File No. CI 26-01-57065

THE KING'S BENCH
WINNIPEG CENTRE

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF WAREHOUSE ONE CLOTHING LTD.

SECOND REPORT OF THE MONITOR ALVAREZ & MARSAL CANADA INC.

JULY 20, 2026

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APPENDICES

1.0 INTRODUCTION

1.1 On May 6, 2026 (the "**Filing Date**"), Warehouse One Clothing Ltd. (the "**Applicant**") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an initial order (the "**Initial Order**") from the Court of King's Bench of Manitoba (the "**Court**"). The proceedings commenced by the Applicant under the CCAA are hereinafter referred to as the "**CCAA Proceedings**". The Initial Order appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor of the Applicant (in such capacity, the "**Monitor**").

1.2 At the commencement of the CCAA Proceedings, the Applicant operated a network of retail stores across Canada under two banners, Warehouse One and Bootlegger. As a result of financial challenges and liquidity constraints, the Applicant commenced these CCAA Proceedings to stabilize its business and to undertake an orderly wind-down and liquidation process at each of its retail store locations.

1.3 Additional details regarding the Applicant and its business and financial circumstances are set out in the Pre-Filing Report of the Proposed Monitor dated May 4, 2026 (the "**Pre-Filing Report**") and the First Report of the Monitor dated May 12, 2026 (the "**First Report**"). The Pre-Filing Report, the First Report, and other Court-filed documents in the CCAA Proceedings are available on the Monitor's case website at: www.alvarezandmarsal.com/WarehouseOne (the "**Case Website**"). A copy of the First Report is attached hereto (without appendices) as **Appendix "A"**.

1.4 On May 15, 2026, the Court granted the Amended and Restated Initial Order (the "**ARIO**"), which modified the Initial Order in certain respects. The ARIO, among other things:

(i) extended the stay of proceedings (the "**Stay**") to and including September 11, 2026;

(ii) authorized the Applicant to borrow up to $3,000,000 in principal amount under an interim financing facility (the "**DIP Facility**") made available by Highgate Capital Ltd., an affiliate of the Applicant (in such capacity, the "**DIP Lender**"), and granted a commensurate increase to the DIP Charge;

(iii) increased the quantum of the Administration Charge to $750,000;

(iv) authorized the Applicant to make employee retention and incentive payments, with the consent of the Monitor and the DIP Lender, not to exceed $350,000 in the aggregate;

(v) approved the consulting agreement entered into by the Applicant and Gordon Brothers Canada ULC (the "**Consultant**") on May 6, 2026 (the "**Consulting Agreement**") and the Sale Guidelines attached as Schedule "A" to the ARIO, and authorized the Applicant, with the assistance of the Consultant, to conduct a liquidation sale of its merchandise and furniture, fixtures and equipment ("**FF&E**") at each of the Applicant's retail store locations (the "**Sale**"); and

(vi) authorized the Applicant, with the assistance of the Monitor, to pursue all opportunities for any sale, assignment, restructuring or other transaction in respect of the Applicant's business or property, including pursuant to any marketing process undertaken by the Monitor, provided that the completion of any material transaction shall be subject to prior approval of this Court.

1.5 This second report of the Monitor (the "**Second Report**") should be read in conjunction with the Pre-Filing Report, the First Report and the affidavit of Shamsh Kassam sworn May 1, 2026 in connection with the commencement of the CCAA Proceedings (the "**First Kassam Affidavit**"). Capitalized terms used and not defined in this Second Report have the meanings given to them in the First Report or the First Kassam Affidavit, as applicable.

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Second Report is to provide the Court with information regarding, and where applicable, the Monitor's views on:

(i) the status of the Sale and the Applicant's wind-down activities, including the disclaimer of its retail store leases and the reduction of its workforce;

(ii) an overview of the process undertaken by the Applicant, with the assistance of the Monitor, pursuant to paragraph 11(d) of the ARIO to pursue all opportunities for any sale, assignment, restructuring or other transaction in respect of the Applicant's business or property (the "**Marketing Process**"), and the activities that led to the proposed IP Transaction (as defined below);

(iii) the Applicant's motion for an order (the "**Approval and Vesting Order**"), among other things:

(a) approving an asset purchase agreement (the "**Sale Agreement**") between the Applicant, as vendor, and YM Inc. (Sales), as purchaser (the

"**Purchaser**"), and vesting in the Purchaser all of the Applicant's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement) free and clear of all Claims and Encumbrances (as defined in the Sale Agreement) (the "**IP Transaction**");

(b) sealing the Confidential Appendix filed with the Court and referred to in this Second Report; and

(c) authorizing the Applicant to change its legal name in accordance with the Sale Agreement and to take all necessary steps to amend the style of cause in the CCAA Proceedings accordingly;

(iv) the Applicant's motion for an order (the "**Distribution and Stay Extension Order**"), which, among other things:

(a) extends the Stay to and including December 18, 2026;

(b) authorizes the Applicant to make a distribution to the Senior Lender in an amount equal to the aggregate outstanding obligations under the Applicant's senior credit facility (the "**Senior Credit Facility**") as of the date of such distribution (the "**Proposed Distribution**"); and

(c) declares that, pursuant to subsection 5(5) of the Wage Earner Protection Program Act, S.C. 2005, c. 47, s. 1, as amended ("**WEPPA**"), the Applicant is a former employer that meets the criteria prescribed by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the "**WEPP Regulations**");

(v) the Applicant’s cash flow results for the nine-week period ended July 10, 2026;

(vi) the Applicant’s updated cash flow forecast for the seven-week period to August 28, 2026 (the “**Updated Cash Flow Forecast**”);

(vii) the activities of the Monitor since the date of the First Report; and

(viii) the Monitor’s conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Second Report, A&M, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Applicant, and has held discussions with management and legal counsel of the Applicant and management and legal counsel of the Applicant’s shareholders and affiliates (collectively, the “**Information**”). Except as otherwise described in this Second Report in respect of the Updated Cash Flow Forecast:

(i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

(ii) some of the Information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to herein was prepared based on the estimates and assumptions of the Applicant. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 UPDATES ON THE CCAA PROCEEDINGS

Update on the Sale

4.1 At the commencement of the CCAA Proceedings, the Applicant had 128 store locations. Four stores were closed shortly following the Filing Date and were not included in the Sale. The Sale commenced at the Applicant's remaining 124 store locations on May 15, 2026 (the "**Sale Commencement Date**"). The Warehouse One and Bootlegger webstores were excluded from the Sale and were closed in the normal course shortly following the Sale Commencement Date.

4.2 Pursuant to the Sale Guidelines, the Applicant, with the assistance of the Consultant, utilized the following strategies to promote the Sale:

(i) in-store signage and promotional sign-walkers;

(ii) targeted marketing campaigns, including email, text message and social media marketing; and

(iii) dynamic promotional pricing and discounts.

4.3 On the Sale Commencement Date, the Applicant had inventory totalling approximately $11.6 million (at landed cost value).

4.4 In accordance with section 6 of the Sale Guidelines, the Applicant negotiated the discounted purchase of additional inventory of approximately $1.5 million (at landed cost value before discount) of goods that were on-order or in-transit as of the Filing Date. In aggregate, the Sale consisted of inventory in the aggregate amount of approximately $13.1 million (at landed cost value).

4.5 As of July 10, 2026, the Applicant had sold approximately $11.1 million of inventory (at landed cost value). The Applicant had also generated proceeds of approximately $450,000 from the sale of FF&E.

4.6 All remaining inventory and FF&E is anticipated to be sold in the near term, with the final date of business across all retail locations scheduled for July 26, 2026 (i.e., the Sale completion date).

Employees

4.7 At the commencement of the CCAA Proceedings, the Applicant had approximately 982 employees, comprised of 403 full-time and 579 part-time employees. Of these employees, 129 worked at the Applicant’s head office and the remainder worked at retail stores.

4.8 Following the Filing Date, the Applicant has been reducing its head office headcount on a rolling basis as employee positions are no longer required to support the Sale or the wind-down of the Applicant's business.

4.9 The Applicant has also terminated store-level employees on a rolling basis as their respective stores have been closed during the Sale period. A number of store-level employees have also resigned, which has required the Applicant to utilize temporary labour at certain locations.

4.10 As at the date of this Second Report, the Applicant's employee head count consists of approximately 37 head office employees and 403 full-time and part-time store-level employees.

4.11 All store-level employees will have their employment terminated no later than July 29, 2026, by which date the Applicant will have vacated all of its retail stores. All head office employees will be terminated by July 31, 2026, except for a small number of head office employees to be retained for a limited period to assist with the wind-down of the Applicant's business operations and the completion of these CCAA Proceedings.

