

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, C C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC

SUPPLEMENT TO THE
FIRST REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC

May 28, 2025

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Appendix “A” Amendment to the Amended and Restated DIP Agreement

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SUPPLEMENT TO THE
FIRST REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR

A. INTRODUCTION

1. On March 29, 2025, Shaw-Almex Industries Limited (“**SAIL**”) filed a notice of intention to make a proposal (“**NOI**”) pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended with the Office of the Superintendent of Bankruptcy. FTI Consulting Canada Inc. (“**FTI**”) consented to act as the proposal trustee (the “**Proposal Trustee**”) of SAIL’s estate. In the course of the NOI proceeding, the Court approved a debtor-in-possession credit facility (the “**DIP Facility**”) from Royal Bank of Canada (“**RBC**”, and in its capacity as DIP Facility lender, the “**DIP Lender**”) and granted a corresponding charge.
2. On May 13, 2025, the Court granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) with respect to SAIL and Shaw Almex Fusion, LLC (together, the “**Applicants**”), which, among other things, continued the NOI proceeding commenced by SAIL under the purview of the CCAA and appointed FTI as the Court-appointed monitor of the Applicants (in this capacity, the “**Monitor**”) with enhanced powers. The Initial Order also authorized the Applicants to borrow up to a maximum principal amount of \$1.836 million¹ under the DIP

¹ \$36,000 is RBC’s commitment fee, so the amount available to the Applicants would be \$1.8 million.

Facility from the DIP Lender pursuant to the terms of an amended and restated interim financing term sheet (the “**Amended DIP Term Sheet**”), which amount was secured in full by a corresponding charge (the “**DIP Lender’s Charge**”).

B. PURPOSE OF THIS REPORT

3. The purpose of this report (the “**Supplemental Report**”) is to supplement the First Report of the Monitor dated May 27, 2025 (the “**First Report**”). It should be read in conjunction with the First Report. The First Report and other materials filed in connection with the CCAA proceeding are posted periodically on the website established by the Monitor at <http://cfcanada.fticonsulting.com/ShawAlmex>. The Proposal Trustee posted materials in connection with the NOI proceeding on the same website.

C. TERMS OF REFERENCE

4. This Supplemental Report adopts the same terms of reference as set out in the First Report.

D. THE AMENDMENT TO THE AMENDED DIP AGREEMENT

5. As noted in the First Report, the Applicants are seeking to amend the Amended DIP Term Sheet (such amendment to the Amended DIP Term Sheet, the “**Amended DIP Term Sheet Amendment**”). The Amended DIP Term Sheet Amendment was not attached to the First Report or to the Applicants’ motion materials, both served on May 27, 2025.
6. A copy of the Amended DIP Term Sheet Amendment dated May 28, 2025, is attached to this Supplemental Report as **Appendix “A”**.
7. The Amended DIP Term Sheet Amendment contemplates a maximum principal amount under the DIP Facility of \$2,626,500, all of which is secured under the DIP Lender’s Charge. The Monitor supports the approval of the Amended DIP Term Sheet Amendment.

E. CONCLUSION

8. Based on the foregoing the Monitor respectfully recommends that this Court grant the relief set out in paragraphs 5 and 6 of the First Report, as supplemented by the contents of this Supplemental Report.

All of which is respectfully submitted this 28th day of May, 2025.

FTI Consulting Canada Inc.
solely in its capacity as Monitor of Shaw-Almex
Industries Limited and Shaw Almex Fusion,
LLC and not in its personal or corporate capacity



Jeffrey Rosenberg
Senior Managing Director

APPENDIX “A”

[ATTACHED]

**FIRST AMENDING AGREEMENT TO AMENDED AND RESTATED DIP FACILITY
LOAN AGREEMENT
DATED AS OF MAY 28, 2025**

This First Amending Agreement to the Amended and Restated DIP Facility Loan Agreement (the “**First Amending Agreement**”) is made as of May 28, 2025, among the Obligors and the DIP Lender.

WHEREAS:

- A. Pursuant to the DIP Facility Loan Agreement among the Obligors and the DIP Lender dated as of April 25, 2025 (the “**DIP Facility Loan Agreement**”), the DIP Lender agreed to make available the DIP Facility to the Obligors in accordance with the terms and conditions of the DIP Facility Loan Agreement;
- B. Pursuant to the Amended and Restated DIP Facility Loan Agreement, among the Obligors and the DIP Lender dated as of May 9, 2025 (“**Amended and Restated DIP Facility Loan Agreement**”), the DIP Lender agreed to, among other things, increase the DIP Facility to the Obligors in accordance with the terms and conditions of the Amended and Restated DIP Facility Loan Agreement; and
- C. The Obligors and the DIP Lender have agreed to amend the Amended and Restated DIP Facility Loan Agreement in accordance with the terms and conditions of this First Amending Agreement.

