-unionized employees.
57. Due to the seasonal nature of the nautical and utility product industries, factory full-time employment fluctuates between low season and peak season.

III. PELICAN'S FINANCIAL POSITION

A. Debtors' Assets

58. As at December 31, 2024, Debtors had, on a consolidated basis, total assets with a book value of approximately \$230,000,000, consisting of current assets with a book value of approximately \$91,600,000 and non-current assets with a book value of approximately \$138,700,000, as appears from the below:

Pelican International Inc., Pelican US Topco LLC and Confluence Outdoor Inc.
Assets
As at December 31, 2024
(CAD 000's)

Current Assets

Cash	398
Accounts receivables	10,311
Inventories	70,234
Prepaid expenses and other current assets	10,691
	91,634

Non-Current Assets

Property, plant and equipment	27,958
Intangible assets	10,961
Deposits	124
Note receivable from subsidies	-
Goodwill	3,061
Investment in subsidies	96,550
Future income taxes	4
	138,658
	230,292

B. Debtors' Liabilities

59. As at December 31, 2024, the Debtors had, outstanding indebtedness in the aggregate amount of approximately \$181,400,000, which is broken down as follows:

Pelican International Inc., Pelican US Topco LLC and Confluence Outdoor Inc.

Liabilities

As at December 31, 2024

(CAD 000's)

Current Liabilities

Accounts payable and accrued expenses	19,178
Current portion of lease liabilities	34
Liability on foreign exchange contract	625
	<hr/>
	19,837

Non-Current Liabilities

Long-term debt and other debts	7,815
Bank loan	120,212
Lease liabilities	3
Due to parent company	18,672
Due to minority shareholders of a parent company	14,820
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	161,522
	<hr/>
	181,359

60. A more detailed description of the Pelican Group's debt structure is provided below.

i. Secured Debt – Credit Agreement with the Lenders

61. Pelican and Pelican US TopCo, as borrowers, GSI and Confluence, as guarantors, are parties to the Credit agreement (Exhibit R-4) entered into with the Lenders, which provides, since the Second Amending Agreement dated August 1, 2024, for a revolving credit facility up to a maximum amount of CAD \$175,000,000, which was made available to finance working capital and for other general corporate purposes and a term facility in the maximum principal amount of US\$ 60,000,000, which was made available to pay down, in part, the revolving facility.

62. Pelican Group' obligations to the Lenders are secured by:

- a) A deed of hypothec dated as of February 10, 2022, granted by Pelican in favour of NBC, in its capacity as hypothecary representative, for an amount of \$400,000,000, with interest on such amount at the rate of 20% per annum, which deed of hypothec was registered at the Register of Personal and Movable Real Rights on February 11, 2022, under number 22- 0141508-0001;
- b) A short form IP (Canadian Trademarks and Patents) Security Agreement granted by Pelican (February 11, 2022);
- c) A confirmatory (Canadian Trademarks and Patents) Security Agreement granted by Confluence (March 15, 2022);
- d) A guarantee agreement dated as of February 11, 2022, by the Applicants in favour of NBC (the "Initial Guarantee");

- e) An accession letter to the Guarantee Agreement dated as of June 22, 2022, executed by GSI in favour of the NBC (the “**Accession Letter**” and collectively with the Initial Guarantee the “**Guarantees**”);
 - f) Delivery of the share certificates and stock transfer forms signed in blank in relation to (i) the shares owned by Pelican in Pelican US Topco (ii) the shares owned by Pelican US Topco in Confluence and (iii) the shares owned by Confluence in Advanced Elements; and
 - g) In the United States of America (collectively the “**US Security**”):
 - i) General security agreement (State of New York) dated as of February 11, 2022, by Pelican US Topco in favour of the Agent, filed against Pelican US Topco under UCC (Delaware) filing number 2022 1233097 on February 11, 2022 (the “**General Security Agreement**”);
 - ii) Joinder agreement (State of New York) to the General Security Agreement dated as of March 15, 2022, executed by Confluence in favour of the Agent, filed against Confluence under UCC (Delaware) filing number 2022 2256048 on March 16, 2022;
 - iii) Joinder agreement (State of New York) to the General Security Agreement dated as of June 22, 2022, executed by GSI in favour of the Agent, filed against GSI under UCC (Delaware) filing number 2022 5229125 on June 22, 2022;
 - iv) US Short-Form Trademark Security Agreement granted by Confluence (February 11, 2022);
 - v) US Short-Form Patent Security Agreement granted by Confluence (February 11, 2022);
 - vi) US Short-Form Trademark Security Agreement granted by GSI (February 11, 2022);
 - vii) US Short-Form Patent Security Agreement granted by GSI (February 11, 2022);
 - viii) US Short-Form Copyright Security Agreement granted by GSI (February 11, 2022);
 - ix) Deposit account control agreement with BMO Harris Bank and Topco dated July 15, 2022, regarding account 3749850;
 - x) Deposit account control agreement with BMO Harris Bank and Confluence dated July 15, 2022, regarding accounts 3727625, 8728052, 3729480, 3734977; and
 - xi) Deposit account control agreement with Washington Bank and GSI dated June 22, 2022, regarding accounts 1000039560, 1000208718, 1000356071 and 1001837210.
63. A printout of all registrations on the Debtors’ assets to the Register of Personal and Movable Real Rights (the “**RPMRR**”) are communicated herewith as **Exhibit R-7**.
64. Pursuant to the Second Amending Agreement dated August 1, 2024, the Agent, the Lenders and Pelican Group agreed to tolerate certain specific defaults of Pelican Group with respect to the minimum reported EBITDA requirements under the Credit Agreement until November 1, 2024 (the “**Forbearance Period**”).