4.12 All of the Applicant's employees have been provided working notice of termination effective as of their respective termination dates. Upon termination, employees have been, or will be, paid all wages and any accrued vacation pay, together with retention and incentive amounts, as applicable.

Lease Disclaimers

4.13 At the Filing Date, the Applicant had 127 active retail store leases and one owned location in Kenora, Ontario. Following the Sale Commencement Date, the Applicant, with input from the Consultant, began identifying a final day of business for each store location and, with the consent of the Monitor, issued 30-day lease disclaimer notices on a rolling basis.

4.14 As of the date of this Second Report, the Applicant has issued 30-day lease disclaimer notices for all retail store leases. In accordance with the Sale Guidelines, the Monitor understands that all stores are retuned to a "broom-swept" condition prior to their applicable vacate dates.

Next Steps

4.15 As noted above, the Sale will be completed on July 26, 2026, with final lease disclaimers being effective on or before July 29, 2026. The Monitor understands that, following the completion of the Sale, the Applicant will review the final results of the Sale and, in consultation with the Monitor, develop a strategy to achieve the orderly wind-down of the Applicant's business and the completion of these CCAA Proceedings.

4.16 The Monitor understands that the Applicant intends to return to this Court if and when necessary for any additional relief that may be required to facilitate the orderly wind-down and completion of the CCAA Proceedings.

5.0 MARKETING PROCESS AND TRANSACTION MATTERS

Marketing Process

5.1 Following the commencement of the CCAA Proceedings, a number of parties contacted the Monitor to express an interest in acquiring certain assets of the Applicant.

5.2 Following the granting of the ARIO, and in accordance with paragraph 11(d) of the ARIO, the Monitor undertook a Marketing Process to determine interest in the Applicant's business and assets. The Monitor contacted potentially interested parties that: (i) had contacted the Monitor directly; or (ii) were known to the Monitor or the Applicant as having a potential interest in retail business transactions of a similar nature, to ascertain their interest in a potential transaction. The Monitor also established an electronic data room, which was populated with certain financial, operational and real estate information to allow interested parties to perform due diligence of the Applicant's business and assets (the "**Data Room**").

5.3 Parties that were interested in exploring a potential transaction were required to execute a non-disclosure agreement ("**NDA**") and were thereafter given access to the Data Room.

5.4 In total, the Monitor contacted approximately 20 parties, eight of which executed an NDA and obtained access to the Data Room. The Monitor had various discussions with these parties and helped to facilitate additional due diligence for potential transactions.

5.5 Following this marketing and diligence process, the Purchaser (YM Inc. (Sales)) submitted an offer to the Monitor with respect to a transaction, which has culminated into the proposed IP Transaction.

IP Transaction

5.6 The proposed IP Transaction contemplates an asset acquisition of all of the Applicant's intellectual property and related assets by the Purchaser, to be implemented by way of the proposed Approval and Vesting Order. A redacted copy of the Sale Agreement is attached hereto as **Appendix "B"**, and an unredacted copy is attached hereto as **Confidential Appendix "C"**.

5.7 Key terms of the IP Transaction are summarized in the following table:

Key Terms of the IP Transaction and the Sale Agreement[1]	
Parties	• YM Inc. (Sales), as Purchaser • Warehouse One Clothing Ltd., as Vendor
Transaction Structure	• The Purchaser will purchase the Purchased Assets on an "as is, where is" basis, free and clear of all Excluded Liabilities and all Encumbrances other than Permitted Encumbrances.
Purchase Price	• The Purchase Price is payable in cash on the Closing Date. • The quantum of the Purchase Price is set out in Confidential Appendix "C". The Applicant is seeking the sealing of Confidential Appendix "C" until the closing of the IP Transaction.
Purchased Assets	• The intellectual property assets owned by the Vendor, including, the intellectual property assets related to the "Warehouse One" and "Bootlegger" brands, including: – all trademarks and trademark rights, trade names and trade name rights, service names and service name rights, brand names and brand name rights, business names and business name rights, slogans, copyrights, designs, logos, and other indicia of source; – all copyrights and copyright rights, including logos, website content, e-commerce content, marketing materials, advertising materials, photographs, product images, social media content, promotional materials and other works of authorship as and to the extent they exist as of the Closing Date; – all domain names, websites, e-commerce websites and social media accounts and handles; – all customer and marketing lists, except for personal information regarding a customer from whom a Customer Consent has not been obtained;

[1] Capitalized terms used in this table and not otherwise defined have the meanings given to them in the Sale Agreement. The following constitutes a summary only and is qualified entirely by the terms of the Sale Agreement. Reference should be made directly to the Sale Agreement for a complete understanding of its terms.

Key Terms of the IP Transaction and the Sale Agreement[1]	
	– all registrations, applications, goodwill and related rights associated with the foregoing; and – all of the assets and property listed on Schedule "A" of the Sale Agreement.
Customer Data	• To the extent that the Vendor transfers any Customer Data to the Purchaser under the IP Transaction, the Purchaser shall: (a) not use or disclose the Customer Data for any purpose other than the purpose for which the personal information was collected, permitted to be used or disclosed; (b) protect the confidentiality of all Customer Data; (c) give effect to any withdrawal of consent; and (d) otherwise comply with all Applicable Laws with respect to the Customer Data.
Assumed Liabilities and Transfer Taxes	• At Closing, the Purchaser shall assume and perform and discharge the Assumed Liabilities in accordance with their terms. The Assumed Liabilities consist of all liabilities first arising from the Purchaser's ownership and use of the Purchased Assets after the Closing Date that relate to the period following the Closing Date, including all fees, costs and expenses associated with the renewal of the Purchased Assets. • The Purchaser shall be liable for and shall pay all applicable Transfer Taxes.
Excluded Liabilities	• All liabilities of the Vendor other than the Assumed Liabilities.
Post-Closing License	• At the Closing Time, the Purchaser grants the Vendor a non-exclusive, non-transferable and royalty-free license to use the Purchased Assets in Canada solely and exclusively in association with winding down the operations of the Vendor's retail stores for a period of 30 days.
Approval and Vesting Order	• Completion of the IP Transaction is conditional on the Court granting the Approval and Vesting Order in form and substance acceptable to the Vendor and the Purchaser, acting reasonably.
Outside Date	• August 31, 2026, or such later date as the parties may agree.

5.8 The Monitor notes that the IP Transaction contemplates a Post-Closing License that allows the Applicant to use the Purchased Assets for a 30-day period following the Closing Date. Based on the current status of the Sale, it is not contemplated at this time that the Post-Closing License will be utilized by the Applicant.

Name Change

5.9 The Sale Agreement requires the Applicant, within 30 days after completion of the IP Transaction, to change its legal name to a name that does not include the words "Warehouse

One" or "Bootlegger". The proposed Approval and Vesting Order authorizes the Applicant to change its legal name and to take all necessary steps to amend the style of cause in the CCAA Proceedings accordingly.

Monitor's Views on the IP Transaction

5.10 The Monitor supports Court approval of the IP Transaction for the following reasons:

(i) the Monitor believes the Marketing Process leading to the IP Transaction was reasonable and appropriate in the circumstances having regard to the nature of the Applicant's remaining assets and property;

(ii) the IP Transaction represents the sole viable transaction in respect of the Purchased Assets to have materialized to date;

(iii) the Monitor believes that the proposed IP Transaction maximizes the value of the Purchased Assets and that further marketing is unlikely to produce a higher-value transaction; and

(iv) as described further below, the Affiliate Lenders are owed more than $33 million under the Affiliate Secured Loans. Subject to the payment in full of the Senior Credit Facility pursuant to the Proposed Distribution, the Affiliate Lenders will have the sole remaining economic interest in the Applicant. The Affiliate Lenders are supportive of the IP Transaction, the completion of which will generate proceeds for partial repayment of the Affiliate Secured Loans.[2]

Sealing of the Confidential Appendix

5.11 As part of the proposed Approval and Vesting Order, the Applicant is requesting the sealing of Confidential Appendix "C" to this Second Report until the closing of the IP Transaction. Confidential Appendix "C" contains an unredacted version of the Sale Agreement, which discloses the quantum of the Purchase Price and the quantum of the Deposit that are redacted in Appendix "B" to this Second Report.

5.12 The Monitor believes it is appropriate to seal Confidential Appendix "C" until closing of the IP Transaction. The sealing of the purchase price under a proposed transaction is common in CCAA proceedings. The proposed sealing prevents the public disclosure of commercially sensitive information that could negatively impact realization efforts in the event that the IP Transaction does not close. The information to be sealed is limited (it relates only to the Purchase Price and Deposit amounts) and it will only be sealed until the closing of the IP Transaction, which will minimize any potential prejudice to stakeholders.