NOW THEREFORE, in consideration of the foregoing and their respective covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

- 1. **Defined Terms:** Capitalized terms that are not expressly defined in this First Amending Agreement have the meanings ascribed to them in the Amended and Restated DIP Facility Loan Agreement.
- 2. **Amendments to the Amended and Restated DIP Facility Loan Agreement:** The Borrower on its own behalf, and on behalf of each of the other Obligors, and the DIP Lender acknowledge and agree that the terms and conditions of the Amended and Restated DIP Facility Loan Agreement shall remain in full force and effect and shall remain unamended save and except as expressly amended by the terms of this First Amending Agreement. The Borrower on its own behalf, and on behalf of each of the other Obligors, and the DIP Lender agree that the Amended and Restated DIP Facility Loan Agreement is hereby amended as follows:
 - (a) Adding a new third recital as follows:

“**AND WHEREAS** the Borrower intends on filing a motion with the court to be heard on May 30, 2025, whereby the Borrower will seek to continue the stay

extension provided under the CCAA Proceedings and will therefore seek to have the Court grant an order, which, among other things: (i) provides for an extension of the stay provided under the CCAA Proceedings, and (ii) approves this First Amending Agreement together with an increase to the DIP Charge in the amount of \$2,626,500”

- (b) The reference to “\$1,836,000” in section 6 is hereby deleted and replaced with “\$2,626,500”.
- (c) The reference to “\$36,000” in section 11 is hereby deleted and replaced with “\$51,500”.
- (d) Section 13 is hereby deleted and replaced with the following:

“Attached as Schedule ‘C’ is a 9- week detailed cash flow forecast (“**DIP Budget**”) that has been approved by the DIP Lender and filed with the Court in support of a motion returnable on May 30, 2025. The Obligers may, in consultation with the Monitor, propose amendments to the DIP Budget to the DIP Lender. If the DIP Lender, in its sole discretion, approves such amendments, the DIP Budget, as amended by such amendments, shall be deemed to be the effective DIP Budget”.
- (e) The reference to “May 30, 2025” in subsection 18(a) is hereby deleted and replaced with “July 18, 2025”.
- (f) The following subsections shall be added to section 25(u):
 - “(iv) the Court shall have issued the Sale Approval Order approving the Sale on terms and conditions acceptable to the DIP Lender, in its sole discretion, on or before July 4, 2025”.
- (g) The DIP Budget in Schedule “C” of the DIP Facility Loan Agreement is hereby deleted and replaced by the replacement DIP Budget attached hereto as Schedule “A”.

3. **Representations and Warranties:** The Borrower on its own behalf, and on behalf of each of the other Obligor, represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this First Amending Agreement, that:

- (a) all representations and warranties contained in the Amended and Restated DIP Facility Loan Agreement and the other DIP Loan Documents are true and correct in all material respects on the date hereof with the same effect as if made on and as of such date, except to the extent that such representations and warranties relate specifically to an earlier date;
- (b) no Default or Event of Default has occurred and is continuing; and
- (c) no Material Adverse Effect has occurred and is continuing.

4. **Conditions Precedent:** This First Amending Agreement shall become effective on the date upon which the following conditions are satisfied:
 - (a) a counterpart of this First Amending Agreement is executed by each party hereto; and
 - (b) the Court shall have issued an order, in a form acceptable to the DIP Lender and the Obligors, approving this First Amending Agreement.
5. **Counterparts:** This First Amending Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together, shall constitute one and the same instrument.
6. **Enurement:** This First Amending Agreement shall be binding upon and enure to the benefit of the Obligors and the DIP Lender and their respective successors and permitted assigns.
7. **Governing Law and Jurisdiction:** This First Amending Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

[remainder of page left intentionally blank; signature pages follow]

IN WITNESS WHEREOF, the parties have executed this First Amending Agreement as of the date first written above.

ROYAL BANK OF CANADA, as DIP Lender

By:  Signed by:
BB665F4CC02248F...
Name: Andrew O'Coin
Title: Senior Director

FIRST AMENDING AGREEMENT

**SHAW-ALMEX INDUSTRIES LIMITED, as
Borrower, by FTI Consulting Canada Inc., in
its capacity as Court-Appointed Monitor of
the Obligors and not in its personal or
corporate capacity**

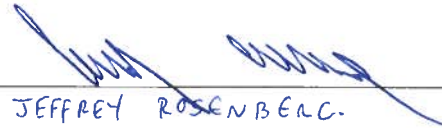
By:



Name: JEFFREY ROSENBERG
Title: Authorized Signing Officer

**SHAW ALMEX FUSION, LLC, as a
Guarantor, by FTI Consulting Canada Inc., in
its capacity as Court-Appointed Monitor and
not in its personal or corporate capacity**