65. The Forbearance Period was further extended to October 31, 2024, December 20, 2024, and finally to January 31, 2025, in accordance with the Third Amending Agreement dated as of October 31, 2024, a Fourth Amending Agreement dated as of December 3, 2024, and finally a Fifth Amending Agreement dated as of December 30, 2024.
66. Pelican Group, the Agent and the Lenders were not able to reach an agreement on a sixth amending agreement, such that the Forbearance Period provided under the Credit Agreement had expired.
67. On February 5, 2025, the Agent and the Lenders, via counsel, delivered a default letter to Pelican Group (the “**Default Letter**”), a copy of which is communicated herewith as **Exhibit R-8**.
68. On February 8, 2025, the Agent delivered to Pelican Group a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the “**244 Notice**”), a copy of which is communicated herewith as **Exhibit R-9**.
69. On February 11, 2025, the Agent, the Lenders and Pelican Group entered into a forbearance agreement pursuant to which the Lenders agreed to tolerate the defaults until February 20, 2025 (the “**Forbearance Agreement**”), the whole as more fully appears from a copy of the Forbearance Agreement, communicated herewith as **Exhibit R-10**.
70. On February 28, 2025, the Agent, Lenders and Pelican Group entered into a Support and Forbearance Agreement (the “**Support and Forbearance Agreement**”) pursuant to which the Lenders agreed to further tolerate the defaults under the Credit Agreement, forbear from the exercise of their rights, recourses and remedies resulting therefrom, continue to finance the operations of Pelican Group, and support the filing of restructuring proceedings, all subject to the terms and conditions of this Support and Forbearance Agreement, the whole as appears from a copy of the Support and Forbearance Agreement communicated herewith as **Exhibit R-11**. The Support and Forbearance Period granted to Pelican Group pursuant to the Support and Forbearance Agreement expired on March 10, 2025 and was not renewed.
71. On March 13, 2025, the Applicant received the Related Party Offer.
72. As at March 18, 2025, the aggregate outstanding amounts in capital owed by the Applicant to the Lenders respectively in CAD and USD are CAD 39,976,554.72 and USD 62,670,338.63 (collectively, the “**Secured Indebtedness**”).
 - ii. *Lage Landen leasing agreement*
73. As appears from the RPMRR registrations (Exhibit R-7), Pelican is also party to leasing agreements with Lage Landen Canada Inc. (“**Lage Landen**”) with respect to certain equipment. Lage Landen’s rights pursuant to those agreements are registered on the RPMRR under registration numbers 24-0605537-0001 and 24-0605537-0002.
 - iii. *Unsecured trade and other payables*
74. As at December 31, 2024, the Debtors’ indebtedness to their suppliers and other unsecured creditors not already addressed above, amounts to approximately \$19,200,000 in the aggregate.

iv. Unsecured Lease Obligations

75. Pelican Group has entered into lease agreements for the rental of various premises. The lease terms are negotiated on an individual basis and encompass a wide range of different terms and conditions.
76. As noted above, the Laval Facility, the Valleyfield Facility and the Varennes distribution center are leased by Pelican, while the Greenville Facilities and the Spokane Facility are leased respectively by Confluence and GSI.

v. Employees

77. The Debtors are current in respect of wages owing to employees, with the exception of certain amounts owing in respect of accrued vacation pay, namely \$1,337,398 CAD for Pelican and \$153,213 USD for Confluence. The Debtors are also current on deductions at source and GST/QST obligations in connection with services to be rendered/products to be supplied after the issuance of the Initial Order are expected to be paid in the normal course of business. There are no pension plans in place.