Kenora Property

5.13 In addition to the Marketing Process described above, the Applicant has separately engaged a real estate broker to facilitate the sale of its owned real property located at 323 First Street

[2] The Affiliate Lenders are comprised of the Applicant's shareholders and other affiliates of the Applicant, including Highgate Capital Ltd. As described in the Pre-Filing Report, on April 28, 2026 (prior to the Filing Date), Highgate Capital Ltd. acquired CIBC's rights and interests under the Senior Credit Facility. The acquisition of the Senior Credit Facility was completed at 100-cent dollars and provided a full recovery for CIBC.

South, Kenora Ontario (the "**Kenora Property**"). The sale process for the Kenora Property remains ongoing.

6.0 PROPOSED DISTRIBUTION

6.1 As described in section 6.0 of the Pre-Filing Report, the Applicant's primary secured debt obligations as of April 28, 2026 consisted of approximately $7,127,000 owing under the Senior Credit Facility and approximately $33,057,000 owing under the Affiliate Secured Loans. The Senior Lender and the Affiliate Lenders are direct or indirect shareholders or affiliates of the Applicant.

6.2 As described in section 8.0 of the First Report, the Monitor arranged for local counsel in Manitoba and British Columbia to review and render opinions on the security agreements and related instruments relating to the security interests granted by the Applicant to secure the payment of the Senior Credit Facility and the Affiliate Secured Loans (collectively, the "**Security Documents**"). Subject to customary qualifications and assumptions, the Monitor's counsel concluded that the Security Documents create valid security interests in favour of the applicable secured party and that registration has been made in all public offices provided for under the laws of Manitoba and British Columbia where such registration is necessary to perfect the security interest created by each of the Security Documents.

6.3 As described in sections 6.13, 6.14 and 6.15 of the Pre-Filing Report, the Monitor understands that the various intercreditor agreements entered into by the Senior Lender and the Affiliate Lenders provide that the security interests securing the Senior Credit Facility rank in priority to the security interests securing the Affiliate Secured Loans.

6.4 The proposed Distribution and Stay Extension Order authorizes the Applicant to make the Proposed Distribution to the Senior Lender using available cash on hand. The Proposed Distribution is in an amount equal to the total obligations owing by the Applicant under the Senior Credit Facility, including all outstanding principal, accrued interest and fees. As of June 30, 2026, the aggregate outstanding obligations under the Senior Credit Facility are approximately $7.2 million.

6.5 In assessing the appropriate amount for the Proposed Distribution, the Monitor considered the Applicant's cash requirements required to wind-down operations. As set out in the Updated Cash Flow Forecast, following the Proposed Distribution, the Applicant's Projected Ending Cash Balance (as defined below) is forecast to be approximately $2.5 million as at August 28, 2026, which is projected to be sufficient to fund any remaining costs associated with the wind-down of the Applicant's business and completion of the CCAA Proceedings. Following August 28, 2026, the Applicant will incur no additional operating costs, with only minimal professional fees anticipated to complete the CCAA Proceedings and any subsequent bankruptcy filing.

6.6 Based on the above, the Monitor supports approval of the Proposed Distribution. The Proposed Distribution will limit the Applicant's interest expense and provide for the repayment in full of the Senior Credit Facility.

7.0 CASH FLOW RESULTS RELATIVE TO FORECAST

7.1 Actual receipts and disbursements for the nine-week period from May 9 to July 10, 2026 (the "**Reporting Period**"), as compared to the cash flow forecast attached as Appendix "E" to the First Report, are summarized in the following table:

Cash Flow Variance Report			***$000's***
	Actual	Budget	Variance
Receipts	**25,210**	**16,421**	**8,789**
Disbursements			
Occupancy	2,765	2,363	(401)
Payroll & Benefits	5,343	4,875	(468)
Merchandise	333	281	(52)
Logistics & Operating	1,909	2,040	131
Sales Tax Remittances	1,081	523	(558)
Liquidation Expenses	914	536	(378)
Employee and Store Retention	–	–	–
Professional Fees	978	1,209	231
Total Disbursements	**13,323**	**11,827**	**(1,496)**
Net Cash Flow	**11,887**	**4,594**	**7,293**
Opening Cash Balance	**2,156**	**2,156**	**–**
Net Cash Flow	11,887	4,594	7,293
DIP Facility Advance	–	–	–
Closing Cash Balance	**14,043**	**6,750**	**7,293**

7.2 During the Reporting Period:

(i) the positive variance experienced in receipts of approximately $8.8 million is due to a combination of: (a) materially greater-than-forecast gross margin and sales volumes; and (b) greater-than-forecast proceeds from the sale of FF&E. With the Sale scheduled to be completed in the near term, the majority of this positive variance is anticipated to be a permanent gain for the Applicant; and

(ii) the negative variance experienced in total disbursements of approximately $1.5 million is primarily attributable to the higher than forecast sales, resulting in certain increased costs relating to percentage rents, sales taxes and liquidation expenses.

7.3 During the Reporting Period, the Applicant experienced a positive net cash flow variance of approximately $7.3 million. Accordingly, the Applicant did not need to draw on the DIP Facility during the Reporting Period. As at July 10, 2026, the Applicant's cash balance was approximately $14.0 million.

8.0 UPDATED CASH FLOW FORECAST

8.1 The Applicant, with the assistance of the Monitor, prepared the Updated Cash Flow Forecast for the seven-week period ending August 28, 2026, a copy of which, together with Notes and a Summary of Assumptions (the "**Cash Flow Assumptions**"), is attached to this Second Report as **Appendix "D"**.

8.2 The Updated Cash Flow Forecast encompasses the period anticipated to be required to complete the Sale and the operational wind-down of the Applicant's business. A summary of the Updated Cash Flow Forecast is set out in the following table:

Warehouse One Clothing Ltd. Cash Flow Forecast	**7-Week *$000's***
Receipts	**1,046**
Disbursements	
Occupancy	466
Payroll & Benefits	2,117
Merchandise	–
Logistics & Operating	555
Sales Tax Remittances	945
Liquidation Expenses	428
Employee and Store Retention	350
Professional Fees	506
Total Disbursements	**5,367**
Net Cash Flow	**(4,321)**
Opening Cash Balance	**14,043**
Net Cash Flow	(4,321)
DIP Facility Advance	–
Proposed Distribution	(7,200)
Closing Cash Balance	**2,522**

8.3 The Monitor notes the following:

(i) receipts include those forecast for the remainder of the Sale. No receipts in connection with the IP Transaction or the Kenora Property have been included;

(ii) disbursements include final payments for logistics, rent and occupancy, payroll and benefits, payment processing services, liquidation expenses, professional fees and other store-level and corporate operating costs required to complete the Sale and wind-down of operations; and

(iii) the Proposed Distribution has been included in the Updated Cash Flow Forecast.

8.4 As shown in the Updated Cash Flow Forecast, the Applicant's ending cash balance as at August 28, 2026 is forecast to be approximately $2.5 million (the "**Projected Ending Cash**

Balance”). The Projected Ending Cash Balance is expected to be sufficient to cover any final wind-down expenditures related to the CCAA Proceedings and potential bankruptcy of the estate. Proceeds from the IP Transaction and potential sale of the Kenora Property would be incremental to the Projected Ending Cash Balance.

8.5 Based on the Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects that: (i) the Cash Flow Assumptions are not consistent with the purpose of the Updated Cash Flow Forecast; (ii) as at the date of this Second Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Updated Cash Flow Forecast; or (iii) the Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

9.0 WEPPA DECLARATION

9.1 Subsection 5(1) of the WEPPA provides that an individual is eligible to receive payment under WEPPA 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 subsection 5(5) of WEPPA that the criteria prescribed in section 3.2 of the WEPP Regulations is satisfied.

9.2 Section 3.2 of the WEPP Regulation provides that the Court “may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations”.

9.3 Pursuant to the proposed Distribution and Stay Extension Order, the Applicant is seeking a declaration that the criteria prescribed in section 3.2 of the WEPP Regulation is satisfied (the “**WEPPA Declaration**”).

9.4 As of July 31, 2026, the Applicant will have terminated all of its employees other than a limited number of head office employees retained to wind-down the Applicant's business operations. The Applicant has provided notice of termination (with working notice) to all of its remaining employees, including the limited number of employees to be retained after July 31, 2026 to assist with wind-down matters.

9.5 The proposed WEPPA Declaration is intended to ensure that former employees of the Applicant are able to access benefits under WEPPA at the earliest opportunity. While terminated employees will be paid all wages and accrued vacation pay owing to them up to their respective termination dates, certain terminated employees will be owed termination and severance pay that the Applicant is unable to satisfy in the circumstances.

9.6 The Monitor supports the Applicant's request for the WEPPA Declaration. If the WEPPA Declaration is granted, the Monitor will work with the Applicant to identify all employees that may be eligible for payments under WEPPA and will assist those eligible employees in their claim submissions to Service Canada at the appropriate time.