By:



Name: JEFFREY ROSENBERG.
Authorized Signing Authority

Schedule "A"

REPLACEMENT DIP BUDGET

Shaw-Almex Industries Limited - Consolidated Weekly
Projected Cash Flow Statement for the Period of May 17, 2025 to July 18, 2025

(\$CAD in Thousands)

Forecast Week Ending	23-May-25	30-May-25	06-Jun-25	13-Jun-25	20-Jun-25	27-Jun-25	04-Jul-25	11-Jul-25	18-Jul-25	9-Weeks
Forecast Week	1	2	3	4	5	6	7	8	9	Total
Receipts	854	1,506	492	812	814	1,224	2,684	1,463	1,124	10,972
Operating Disbursements										
Payroll	(224)	(820)	(174)	(281)	(271)	(401)	(663)	(205)	(549)	(3,588)
Material Purchases	(535)	(324)	(438)	(462)	(333)	(587)	(503)	(460)	(580)	(4,222)
Debt	-	(2)	(212)	(1)	-	(2)	(38)	(1)	-	(257)
Freight & Duties	(183)	(59)	(26)	(75)	(37)	(160)	(26)	(29)	(77)	(672)
Equipment Leases	(6)	(66)	(12)	(5)	(5)	(50)	(2)	(5)	(2)	(155)
Rent & Utilities	(24)	(84)	(26)	(10)	(3)	(75)	(11)	(3)	(10)	(247)
IT Expenses	(2)	(32)	(1)	(17)	(1)	(56)	(28)	(1)	(1)	(137)
Insurance	(0)	(84)	(0)	(0)	(2)	(42)	(0)	(0)	(0)	(131)
Travel Expenses	(14)	(13)	(10)	(42)	(10)	(17)	(15)	(16)	(19)	(156)
Vehicles Expenses	(2)	(5)	(1)	(7)	(1)	(1)	(7)	(6)	(4)	(33)
Taxes	(20)	(14)	3	(18)	(48)	(219)	(48)	(58)	(48)	(472)
Other Disbursements	(186)	(247)	(30)	(26)	(71)	(80)	(133)	(76)	(92)	(942)
Contingency	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(225)
Operating Disbursements	(1,221)	(1,776)	(952)	(971)	(807)	(1,716)	(1,499)	(887)	(1,408)	(11,237)
Net Cash From Operations	(367)	(270)	(460)	(158)	7	(492)	1,185	577	(284)	(265)
Intercompany										
Funding from Related Parties	60	500	440	150	240	-	1,000	400	50	2,840
Funding for Related Parties	(60)	(500)	(440)	(150)	(240)	-	(1,000)	(400)	(50)	(2,840)
Total Intercompany	-	-	-	-	-	-	-	-	-	-
Restructuring Disbursements										
Professional Fees	(106)	(300)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(1,106)
Net Cash before Financing	(473)	(570)	(560)	(258)	(93)	(592)	1,085	477	(384)	(1,371)
Financing Requirements										
Monitor's Account	106	335	-	-	-	-	-	-	-	441
DIP Financing	400	500	100	275	100	200	(600)	(350)	-	625
Total Financing Requirements	506	835	100	275	100	200	(600)	(350)	-	1,066
Net Cash Flows	33	265	(460)	17	7	(392)	485	127	(384)	(305)
Cash in Almex Group Accounts										
Beginning Cash	2,370	2,402	2,667	2,207	2,223	2,230	1,837	2,322	2,449	2,370
Net Receipts/(Disbursements)	33	265	(460)	17	7	(392)	485	127	(384)	(305)
Ending Cash in Almex Group's Accounts	2,402	2,667	2,207	2,223	2,230	1,837	2,322	2,449	2,065	2,065
Cash in Monitor's Account										
Beginning Cash	441	335	-	-	-	-	-	-	-	441
Advances to Almex Group	(106)	(335)	-	-	-	-	-	-	-	(441)
Ending Cash in Monitor's Account	335	-	-	-	-	-	-	-	-	-
DIP Loan										
Beginning DIP Balance	(1,000)	(1,400)	(1,900)	(2,000)	(2,275)	(2,375)	(2,575)	(1,975)	(1,625)	(1,000)
DIP Financing Advances	(400)	(500)	(100)	(275)	(100)	(200)	600	350	-	(625)
Ending DIP Loan Balance	(1,400)	(1,900)	(2,000)	(2,275)	(2,375)	(2,575)	(1,975)	(1,625)	(1,625)	(1,625)

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FUSION, LLC

Court File No. CV-25-00743136-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SUPPLEMENT TO THE
FIRST REPORT OF THE
MONITOR
(May 28, 2025)

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