IV. THE DEBTORS' FINANCIAL DIFFICULTIES AND UNCERTAINTY

78. Despite seeing significant growth and expansion during and in the years following the COVID-19 pandemic, the Debtors have faced significant financial difficulties since 2020 namely in light of (i) the sharp decline in demand for kayaks and other products following the exceptional boom that water sports and other outdoor recreational products experienced during the COVID-19 pandemic, combined with large inventory surpluses, (ii) the cost of debt service to the Lenders and significant financial obligations pursuant to its leases, and (iii) the uncertainty due to the threat of US tariffs.

A. Impacts of the COVID-19 Pandemic

79. The COVID-19 Pandemic had an immediate positive impact on the outdoor activities industries, notably kayaking and other water sports, as people sought safe, socially distanced outdoor activities.
80. Indeed, with lockdowns and reduced long-distance travels, many people sought ways to travel and exercise locally and outdoors. This surge in interest led to a significant increase in sales compared to previous years, such that many stores and wholesalers faced shortages of products.
81. Pelican Group benefited from this favourable market in 2020, 2021 and 2022, when its sales and EBITDA increased significantly.
82. Unfortunately, starting in mid-2022, the watersports market, like other outdoor recreational markets, in Canada and the United States of America experienced a significant slowdown, which can be explained by several factors:
- a) The massive demand for watersports equipment in 2020 to 2022 saturated the market and demand began to normalize;
 - b) Retailers had excess inventory and, as a result, reduced orders from manufacturers and wholesalers; and
 - c) Unfavourable economic conditions due to inflation and the rising cost of living caused consumers to defer discretionary purchases, namely those related to recreational products.

83. Despite efforts to right-size the business, reduce costs and stimulate sales, Pelican's financial results have become critical and, the Debtors were no longer able to comply with the terms of the Credit Agreement.

B. *Unsustainable Debt Levels, limited borrowing capacity and decrease in EBITDA*

84. In 2021 and 2022, new debt was made available to Pelican to support its growth plan, fund the acquisition of GSI and pay special dividends to its shareholders, such that an aggregate dividend of \$10,000,000 dollars was paid on February 25, 2021, an aggregate dividend of \$15,000,000 was paid on November 19, 2021 and an aggregate dividend of \$35,000,000 was paid on February 17, 2022 for a total aggregate amount \$60,000,000 in dividends over a 1-year period (the "**Dividend Recapitalization Transactions**").
85. Since the Dividend Recapitalization Transactions, Pelican's debt and capital structure does not allow it to be sufficiently profitable given that a significant portion of revenues must be allocated to debt service under the Credit Agreement and other burdensome financial obligations such as payments under its leases.
86. Pelican has been unable to generate sufficient revenues to satisfy its obligations under the Credit Agreement, which has triggered an event of default.
87. Pelican Group sought to identify opportunities that would allow them to raise financing in order to continue to meet their ongoing obligations and to continue operations in the normal course.
88. In this context, in July 2024, National Bank Financial Inc. ("**NBF**") was retained as financial advisor with a view to pursue, on a confidential basis, a solicitation process to secure a transaction in respect of GSI which would allow for the improvement of Pelican's financial position.
89. NBF conducted an extensive outreach to a total of 133 parties, including 47 strategics and 86 financial sponsors, of which NDAs were signed with 52 interested parties.
90. However, despite the efforts undertaken, no satisfactory offer was received as part of this process.

C. *Uncertainty due to the threat of US tariffs*

91. In recent weeks, the Debtors have also faced significant disruptions in its business operations because of the uncertainty related to the threat of the imposition of 25% tariffs by the United States of America on all imports into the United States of America, potential reciprocal tariffs that could be imposed by Canada and 10% tariffs on imports in the United States of America from China.
92. These tariffs, which would target manufactured goods among others, could have a significant impact on Pelican's profit margins or, to the extent that those costs are passed on to the customers, reduce demand and result in a further erosion of sales and market share.