10.0 EXTENSION OF THE STAY PERIOD

10.1 The Stay period currently expires on September 11, 2026. Pursuant to the proposed Distribution and Stay Extension Order, the Applicant is seeking an extension of the Stay to and including December 18, 2026.

10.2 The Monitor supports the Applicant's request to extend the Stay for the following reasons:

(i) it will allow the Applicant, with the assistance of the Consultant and under the oversight of the Monitor, to complete the Sale and final reconciliation in accordance with the Consulting Agreement, with a view to maximizing the value of the Applicant’s merchandise and FF&E in an orderly and efficient manner;

(ii) it will allow the Applicant to complete the proposed IP Transaction;

(iii) it will permit the Applicant and its real estate broker to continue to market and identify a purchaser for the Kenora Property;

(iv) it will allow the Applicant, with the assistance of the Monitor, to complete certain steps necessary to wind-down corporate operations following the closure of all retail store locations;

(v) it will enable the Applicant and the Monitor to explore any other potential avenues to generate value from the Applicant’s remaining ancillary assets, including its corporate attributes;

(vi) the Applicant has acted, and continues to act, in good faith and with due diligence to complete an orderly wind-down and to maximize the value of its estate;

(vii) as shown in the Updated Cash Flow Forecast, the Applicant is projected to have sufficient liquidity to fund the costs of these CCAA Proceedings through the extended Stay period, including the Projected Ending Cash Balance of $2.5 million as at August 28, 2026; and

(viii) the Monitor is not aware of any party that would be materially prejudiced by the proposed Stay extension.

11.0 ACTIVITIES OF THE MONITOR

11.1 Since the date of the First Report, the primary activities of the Monitor have included the following:

(i) assisting the Applicant and the Consultant with the implementation and execution of the Sale;

(ii) implementing the Marketing Process as described in this Second Report, which culminated in the proposed IP Transaction;

(iii) assisting in the development of the IP Transaction and the negotiation and finalization of the Sale Agreement;

(iv) reviewing and approving notices of disclaimer in connection with the disclaimer of real property leases and other contracts of the Applicant;

(v) engaging with certain suppliers, landlords, logistics providers and other stakeholders with respect to the CCAA Proceedings;

(vi) monitoring the Applicant's cash receipts and disbursements and assisting in preparing the Updated Cash Flow Forecast;

(vii) coordinating the uploading of Court-filed documents to the Case Website; and

(viii) with the assistance of Goodmans, preparing this Second Report.

12.0 CONCLUSIONS AND RECOMMENDATIONS

12.1 For the reasons set out in this Second Report, the Monitor respectfully recommends that the Court grant the Approval and Vesting Order and the Distribution and Stay Extension Order in the form sought by the Applicant.

All of which is respectfully submitted to the Court this 20th day of July, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
Warehouse One Clothing Ltd.

Per: ______________________________
Josh Nevsky
Senior Vice-President

APPENDIX A
FIRST REPORT OF THE MONITOR

See attached.

File No. CI 26-01-57065

THE KING'S BENCH
WINNIPEG CENTRE

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF WAREHOUSE ONE CLOTHING LTD.

FIRST REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

MAY 12, 2026

MONITOR

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APPENDICES

1.0 INTRODUCTION

1.1 On May 6, 2026 (the "**Filing Date**"), Warehouse One Clothing Ltd. (the "**Applicant**") was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an initial order (the "**Initial Order**") from the Court of King's Bench of Manitoba (the "**Court**"). The proceedings commenced by the Applicant under the CCAA are hereinafter referred to as the "**CCAA Proceedings**". The Initial Order appointed Alvarez & Marsal Canada Inc. ("**A&M**") as monitor of the Applicant (in such capacity, the "**Monitor**").

1.2 The Applicant operates 128 retail stores in eight provinces and one territory across Canada under two banners, Warehouse One and Bootlegger, each supported by an e-commerce platform and served by a centralized distribution network. The Applicant is 75% owned by WHO Industries Inc. and 25% owned by 4565038 Manitoba Ltd. (the "**Shareholders**").

1.3 As a result of financial challenges and liquidity constraints, the Applicant commenced these CCAA Proceedings to stabilize its business and to commence an orderly wind-down and liquidation process at each of its store locations.

1.4 Additional details regarding the Applicant and its business and financial circumstances are set out in the Pre-Filing Report of the Proposed Monitor dated May 4, 2026 (the "**Pre-Filing Report**") filed by A&M prior to the commencement of the CCAA Proceedings. The Pre-Filing Report and other public documents filed with the Court in the CCAA Proceedings are available on the Monitor's case website at: www.alvarezandmarsal.com/WarehouseOne (the "**Case Website**"). A copy of the Pre-Filing Report is attached hereto (without appendices) as **Appendix "A"**.

1.5 The Initial Order, among other things:

(i) granted a stay of proceedings (the "**Stay**") for the initial period to and including May 15, 2026 (the "**Initial Stay Period**");

(ii) authorized the Applicant to borrow up to $1,000,000 during the Initial Stay Period under an interim financing facility (the "**DIP Facility**") made available by Highgate Capital Ltd., an affiliate of the Applicant (in such capacity, the "**DIP Lender**"); and

(iii) granted the Administration Charge in the amount of $500,000, the DIP Lender's Charge in the principal amount of $1,000,000, and the Directors' Charge in the amount of $1,675,000 over the Applicant's current and future assets, property and undertakings (collectively, the "**Property**").

1.6 This first report of the Monitor (the "**First Report**") should be read in conjunction with the Pre-Filing Report and the affidavit of Shamsh Kassam, sworn May 1, 2026 (the "**First Kassam Affidavit**"). Capitalized terms used and not defined in this First Report have the meanings given to them in the Pre-Filing Report or the First Kassam Affidavit, as applicable.

2.0 PURPOSE OF THE FIRST REPORT

2.1 The purpose of this First Report is to provide the Court with information regarding, and where applicable, the Monitor's views on:

(i) certain updates on the Applicant's business and restructuring efforts since the granting of the Initial Order, together with the Applicant's intended next steps in these CCAA Proceedings;

(ii) the relief sought by the Applicant pursuant to the proposed amended and restated Initial Order (the "**ARIO**"), which, among other things:

(a) extends the Stay to and including August 28, 2026;

(b) increases the authorized aggregate principal borrowings under the DIP Facility to $3,000,000, together with a commensurate increase to the DIP Charge;

(c) increases the quantum of the Administration Charge to $750,000;

(d) authorizes the Applicant to make employee retention and incentive payments, with the consent of the Monitor and the DIP Lender, not to exceed $350,000 in the aggregate;

(e) approves the Consulting Agreement and the Sale Guidelines (each as defined below), and authorizes the Applicant, with the assistance of the Consultant (as defined below), to conduct a liquidation sale of its merchandise ("**Merchandise**") and furniture, fixtures and equipment ("**FF&E**") at each of the Applicant's retail locations (the "**Sale**"); and

(f) authorizes the Applicant, with the assistance of the Monitor, to pursue all opportunities for any sale, assignment, restructuring or other transaction in respect of the Applicant's business or property, including pursuant to any marketing process undertaken by the Monitor, provided that the completion of any material transaction shall be subject to prior approval of this Court;

(iii) the Applicant's updated cash flow forecast for the 16-week period to August 28, 2026 (the "**Updated Cash Flow Forecast**");

(iv) the activities of the Monitor since the Filing Date; and

(v) the Monitor's conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this First Report, A&M, in its capacity as the Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Applicant, and has held discussions with management and legal counsel of the Applicant and management and legal counsel of the Shareholders and their affiliates (collectively, the "**Information**"). Except as otherwise described in this First Report in respect of the Applicant's Cash Flow Forecast:

(i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

(ii) some of the Information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to herein was prepared based on the estimates and assumptions of the Applicant. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 THE APPLICANT'S ACTIVITIES SINCE THE FILING DATE

Employees

4.1 At the commencement of the CCAA Proceedings, the Applicant had approximately 982 employees, comprised of 403 full-time and 579 part-time employees. Of these employees, 129 worked at the Applicant's head office and the remainder worked at retail stores.

4.2 Following commencement of the CCAA Proceedings, the Applicant implemented a workforce reduction by terminating 52 employees at its head office. This reduction was undertaken to right-size overhead costs, as these positions will not be required during the wind-down. The Applicant also terminated two employees recently hired to support the planned opening of a new Warehouse One store in Charlottetown, PEI, which will no longer be opened. The Monitor understands that these former employees will be paid all outstanding wages and accrued vacation balances, as calculated pursuant to their employment contracts.

4.3 As of the date of this First Report, the Applicant's headcount totals approximately 930.

Lease Disclaimers

4.4 On May 8, 2026, the Applicant, with the consent of the Monitor, issued a 30-day lease disclaimer notice for three of its retail store locations.