V. *THE DEBTORS' CURRENT FINANCIAL SITUATION AND THE NEED FOR CCAA PROTECTION AND RELIEF SOUGHT*

93. For the 12-month period ended on October 31, 2024, the Debtors, on a consolidated basis, incurred losses before taxes of approximately \$23,200,000.
94. Given their negative cash flows, worsening financial situations, recurring losses, and uncertainty relating to its sales forecast, the Debtors are unable to meet their liabilities as they become due.

95. The Debtors' actual financial situation made it impossible for them to continue their operations without obtaining immediate additional financing from the Lenders.
96. The Debtors' financial difficulties combined with the uncertainty related to tariffs that may be imposed by the United States of America has left the Debtors with little choice other than to consider seeking protection from their creditors, which led, inter alia, to the filing of the Pelican NOI Proceedings.
97. As set out above, the Debtors are in default under the Credit Agreement and the Lenders are no longer willing to tolerate such defaults.
98. The Applicant is commencing these CCAA Proceedings with a view to immediately initiate the Going Concern SISP, with the assistance of the SISP Advisor and under the supervision of this Court, for a period of three (3) weeks.
99. The integral role to be played by the Monitor, as officer of the Court, will contribute to the success of these CCAA Proceedings and provide additional assurances that the process will be implemented in a fair, efficient and impartial manner, and this, in the context where an offer, the Related Party Offer, was received.
100. In order to properly implement the restructuring, the Applicant requests that the following relief be granted.

A. *Application of the CCAA*

101. As will be more fully described in the Proposed Monitor's Report, the Debtors are facing a liquidity crisis which renders them unable to meet their obligations as and when they become due, Pelican has filed the Pelican NOI Proceedings and, as a result, the Debtors are insolvent.
102. The Debtors are debtor companies to which the CCAA applies and the commencement of these credit-led CCAA Proceedings is appropriate in the circumstances. As such, the criteria set out at subsection 3(1) of the CCAA is met.

B. *Stay of Proceedings*

103. The Applicant is concerned that unless a stay of proceedings is ordered, certain creditors and other stakeholders may take steps to try and improve their positions in comparison to other creditors, as well as take actions that will deplete the Debtors' assets and jeopardize the conduct of the Going Concern SISP.
104. Accordingly, the Applicant hereby requests a stay of proceedings against each of the Debtors as well as their respective Property (the "**Stay of Proceedings**"), for an initial ten (10) day period, in order to preserve the *status quo* during the initial stay period and prevent creditors and others parties from taking any steps to try and better their positions in comparison to other creditors.
105. At the comeback hearing, the Applicant will request an extension of the stay period until April 30, 2025 to allow the Monitor, among other things, to continue implementing the restructuring, and the Going Concern SISP.

C. Appointment and Powers of the Monitor and Transition Order regarding Pelican

106. The Monitor will have primary carriage of these CCAA Proceedings and will be authorized to act for and on behalf of the Debtors in accordance with the terms of the Draft Initial Order and Draft ARIO.
107. FTI is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and is not subject to any of the restrictions on who may be appointed monitor as set out in subsection 11.7(2) of the CCAA, having provided no accounting or auditing advice to the Debtors.
108. FTI has experience in matters of this nature and has been acting as financial advisor to the Lenders for several months, such that it has a detailed knowledge of the Debtors' assets and businesses.
109. It is submitted that it is appropriate in the circumstances to grant FTI the powers, rights, obligations and protections detailed in the Draft Initial Order and Draft ARIO required to control the Debtors' affairs and implement the restructuring process, the whole in the best interest of the stakeholders.
110. The Pre-Filing Report will provide additional details relating to FTI's ability to act as monitor in these CCAA Proceedings, as well as FTI's views and recommendations in connection to the present Application and the reliefs set out herein.
111. Considering the appointment sought for the Monitor, the Applicant also requests that the Pelican NOI Proceedings be terminated as of the date of the Draft Initial Order and that KPMG Inc. be discharged of its duties, obligations and responsibilities as proposal trustee to Pelican provided that, notwithstanding its discharge, KPMG Inc. shall have the authority, from and after the date of the Draft Initial Order, to complete or address any matters in its role as proposal trustee that are ancillary or incidental to the Pelican NOI Proceedings, as may be required or appropriate.
112. The Applicant further requests an order from this Court confirming that, notwithstanding Section 50.4(8) of the BIA, through the transition from the Pelican NOI Proceedings to these CCAA Proceedings, Pelican shall not be deemed to have made an assignment in bankruptcy as a result of not having filed a proposal with the Official Receiver.

D. Interim Financing

113. The Applicant and the Interim Lender have agreed to make additional credit available to the Debtors through an interim financing of an initial aggregate amount of \$4,000,000, subject to the terms and conditions set forth in the Interim Financing Loan Agreement (the "**Interim Financing Loan Agreement**"), a copy of which is communicated herewith as **Exhibit R-12**.
114. The Interim Financing Loan Agreement requires the granting of a super-priority charge (i.e. Interim Lender's Charge) up to a maximum amount of \$4,800,000 against the Property of the Debtors, only subordinated to the Administration Charge and the KERP Charge, as set out in the Draft Initial Order and Draft ARIO, in order to secure all advances to be made under the Interim Facility.
115. At the comeback hearing, an increase of the Interim Facility will be sought for an amount to be determined and in line with the cash-flow that will be filed by the Monitor as well as a corresponding increase in the Interim Lender's Charge (namely, 120% of the maximum amount of the Interim Facility).
116. Considering that the Interim Facility will be provided by the Interim Lender, which already benefit from a first ranking security interest on the Property on which priority will be granted, there will be

no material prejudice to any other existing creditor of the Debtors should the Court approve the Interim Financing Loan Agreement and the proposed Interim Lender's Charge.

117. The Interim Facility is the only feasible financing alternative available to the Debtors, and is on terms that are fair, reasonable and adequate. It is respectfully submitted that it is in the best interests of all stakeholders that the Interim Financing and related Interim Lender's Charge be approved by this Court.

E. *Administration Charge*

118. The CCAA Professionals are essential to these CCAA Proceedings, and they are prepared to provide or continue to provide professional services provided that they are protected by a super-priority charge over the Debtors' assets and undertakings that ranks ahead of all other charges and encumbrances, including all charges ordered by the Court in the context of these CCAA Proceedings.
119. The expertise, knowledge, and continued participation of the CCAA Professionals during these CCAA Proceedings (and in any parallel US Chapter 15 proceedings) are primordial in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles and there will be no duplication.
120. Accordingly, the Applicant seeks the establishment of an Administration Charge in favour of the CCAA Professionals in an amount of \$1,000,000 in order to secure the professional fees incurred to date in connection with the CCAA Proceedings.
121. The Monitor is supportive of the Administration Charge as will appear from the Pre-filing Report.

F. *KERP and KERP Charge*

122. The Monitor has identified certain key employees (collectively, the "**Key Employees**") who will be critical in the conduct of these CCAA Proceedings and in the implementation of the restructuring efforts to be undertaken in the context thereof.
123. Retaining these Key Employees during the CCAA Proceedings will provide critical stability in these uncertain times. It is anticipated that this stability will enable the Monitor and the Debtors to maintain orderly operations and existing customer relations during the Going Concern SISF, with the hope to maximize enterprise value throughout the course of these CCAA Proceedings.
124. Accordingly, in order to facilitate the above, and to maximize the Debtors' business value, the Monitor has developed a KERP in order to ensure that Key Employees are retained throughout the CCAA Proceedings. A summary table setting out the material terms of the KERP (the "**KERP Table**") is communicated herewith, under seal, as **Exhibit R-13**.
125. A sealing order with respect to the KERP Table is requested for the following reasons:
- a) There are serious privacy concerns with the disclosure of the names and salary of the employees who are part of the KERP;
 - b) The disclosure of the names and amounts offered as part of the KERP would enable other employers to attempt to outbid the Debtors for the same employees, which would be detrimental to the interest of the Debtors' stakeholders; and

- c) The disclosure of the details of the KERP could create negative morale amongst the Debtors' employees, and which could in turn impact the restructuring and particularly the result of the Going Concern SISP.

- 126. The KERP provides incentives for Key Employees (which include retention payments and severance packages) to continue to remain employed by the Debtors in the unusual circumstances that face these employees. Indeed, these Key Employees will be asked to continue to work during the Going Concern SISP, even if their continued employment is uncertain, as such there is no certainty that a transaction allowing jobs to be maintained will be concluded.
- 127. In order to secure the payment which may become owing to the above-mentioned Key Employees in accordance with the KERP, the Applicant seeks from this Court the approval of the KERP and the establishment of a KERP Charge over the Property of the Debtors in the amount of \$550,000.