4.5 Two of these lease disclaimers relate to retail stores (in Meadow Lake, Saskatchewan and Champlain Place, New Brunswick) that are underperforming and experiencing operational challenges, including a lack of available labour to operate the stores during business hours. The Applicant made the decision to disclaim and exit these locations on an expedited basis. The third lease disclaimer is in relation to the Charlottetown, PEI location that will no longer be opened.

Stakeholder Communications

4.6 Following commencement of the CCAA Proceedings, the Applicant, with the support of the Monitor, implemented an employee and stakeholder communication plan, which in addition to the statutory requirements under the CCAA, included:

(i) issuing a press release announcing the commencement of the CCAA Proceedings;

(ii) hosting employee town-hall meetings and issuing internal communications and frequently asked question materials to employees;

(iii) posting a notice at cash registers at each store to inform customers of the CCAA Proceedings, including its updated policies with respect to gift cards, returns and exchanges being accepted through May 13, 2026;

(iv) posting a notice on the Applicant's Warehouse One and Bootlegger webstores to inform customers of the CCAA Proceedings and its updated policies with respect to gift cards, returns and exchanges;

(v) posting a notice on the Case Website regarding the Applicant's updated policies with respect to gift cards, returns and exchanges; and

(vi) issuing a letter to each of the Applicant's landlords notifying them of the CCAA Proceedings.

4.7 Attached as **Appendix "B"** are copies of the press release and letter to landlords issued by the Applicant.

5.0 ENGAGEMENT OF CONSULTANT AND COMMENCEMENT OF SALE

5.1 Under the proposed ARIO, the Applicant is seeking approval of the consulting agreement entered into by the Applicant and Gordon Brothers Canada ULC (the "**Consultant**") on May 6, 2026 (the "**Consulting Agreement**") and authorization for the Applicant, with the assistance of the Consultant, to undertake the Sale at its retail store locations (the "**Stores**") in accordance with the Sale Guidelines attached as Schedule "A" to the ARIO (the "**Sale Guidelines**"). A copy of the Consulting Agreement is attached hereto as **Appendix "C"**.

5.2 In the period immediately prior to the commencement of the CCAA Proceedings, the Applicant faced severe liquidity constraints that necessitated the engagement of a consultant and the commencement of the steps required to plan for the liquidation process on an expedited basis. The Applicant selected the Consultant based on: (i) its qualifications and prior experience implementing retail liquidation processes in Canada; (ii) its prior working relationship and familiarity with the Applicant and other retailers affiliated with the Shareholders; and (iii) its ability to mobilize resources and prepare for the Sale on an expedited basis.

5.3 The Consultant submitted a proposal setting out the key terms of a consulting arrangement to the Applicant and the Monitor. After reviewing and negotiating the Consultant's proposal, the Applicant, in consultation with the DIP Lender and the Monitor, engaged the Consultant to assist with the Sale. The Monitor is supportive of the engagement of the Consultant pursuant to the Consulting Agreement and is satisfied that:

(i) the Consultant's services will assist the Applicant in conducting an efficient and value-maximizing Sale;

(ii) the Consultant is qualified, experienced and capable of performing its obligations under the Consulting Agreement in accordance with the Sale Guidelines; and

(iii) the Consultant's fee structure (described below) is reasonable and consistent with the fees charged on other similar retail liquidation engagements.

<u>Proposed Consulting Agreement and Sale Guidelines</u>[1]

5.4 The following is a summary of certain key terms of the Consulting Agreement and the proposed Sale Guidelines:

Summary of Terms of Consulting Agreement and Sale Guidelines	
Exclusive Consultant	• The Consultant will act as the exclusive consultant of the Applicant for the purpose of conducting the Sale.

[1] Capitalized terms used in this section of this First Report and not otherwise defined herein have the meanings ascribed to them in the Consulting Agreement or the Sale Guidelines, as applicable.

Summary of Terms of Consulting Agreement and Sale Guidelines	
Timing	• For each Store, the Sale will commence on the date on which the ARIO is granted or such later date agreed to by the Applicant and the Consultant (the "**Sale Commencement Date**"). • The Sale will end no later than 14 weeks following the Sale Commencement Date (the "**Sale Termination Date**"), provided, however, that the Consultant and the Applicant may, in consultation with the Monitor, mutually agree to extend the Sale Termination Date or terminate the Sale at any store location prior to the Sale Termination Date.
Sales	• All sales will be "final" with no returns allowed. • All sales of Merchandise and FF&E shall be for the benefit of the Applicant. The Consultant does not have any right, title or interest in the Merchandise or the FF&E.
Consultant Fees & Expenses	• On the sale of Merchandise, the Consultant will earn a fee equal to 2% of gross proceeds (the "**Merchandise Fee**"), net of applicable sales taxes. • On the sale of FF&E, the Consultant will earn a fee equal to 20% of gross proceeds, net of applicable sales taxes (the "**FF&E Fee**"). • The Applicant will reimburse the Consultant for its reasonable and documented out-of-pocket expenses, including supervision and advertising costs, pursuant to an approved Expense Budget. The Applicant has funded to the Consultant a $55,600 deposit to be held by the Consultant on account of any final amounts owing to the Consultant until the completion of the Final Reconciliation.
Services Provided By Consultant	• The Consultant will, among other things, in consultation with the Applicant: (a) develop marketing strategies, including optimal advertising channels; (b) provide qualified supervisors, approved in advance by the Applicant, to oversee the Sale; (c) recommend appropriate point-of-sale and external advertising (including signage) for the Stores; (d) recommend appropriate discounts of Merchandise and staffing levels; (e) assist with managing loss prevention and employee relation matters; and (f) provide such other related services deemed necessary or appropriate by the Applicant and the Consultant, in consultation with the Monitor.
Sale Guidelines	• The Consulting Agreement provides that the Sale shall be conducted in accordance with the Sale Guidelines. The Sale Guidelines are attached as Schedule "A" to the proposed ARIO. The Sale Guidelines provide, among other things, that: (a) except as set out in the Sale Guidelines (and subject to the ARIO or any other Court Order, the CCAA, and/or any subsequent written agreement between the Applicant and an applicable Landlord), the Sale will be conducted in accordance with the terms of the applicable Leases; (b) the Sale will be conducted so that each Store remains open during its normal hours of operation until the earlier of (i) the date on which such Lease is disclaimed in accordance with the ARIO and the CCAA; and (ii) such other date on which the Store is vacated as may be agreed between the Applicant and the applicable Landlord (the earlier of such dates being the "**Vacate Date**"); (c) all display and hanging signs used in connection with the Sale will be professionally produced and hung in a professional manner. No signs will advertise the Sale as a "bankruptcy", a "liquidation" or a "going out of business" sale unless otherwise agreed between the Applicant and the applicable Landlord; (d) until the applicable Vacate Date, the Applicant may also sell FF&E. Purchasers of FF&E will only be permitted to remove FF&E through the back shipping areas designated by the Landlord or through other areas after regular Store business hours or through the front door

Summary of Terms of Consulting Agreement and Sale Guidelines	
	during regular Store business hours if the FF&E can fit in a shopping bag, with the applicable Landlord's supervision if required by the applicable Lease; (e) on the applicable Vacate Date, the Applicant will arrange that the premises for each Store are in "broom-swept" and clean condition and shall arrange that each Store is in the same condition as on the commencement of the Sale, ordinary wear and tear excepted and subject to the Applicant's right to abandon unsold merchandise and FF&E; (f) the Sale Guidelines may be amended on a Store-by-Store basis, by written agreement between the Applicant and the applicable Landlord, with the consent of the Monitor; and (g) if there is a conflict between the ARIO, the Sale Guidelines, or the Consulting Agreement, the documents shall have priority in that order.

5.5 The Consulting Agreement was negotiated among the Consultant and the Applicant, in consultation with the Monitor. In negotiating the terms of the Consulting Agreement, including the Sale Guidelines, the Applicant and the Monitor were cognizant of the interests of landlords commonly expressed in similar situations.

5.6 The Monitor recommends that the Court approve the Consulting Agreement and the Sale Guidelines, given that, among other things:

(a) given the large number of stores operated by the Applicant and the complexities of conducting a large-scale store closing process, the services of an experienced liquidation consultant are necessary to undertake a liquidation process that maximizes the value of the Applicant's Merchandise and FF&E in an efficient and cost-effective manner;

(b) the Consultant has extensive experience in conducting retail liquidations of this type and magnitude in Canada;

(c) the Consultant is available to commence the Sale promptly following the granting of the ARIO, which is necessary in light of the Applicant's liquidity position and ongoing operating losses;

(d) the fee structure contained in the Consulting Agreement incentivizes the Consultant to maximize the value of the Applicant's Merchandise and FF&E for the benefit of stakeholders, and the quantum of the Merchandise Fee and FF&E Fee are reasonable and consistent with fees charged by liquidation consultants in similar situations. Attached hereto as **Appendix "D"** is a summary of the consulting fees charged pursuant to consulting agreements approved in other similar CCAA proceedings; and

(e) the Consulting Agreement and the Sale Guidelines account for the interests of the Applicant's landlords in a manner consistent with similar arrangements previously approved by courts in CCAA retail liquidations.