G. *The D&O Charge*

- 128. At the initial hearing, the Applicant will request the establishment of a D&O Charge in favour of the D&Os in an amount of \$1,300,000, in order to secure the Debtors' indemnification obligations towards them, for claims which could potentially arise during the CCAA Proceedings to the extent that such claims are not covered by the Debtors' insurance policy for the benefit of its D&Os.
- 129. The Applicant submits that the requested D&O Charge is reasonable and adequate given, notably, the corresponding potential exposure of the D&Os to personal liability.
- 130. Absent the establishment of the D&O Charge, one or more of its D&Os may resign from their positions, which would, in all likelihood, have negative impact on the Key Employees' retention.
- 131. In addition, the D&O Charge will provide assurances to the Debtors' employees that their obligations towards them for accrued wages, termination and severance pay shall be satisfied. Indeed, while the insolvency of the Debtors and its non-payment of various employee obligations may trigger the personal liability of the D&Os, any recourse initiated by such employees against the D&Os does not guarantee them any recovery. Therefore, the creation of a super-priority security in favour of the D&Os for sums for which they may be held liable to employees (but for which the Debtors is ultimately liable) enhances such employees' chances of recovery by, in effect, creating a super-priority security for their claims.

H. *COMI Declaration and Recognition Proceedings in the United States of America*

- 132. As indicated above, the Debtors have operations, assets and valuable business and trade relationships with a number of parties in the United States of America.
- 133. The Debtors have a consolidated business with offices and operations in Canada and the United States of America which is operationally and functionally integrated in many respects.
- 134. Accordingly, the Applicant seeks a declaration that the province of Québec, Canada is the Debtors' "centre of main interest" in accordance with Subsection 45(2) of the CCAA given, among other things, that:
 - a) With respect to Pelican:
 - i) all senior management of the Pelican Group is employed by Pelican and located in the Province of Quebec.

- ii) all decisions for Pelican US TopCo and Confluence are made in Quebec by the senior management of Pelican.
 - iii) all strategic decisions, human resources decisions, management meetings, key accounting decisions, marketing and business development initiatives for Confluence are taken by, overseen, or otherwise approved by Pelican's senior management in Québec;
 - iv) Pelican provides operational and administrative function support for Confluence are provided by Pelican in Quebec;
 - v) Pelican's credit facilities are used to fund the operations Confluence, who has guaranteed Pelican's obligations thereunder, as detailed below.
- b) With respect to Pelican US Topco:
- i) Pelican US Topco has no operations and is essentially a holding company for the shares of Confluence and GSI;
 - ii) all of the decisions for Pelican US Topco are made in Québec by the senior management of Pelican; and
 - iii) Pelican US Topco attorns to the jurisdiction of the Canadian Court.
- c) With respect to Confluence:
- i) the management of Confluence reports directly to Pelican and its senior management in Québec;
 - ii) all strategic decisions for Confluence are made by Pelican's senior management in Québec;
 - iii) Pelican provides operational and administrative function support for Confluence, notably:
 - A) operational oversight;
 - B) sales, communications and marketing support;
 - C) most enterprise-wide information technology services;
 - D) enterprise-wide support for finance functions, including working capital management, credit management, payment processing, financial reconciliations, managing business expenses, insurance and taxation matters;
 - E) oversight for the legal, regulatory and compliance functions of the entire group;
 - F) enterprise-wide human resources functions;
 - G) enterprise-wide health and safety oversight;
 - H) annual budgeting; and
 - I) supply planning services.
 - iv) all of Confluence's long-term contracts and major expenses are subject to the approval of Pelican's senior management in Québec;
 - v) corporate governance and regulatory compliance is overseen by Pelican's management team in Québec;