6.0 AMENDED AND RESTATED INITIAL ORDER

DIP Facility

6.1 As described in the Pre-Filing Report, the Applicant entered into the DIP Facility with Highgate Capital, as DIP Lender. Pursuant to the Initial Order, the Applicant received authorization to borrow up to $1.0 million under the DIP Facility during the Initial Stay Period. As at the date of this First Report, no borrowings under the DIP Facility have been made by the Applicant.

6.2 The Applicant is now seeking an increase in the authorized borrowings under the DIP Facility to an aggregate amount up to $3.0 million, which is the maximum availability under the DIP Facility.

6.3 While the Updated Cash Flow Forecast projects that the Applicant will ultimately generate positive cash flow during the Cash Flow Period, the Applicant may require advances under the DIP Facility to fund its business operations and potential negative cash flow periods that may occur on a temporary basis at or shortly after the commencement of the Sale.

6.4 The Monitor supports the increase to the authorized borrowings under the DIP Facility for the following reasons:

(i) the DIP Lender is the Applicant's senior secured lender, and is therefore an appropriate provider of DIP financing in circumstances where the Applicant intends to undertake an orderly liquidation to maximize recoveries for its secured lenders;

(ii) given all of the circumstances (including the limited period of time during which DIP financing may be required by the Applicant), there is no other readily available source of DIP financing to fund the CCAA Proceedings;

(iii) as outlined in its Pre-Filing Report, the terms of the DIP Facility are fair and reasonable and within market parameters; and

(iv) as set out in the Updated Cash Flow Forecast, the maximum availability of $3.0 million under the DIP Facility will ensure that the Applicant has access to sufficient liquidity through to the end of the requested Stay period.

Employee Retention

6.5 To facilitate and encourage the continued participation of its employees during the CCAA Proceedings, the Applicant, in consultation with the Monitor, has developed a retention plan for certain designated head office, store-level and regional supervisory employees of the Applicant. The Applicant is seeking the authority in the proposed ARIO to make employee retention and incentive payments, with the consent of the Monitor and the DIP Lender, not to exceed $350,000 in the aggregate.

6.6 The Applicant has identified certain head office employees who are considered by the Applicant to be critical to the success of the CCAA Proceedings. Under the retention plan, these participants are entitled to a retention bonus based on a percentage of their annual salary, totaling a maximum of $100,000 in the aggregate across the participants. The retention bonuses are payable on the date that is the earliest of: (i) the employee's termination date; (ii) the completion of the Sale or an alternative restructuring transaction; and (iii) the outside date, being August 14, 2026. Payment of the retention bonus is conditional on, among other things, the participant continuing to provide services to the Applicant until the applicable payment date.

6.7 The Applicant has also designated up to $250,000 for the purposes of making discretionary retention and/or incentive payments to store-level employees and regional supervisors. These payments would be structured in a similar manner to the retention payments to head office employees described above, with appropriate modifications for the store-level context.

6.8 The Monitor supports the Applicant's request for the authority to make employee retention and incentive payments, not exceeding $350,000 in the aggregate, on the basis that:

(i) it will provide stability to the business and facilitate the successful completion of the Sale and the CCAA Proceedings by encouraging the employees to remain with the Applicant;

(ii) payments will be made to employees determined by the Applicant, exercising its business judgement, to be crucial to maximizing realizations in the CCAA Proceedings for the benefit of stakeholders;

(iii) given the contemplated liquidation and cessation of business activities, the Applicant's employees cannot be easily or expediently replaced; and

(iv) the quantum and terms of the expected retention payments are reasonable both in the circumstances and when compared to other key employee retention and incentive plans previously approved by courts in CCAA proceedings.

Court-ordered Charges Sought in the ARIO

6.9 The ARIO seeks increases to the quantum of the Administration Charge and the DIP Lender's Charge. The ARIO does not seek any change to the Directors' Charge in the maximum amount of $1,675,000 granted in the Initial Order.

Administration Charge

6.10 The Initial Order granted a priority charge over the Property in an amount not to exceed $500,000 in favour of the Monitor, counsel to the Monitor, and counsel to the Applicant (the "**Administration Charge**"). The Applicant is seeking an increase in the amount of the Administration Charge to $750,000.

6.11 The Monitor assisted the Applicant in the calculation of the Administration Charge and is of the view that the increased amount of the charge is reasonable and appropriate in the circumstances having regard to: (i) the nature of the proceedings; (ii) the need for the continued participation of the beneficiaries of the Administration Charge during the CCAA Proceedings; (iii) the fees incurred by the beneficiaries of the Administration Charge in connection with the commencement of the CCAA Proceedings; (iv) the distinct roles of the beneficiaries; and (v) the quantum of administration charges approved in similar CCAA proceedings.

<u>DIP Lender's Charge</u>

6.12 As described above, the Applicant is seeking an increase in the principal amount of authorized borrowings under the DIP Facility to $3.0 million.

6.13 For the reasons set out above, the Monitor is of the view that the proposed increase in the availability under the DIP Facility, and the corresponding increase in the quantum of the DIP Lender's Charge, is reasonable in the circumstances.

<u>Priority of Charges in ARIO</u>

6.14 The proposed ARIO contemplates that the Charges will rank in priority to all other Encumbrances (as defined in the Initial Order) in favour of any person, other than any Encumbrance arising pursuant to section 11.8(8) of the CCAA. Consistent with the Initial

Order, the proposed ARIO contemplates that the Charge will have the following priority in relation to each other:

(i) First – Administration Charge (to the maximum amount of $750,000);

(ii) Second – DIP Lender's Charge (to the maximum principal amount of $3,000,000, plus all accrued interest and other amounts payable to the DIP Lender under the DIP Agreement); and

(iii) Third – Directors' Charge (to the maximum amount of $1,675,000).

<u>Authority to Pursue Other Transactions</u>

6.15 In addition to the Applicant's Merchandise and FF&E to be liquidated in the Sale, the Applicant, with the assistance of the Monitor, intends to pursue market interest in its other assets, including intellectual property assets, leasehold interests, corporate attributes, and an owned real property located at 323 First Street South, Kenora, Ontario, with property description LT 287 PL 25; Kenora (the "**Kenora Property**").

6.16 Accordingly, the proposed ARIO authorizes the Applicant, with the assistance of the Monitor, to pursue all avenues or opportunities for any sale, assignment, restructuring or other transaction in respect of its Business or Property, in whole or in part (each, a "**Transaction**"), including pursuant to any marketing process conducted by the Monitor or bidding procedures letter circulated to potentially interested parties identified by the Applicant and the Monitor, provided that the completion of any such Transaction is subject to approval of the Court (except in respect of the Sale and the disposition of non-material assets as approved pursuant to the ARIO).

6.17 In this regard, the Monitor intends to contact parties known to the Monitor or the Applicant who may have an interest in exploring a Transaction with the Applicant, including the Applicant's secured lenders given the magnitude of their secured claims against the Applicant. The Monitor also intends to seek proposals from real estate brokers in connection with listing for sale of the Kenora Property.

6.18 Depending on the nature and level of interest obtained from such efforts, the Monitor, in consultation with the Applicant and the DIP Lender, may prepare a solicitation letter detailing bid procedures, including requirements, milestones and selection criteria. If these bid procedures are established, the Monitor will clearly communicate them to the identified interested parties. Depending on the interest level, the Monitor may also directly negotiate with potential purchasers in place of a formal solicitation process. Any material Transaction that results from such negotiations will require the approval of the DIP Lender (pursuant to the terms of the DIP Agreement) and the Court.

6.19 The Monitor supports the authorization to pursue a Transaction as set forth in the proposed ARIO, in lieu of a formal solicitation process, given, among other things: (i) the Applicant has limited liquidity to run an extended solicitation process; (ii) given the nature of the Applicant's ancillary assets and the limited pool of potential purchasers, a broad canvassing of purchasers pursuant to a traditional solicitation process is not necessary to maximize value and would cause the Applicant to incur significant cost for potentially limited benefit; (iii) the authorizations in the proposed ARIO and the terms of the Consulting Agreement provide appropriate flexibility to explore all value-enhancing options for the Applicant's assets in parallel with the conduct of the Sale; (iv) given the amount of secured debt outstanding, it is not anticipated that there will be sufficient realizations that will result in a distribution to unsecured creditors. Accordingly, the secured creditors are the fulcrum creditors in this case. The Monitor understands that the DIP Lender (which is affiliated with each of the other secured creditors) supports the Applicant and the Monitor engaging in discussions with potential interested parties in the manner outlined above; and (v) any resulting Transaction will be subject to approval by the Court and the Court being satisfied with respect to the process leading up to the proposed Transaction.