- vi) meetings for management and senior staff of Confluence are in majority overseen by Pelican's management in Québec;
 - vii) key accounting decisions and all plans, budgets and financial projections for Confluence are made by Pelican's management in Québec;
 - viii) marketing and business development initiatives are overseen by Pelican's marketing team in Québec;
 - ix) all human resources decisions, including management of payroll budgets and augmentation or reduction of employee headcount as per approved budget are made by Pelican's management in Québec;
 - x) Pelican's credit facilities are being used to fund the operations of the Confluence. All cash receipts of Confluence are ultimately transferred against the CDN and USD revolvers at Pelican in Canada;
 - xi) Confluence has guaranteed Pelican's obligations and provided security to the Lenders, and Confluence's guarantee is governed by the laws of Québec;
 - xii) Confluence attorns to the jurisdiction of the Canadian Court.
- d) All Credit Agreement facilities have been consolidated in Pelican in Canada, which is used, as indicated above, to fund the operations of the Pelican Group including Confluence. All cash receipts of the Pelican Group including Confluence are ultimately transferred against the CDN and USD revolvers at Pelican in Canada; and
- e) The Guarantees provided by Confluence to the Lenders are governed by Québec law pursuant to the Credit Agreement. Confluence is a solidary (joint and several) debtor under the Credit Agreement.
135. Contemporaneously with the commencement of these CCAA Proceedings, the Monitor intends to initiate a case under Chapter 15 of the U.S. Bankruptcy Code seeking an order to recognize and enforce these CCAA Proceedings in the U.S. as foreign main proceedings and grant protection against any potential adverse act taken by the Debtors' U.S. creditors and stakeholders (the "**Chapter 15 Case**").
136. The Monitor intends to file the Chapter 15 Case in the United States Bankruptcy Court for the District of South Carolina.
137. The Applicant seeks this Court's authorization that the Monitor be authorized to act as foreign representative, and apply as it may consider necessary or desirable, to any other court, tribunal, regulatory, administrative or other body, wherever located, for orders to recognize and/or assist in carrying out the terms of the Initial Order, the ARIO and any subsequent Orders rendered by this Court in the context of the CCAA Proceedings including, without limitation, including the Chapter 15 of the U.S. Bankruptcy Code.
138. Such foreign recognition proceedings are necessary to ensure that if this Application is granted, the stay of proceedings will be recognized and enforced in the United States of America, where assets and operations of some of the entities forming part of the Debtors are located.

I. *The Going Concern SISP and the SISP Procedures*

139. Subject to the issuance by this Court of the Initial Order, the Monitor, in consultation with the SISP Advisor, the Agent and the Interim Lenders, intends to conduct and implement a Going Concern

SISP for a period of three (3) weeks in accordance with the terms and conditions set out in the SISP Procedures appended to the Draft SISP Order.

140. The SISP Procedures contemplate that offers will be solicited for the investment in or the sale of the Debtors' property, business or shares. It is currently contemplated that the SISP Advisor shall run a concurrent sale process regarding the shares and assets of GSI with a distinct timeline.
141. The Draft SISP Order also provides the Monitor with the power to pivot the Going Concern SISP, if the Going Concern SISP fails to provide satisfactory result and with the consent of the Interim Lender, into a Liquidation SISP.
142. The Going Concern SISP shall be conducted by the Monitor, with the assistance of FTICA as SISP Advisor. FTICA has experience in conducting sale and investment solicitation processes in the context of insolvency proceedings, with significant contacts across the world.
143. Accordingly, the Applicant is requesting the appointment by the Court of FTICA as the Monitor's SISP Advisor, as well as its inclusion in the Administration Charge as CCAA Professionals.
144. The SISP Procedures will provide for the accomplishment of the following milestones within the delays set out below:¹

<u>Bid Deadline & Qualified Bidders</u> Bid Deadline (for delivery of definitive offers by Qualified Bidders in accordance with the requirement of paragraph 15 of the SISP Procedures)	By no later than April 10, 2025 at 5:00 p.m. (prevailing Eastern Time)
<u>Auction(s)</u> Auction(s) (if needed)	April 14, 2025
<u>Selection of final Successful Bid(s)</u> Deadline for selection of final Successful Bid(s)	By no later than April 14, 2025, at 5:00 p.m. (prevailing Eastern Time)
<u>Definitive Documentation</u> Completion of definitive documentation in respect of Successful Bid(s)	Week of April 14, 2025
<u>Approval Application – Successful Bid(s)</u> Filing of Approval Application in respect of Successful Bid(s)	Week of April 21, 2025
<u>Closing – Successful Bid(s)</u> Anticipated deadline for closing of Successful Bid(s)	Week of April 21, 2025 or such earlier date as is achievable
<u>Outside Date – Closing</u> Outside Date by which the Successful bid must close	April 28, 2025

¹ Terms not defined but otherwise used in this section shall have the meaning given to them in the Draft SISP Order and the SISP Procedures.