Extension of the Stay Period

6.20 The Stay under the Initial Order expires on May 15, 2026. Pursuant to the proposed ARIO, the Applicant is seeking an extension of the Stay to and including August 28, 2026.

6.21 The Monitor supports the Applicant's request to extend the Stay for the following reasons:

(i) the proposed Stay extension will permit the Applicant, with the assistance of the Consultant and under the oversight of the Monitor, to conduct the Sale in accordance with the Sale Guidelines and with a view to maximizing the value of the Applicant's Merchandise and FF&E in an orderly and efficient manner;

(ii) as reflected in the Updated Cash Flow Forecast, the Applicant is expected to have sufficient liquidity to fund its operations and the costs of the CCAA Proceedings during the extended Stay period, provided that the proposed ARIO is granted;

(iii) the Applicant has acted, and continues to act, in good faith and with due diligence to advance its objectives in these CCAA Proceedings; and

(iv) the Monitor is not aware of any party that would be materially prejudiced by the proposed Stay extension.

7.0 UPDATED CASH FLOW FORECAST

7.1 The Applicant, with the assistance of the Monitor, prepared the Updated Cash Flow Forecast for the 16-week period to August 28, 2026 (the "**Cash Flow Period**"). A copy of the Updated Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**") is attached hereto as **Appendix "E"**.

7.2 A summary of the Updated Cash Flow Forecast is set out in the following table:

Updated Cash Flow Forecast	**$000's**
Receipts	**20,874**
Disbursements	
Occupancy	(3,104)
Payroll & Benefits	(7,384)
Merchandise	(281)
Logistics & Operating	(2,205)
Sales Tax Remittances	(1,107)
Liquidation Expenses	(848)
Employee & Store Retention	(350)
Professional Fees	(1,527)
Total Disbursements	**(16,806)**
Net Cash Flow	**4,069**
Opening Cash Balance	2,156
Net Cash Flow	4,069
DIP Facility Advance	-
Closing Cash Balance	**6,224**

7.3 The Monitor notes the following with respect to the Updated Cash Flow Forecast:

(i) collections primarily include the proceeds of Merchandise and FF&E forecast to be sold during the Sale, commencing May 15, 2026;

(ii) disbursements include logistics and supply chain expenditures, payroll and benefits paid in the ordinary course, post-filing merchandise purchases, utilities, and other store-level and corporate operating costs;

(iii) occupancy costs include rent at the Applicant's retail stores and distribution centre and head office. The proposed ARIO provides that rent for the retail stores will be paid twice-monthly on the first and fifteenth day of each month, in advance, until the applicable lease is disclaimed in accordance with the CCAA. Rent for retail stores for the period from the Filing Date to May 14, 2026 was paid on or about May 7, 2026, in accordance with the Initial Order;

(iv) liquidation expenses include the Merchandise Fee and FF&E Fee, and a provision for costs relating to marketing and supervision; and

(v) professional fees include those of the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

7.4 During the Cash Flow Period net cash flows are projected to be approximately $4.1 million. The Applicant is projected to have a closing cash balance of approximately $6.2 million, with no outstanding borrowings under the DIP Facility.

7.5 While the DIP Facility is not projected to be utilized by the Applicant during the Cash Flow Period, the Monitor notes that there is a high level of variability anticipated during the Sale, and the ability to utilize the DIP Facility, if and as required, will enhance the Applicant's operating flexibility during the CCAA Proceedings.

Monitor's Review

7.6 Based on the Monitor's review,[2] nothing has come to its attention that causes it to believe, in all material respects that: (i) the Cash Flow Assumptions are not consistent with the purpose of the Updated Cash Flow Forecast; (ii) as at the date of this First Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Updated Cash Flow Forecast, given the Cash Flow Assumptions; or (iii) the Updated Cash Flow Forecast does not reflect the Cash Flow Assumptions.

8.0 SECURITY REVIEW

8.1 As described in detail in section 6.0 of the Pre-Filing Report, the Applicant's primary secured debt obligations as of April 28, 2026 consisted of approximately $7,127,000 owing under the Senior Credit Facility and approximately $33,057,000 owing under the Affiliate Secured Loans.

[2] The Monitor has reviewed the Updated Cash Flow Forecast to the standard required of a court-appointed monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the monitor's findings. Pursuant to this standard, the Monitor's review of the Updated Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by key members of management. The Monitor reviewed information provided by management for the Cash Flow Assumptions. Since the Cash Flow Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow Forecast.

8.2 The Monitor has arranged for local counsel in Manitoba and British Columbia to review and render opinions on the security agreements and related instruments relating to the security interests granted by the Applicant to secure the payment of the Senior Credit Facility and the Affiliate Secured Loans (collectively, the "**Security Documents**"). The Monitor sought a Manitoba opinion given that the Applicant is headquartered in Manitoba and certain of the Security Documents are governed by Manitoba law; the Monitor sought a British Columbia opinion given that the Senior Credit Agreement, the loan agreements governing the Affiliate Secured Loans, and certain of the Security Documents are governed by British Columbia law.

8.3 Subject to qualifications and assumptions customary in rendering security opinions of this nature, the Monitor's counsel has concluded that: (i) each of the Security Documents creates a valid security interest in favour of the applicable secured party in the collateral to which the *Personal Property Security Act* ("**PPSA**") of Manitoba and the PPSA of British Columbia applies; and (ii) registration has been made in all public offices provided for under the laws of Manitoba and British Columbia where such registration is necessary to perfect the security interest created by each of the Security Documents in favour of the applicable secured party in such collateral.

8.4 The Monitor's counsel has not rendered an opinion on the perfection of the security interests created by the Security Documents in provinces or territories other than Manitoba and British Columbia, in light of the costs that would be associated with rendering opinions with respect to seven other jurisdictions. However, the Monitor notes that each of: (i) WHO Industries, in its capacity as Affiliate Lender; (ii) 456 Manitoba, in its capacity as Affiliate

Lender; and (iii) Highgate Capital[3] (for itself as Senior Lender, and as agent for itself and R.I.S. Media, as Affiliate Lenders) has registered its security interest against the Applicant under the PPSA of Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Yukon (being the seven other jurisdictions, in addition to Manitoba and British Columbia, in which the Applicant carries on retail operations).

8.5 The Monitor notes that, in addition to the PPSA registrations made against the Applicant in favour of the Senior Lender and the Affiliate Lenders, two PPSA registrations relating to specific accounts relating to credit card payment processing services and equipment pursuant to an equipment leasing agreement have been made in respect of the Applicant by Moneris Solutions Corporation and Dell Financial Services Canada Limited, respectively, in Manitoba.

8.6 As noted in the First Kassam Affidavit, the Applicant is the legal owner of the Kenora Property, from which it operates a Warehouse One Store. Attached as **Appendix "F"** is a Service Ontario parcel register search for the Kenora Property conducted on May 12, 2026. While the Monitor is not, in this First Report, expressing a legal opinion with respect to the Kenora Property, the Monitor notes that the parcel register search indicates that: (i) the Applicant acquired legal title to the Kenora Property on October 31, 2013; and (ii) Highgate Capital registered a mortgage on the Kenora Property on May 6, 2026.

[3] The Monitor notes that CIBC, in its capacity as Senior Lender prior to the completion of the Senior Credit Facility Assignment, did not make registrations under the PPSA of New Brunswick or Newfoundland and Labrador. However, the Monitor notes that the security interest granted by the Applicant under its general security agreement with Highgate Capital dated May 20, 2025, which has been registered under the PPSA of New Brunswick and Newfoundland and Labrador, secures the payment of all indebtedness and liabilities of the Applicant to Highgate Capital.

9.0 ACTIVITIES OF THE MONITOR SINCE FILING DATE

9.1 Since the Filing Date, the primary activities of the Monitor have included the following:

(i) assisting the Applicant in the negotiation of the Consulting Agreement and Sale Guidelines;

(ii) engaging with certain suppliers, landlords, logistics providers and other stakeholders with respect to the CCAA Proceedings;

(iii) activating the Case Website and coordinating the posting of Court-filed documents thereon;

(iv) monitoring the Applicant's cash receipts and disbursements and assisting in preparing the Updated Cash Flow Forecast;

(v) completing or coordinating the notice requirements pursuant to the Initial Order, including, among other things:

(a) arranging for publication of notice of the CCAA Proceedings, in the prescribed form, in *The Winnipeg Free Press* on May 11 and May 19, 2026;

(b) arranging for notice of the CCAA Proceedings, in the prescribed manner, to be emailed or mailed on or around May 7, 2026 to each known creditor having a claim against the Applicant of more than $1,000; and

(c) activating the Monitor's toll-free number and email account for the CCAA Proceedings, and responding to stakeholder inquiries received through those and other contact points;

(vi) with the assistance of Goodmans LLP, counsel to the Monitor ("**Goodmans**") and local counsel engaged in British Columbia and Manitoba, completing the security review in respect of the Senior Credit Facility and Affiliate Secured Loans, as described above; and

(vii) with the assistance of Goodmans, preparing this First Report.