145. Despite its short timeframe, the conduct of the Going Concern SISP in accordance with the SISP Procedures will provide for a fair, efficient and transparent process that will allow a proper canvassing of the market, which, in turn, will allow the maximization of the value of the Pelican Group's assets and, if possible, the pursuit of its business operations as a going concern, all for the benefit of its creditors and other stakeholders.
146. Given the nature of the assets, the current context facing the Debtors, their limited liquidity and the receipt of the Related Party Offer and other expression of interests by third parties in the business or the assets of the Debtors, the Applicant submits that the proposed Going Concern SISP, SISP Procedures and milestones described therein are reasonable under the circumstances and should therefore be approved by this Court as part of the proposed SISP Order.

VI. CONCLUSIONS

147. For the reasons set out above, the Applicant submits that the reliefs sought in this Application are necessary and appropriate in the circumstances as well as fully consistent with the remedial objectives of the CCAA.
148. Considering the urgency of the situation, the Applicant submits that the notices given of this Application for the purposes of all orders sought herein are proper and sufficient and that said Application should be granted in accordance with its conclusions.

FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

- A. GRANT** the present Application;
- B. ISSUE**, at the initial hearing, orders substantially in the form of the Draft Initial Order communicated in support of the Application as Exhibit R-1 and the Draft SISP Order communicated in support of the Application as Exhibit R-2;
- C. ISSUE**, at the comeback hearing, an order substantially in the form of the Draft ARIO communicated in support of the Application as Exhibit R-3.
- D. THE WHOLE**, without costs.

Montreal, March 18, 2025.

McCarthy Tétrault LLP

McCarthy Tétrault LLP

Lawyers for the Applicant

M^{re} Hugo Babos-Marchand

M^{re} Frédérique Drainville

MZ400 - 1000 De La Gauchetière St. West

Montréal, QC H3B 0A2

Telephones: 514-397-4156

514-397-4216

E-mails: hbmarchand@mccarthy.ca /

fdrainville@mccarthy.ca

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL
No.:

In the matter of the *Companies' Creditors Arrangement Act* of:

NATIONAL BANK OF CANADA

Applicant

-and-

PELICAN INTERNATIONAL INC.

and

PELICAN US TOPCO LLC

and

CONFLUENCE OUTDOOR INC.

Debtors

-and-

FTI CONSULTING CANADA INC.

Monitor

NOTICE OF PRESENTATION

TO: The Service List

TAKE NOTICE that the present *pplication for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order* will be presented for adjudication before the Superior Court of Québec, sitting in the commercial division for the district of Montréal, **on March 19, 2025 at 9:30 a.m, in room 15.02**, in front of the Honorable Judge Garin.

MONTRÉAL, this March 18, 2025

McCarthy Tétrault LLP

MCCARTHY TÉTRAULT LLP
Lawyers for the Applicant

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL
N° :

In the matter of the *Companies' Creditors Arrangement Act* of:

NATIONAL BANK OF CANADA

Applicant

-and-

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and

PELICAN US TOPCO LLC

and

CONFLUENCE OUTDOOR INC.

Debtors

-and-

FTI CONSULTING CANADA INC.

Monitor

LIST OF EXHIBITS

EXHIBIT	DESCRIPTION
Exhibit R-1	Draft Initial Order
Exhibit R-1A	Comparative version of the draft Initial Order and the draft Standard Initial Order
Exhibit R-2	Draft SISP Order
Exhibit R-3	Draft ARIO
Exhibit R-3A	Comparative version between the Draft ARIO and the Draft Initial Order
Exhibit R-4	Copies of the Credit Agreement and its amendments
Exhibit R-5	Copy of a Certificate of Filing of a Notice of Intention to Make a Proposal dated March 3, 2025
Exhibit R-6	Extract from the Québec Enterprise Register

EXHIBIT	DESCRIPTION
Exhibit R-7	Printout of all registrations on the Debtors' assets to the the Register of Personal and Movable Real Rights
Exhibit R-8	Default letter to Pelican Group dated February 5, 2025.
Exhibit R-9	Notice of Intention to Enforce Security pursuant to Section 244 of the <i>Bankruptcy and Insolvency Act</i> dated February 8, 2025
Exhibit R-10	Copy of the Forbearance Agreement dated February 11, 2025
Exhibit R-11	Copy of the Support and Forbearance Agreement dated February 28, 2025
Exhibit R-12	Interim Financing Loan Agreement
Exhibit R-13	Summary table setting out the material terms of the KERP – <i>under seal</i>
Exhibit R-14	Pre-filing Report from the Proposed Monitor

MONTRÉAL, March 18, 2025

McCarthy Tétrault LLP

MCCARTHY TÉTRAULT S.E.N.C.R.L., S.R.L.
Lawyers for the Applicant