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 For the reasons set out in this First Report, the Monitor respectfully recommends that the Court grant the ARIO in the form sought by the Applicant.

All of which is respectfully submitted to the Court this 12th day of May, 2026.

Alvarez & Marsal Canada Inc.,
in its capacity as Proposed Monitor of
Warehouse One Clothing Ltd.

Per: ______________________________
Josh Nevsky
Senior Vice-President

APPENDIX B
REDACTED COPY OF THE PURCHASE AGREEMENT

See attached.

YM INC. (SALES)

as the Purchaser

and

WAREHOUSE ONE CLOTHING LTD.

as the Vendor

ASSET PURCHASE AGREEMENT

Dated as of July 17, 2026

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of July 17, 2026, is made by and between **WAREHOUSE ONE CLOTHING LTD.** (the "**Vendor**") and **YM INC. (SALES)** (the "**Purchaser**").

WHEREAS the Vendor commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained an initial order from the Court of King's Bench of Manitoba (the "**Court**") on May 6, 2026 (as amended and restated on May 15, 2026 and as it may be further amended, restated or varied from time to time, the "**Amended and Restated Initial Order**");

WHEREAS pursuant to the Amended and Restated Initial Order, the Vendor, with the assistance of the Monitor, is authorized to pursue any sale in respect of the business and property of the Vendor, including its intellectual property, provided that the completion of any such sale shall be subject to the prior approval of the Court;

WHEREAS the Vendor, in consultation with the Monitor, has determined, subject to approval of the Court, to consummate the Transaction (as defined below) on the terms and conditions contained in this Agreement.

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions.

In this Agreement:

"**Action**" means any claim, counterclaim, application, action, suit, cause of action, Order, charge, indictment, prosecution, demand, complaint, grievance, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and whether by or before a Governmental Entity;

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise, and the term "**controlled**" shall have a similar meaning;

"**Agreement**" means this Asset Purchase Agreement, including the Recitals, and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof;

"**Amended and Restated Initial Order**" has the meaning set out in the Recitals;

"**Approval and Vesting Order**" means an order of the Court in form and substance consistent with the model approval and vesting order of the Court and otherwise in form and substance acceptable to the Vendor and the Purchaser, acting reasonably, which shall, among other things, (a) approve this Agreement and the Transaction contemplated herein; and (b) vest the Purchased Assets in and to the Purchaser free and clear of all Excluded Liabilities and all Encumbrances other than Permitted Encumbrances;

"**Ancillary Agreements**" means the Conveyance and Assignment Agreement and all other agreements, certificates, documents or other instruments delivered or given by any Party pursuant to this Agreement;

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, any transnational, foreign or domestic, federal, provincial, territorial, state, local or municipal (or any subdivision of them) law (including common law and civil law), constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, by-law (zoning or otherwise), Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law, in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Applicable Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation;

"**Assumed Liabilities**" means all Liabilities first arising from the ownership and use of the Purchased Assets after the Closing Date that relate to the period following the Closing Date, including all fees, costs and expenses associated with the renewal of the Purchased Assets;

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, registration, franchise, right, privilege or no-action letter from any Governmental Entity having jurisdiction with respect to any transaction or event, specified Person or the business, property or affairs of such Person;

"**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in Winnipeg, Manitoba;

"**CCAA**" has the meaning set out in the Recitals;

"**CCAA Proceedings**" has the meaning set out in the Recitals;

"**Closing**" means the completion of the Transaction contemplated by this Agreement in accordance with the provisions of this Agreement;

"**Closing Date**" means the date on which the Closing occurs;

"**Closing Time**" means the time on the Closing Date at which the Closing occurs;

"**Conveyance and Assignment Agreement**" means a general conveyance and assignment agreement, in substantially the form attached hereto as Schedule "B", evidencing the conveyance and assignment to the Purchaser of all of the Vendor's right, title and interest in and to the Purchased Assets;

"**Court**" has the meaning set out in the Recitals;

"**Customer Consent**" has the meaning set out in Section 2.3(1);

"**Customer Data**" means personal information of an individual that is a customer of the Vendor for which the individual to whom the personal information relates has provided their meaningful consent for the Vendor to transfer such information to the Purchaser in accordance with the terms and conditions of this Agreement;

"**Deposit**" means a deposit in the amount of $[redacted] paid by the Purchaser to the Monitor prior to the date of this Agreement;

"**Encumbrances**" means any lien, execution, levy, mortgage, charge (including any charge granted by the Court in the CCAA Proceedings), hypothec, pledge, security interest (whether contractual, statutory, or otherwise), prior assignment, option, warrant, lease, sublease, right to possession, contractual rights (including purchase options, rights of first refusal, rights of first offer and other pre-emptive contractual rights), trust (whether contractual, deemed, constructive or statutory or otherwise), right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property, or other financial or monetary claims, or adverse claim or encumbrance of any nature or kind or nature whatsoever, whether or not they have attached or been perfected, whether registered, published or filed, and whether secured, unsecured or otherwise, and all contracts to create any of the foregoing, and shall include all "Encumbrances" as such term is defined in the Approval and Vesting Order;

"**ETA**" means the *Excise Tax Act*, R.S.C., 1985, c. E-15;

"**Excluded Liabilities**" means all Liabilities of the Vendor other than Assumed Liabilities;

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state, municipality or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**GST/HST**" means all goods and services tax and harmonized sales tax levied under Part IX of the ETA;

"**ITA**" means the Income Tax Act, R.S.C., 1985, c. 1 (5th Supplement);

"**Liabilities**" means all claims, demands, complaints, grievances, Actions, orders, charges, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, expenses, costs, damages or losses of any kind or nature whatsoever (whether direct or indirect, known or unknown, vested or unvested, executory, determined, determinable or otherwise, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, professional fees, interest and all actual and documented costs incurred in investigating or pursuing any of the foregoing;

"**License End Date**" has the meaning set out in Section 5.2(1);

"**Monitor**" means Alvarez & Marsal Canada Inc. in its capacity as monitor of the Vendor in the CCAA Proceedings;

"**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Entity;

"**Outside Date**" means August 31, 2026, or such later date as the Vendor and the Purchaser may agree in writing;

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them;

"**PCMLTFA**" has the meaning set out in Section 4.2(e);

"**Permitted Encumbrances**" means the permitted encumbrances, if any, set forth in the Approval and Vesting Order;

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an organization, a Governmental Entity, and the executors, administrators or other legal representatives of an individual in such capacity;

"**Privacy Laws**" means Applicable Laws pertaining to privacy or the use of personal information;

"**Purchase Price**" has the meaning set out in Section 3.1;

"**Purchased Assets**" means all right, title and interest of the Vendor in and to the intellectual property assets owned by the Vendor, including, without limitation, the intellectual property assets related to the "Warehouse One" and "Bootlegger" brands, including:

(a) all trademarks and trademark rights, trade names and trade name rights, service names and service name rights, brand names and brand name rights, business names and business name rights, slogans, copyrights, designs, logos, and other indicia of source of the Vendor;

(a) all copyrights and copyright rights of the Vendor, including copyrights in and to logos, website content, e-commerce content, marketing materials, advertising materials, photographs, product images, social media content, promotional materials and other works of authorship as and to the extent they exist as of the Closing Date;

(b) all domain names, websites, e-commerce websites and social media accounts and handles of the Vendor;

(c) all customer and marketing lists of the Vendor, except for personal information regarding a customer from whom a Customer Consent has not been obtained; and

(d) all registrations, applications, goodwill and related rights associated with the foregoing,

and, for greater certainty, Purchased Assets includes, without limitation, all of the assets and property of the Vendor listed on Schedule "A" hereto;

"**Purchaser**" has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof;

"**Representative**" when used with respect to a Person means each director, officer, employee, consultant, contractor, legal counsel, advisor, agent or representative of that Person;

"**Taxes**" or "**Tax**" means, with respect to any Person, all supranational, national, federal, provincial, state, municipal, local or other taxes, including income taxes, minimum taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, property transfer taxes, capital taxes, net worth taxes, production taxes, GST/HST, sales taxes, goods and services taxes, harmonized sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment/unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add on minimum taxes, customs duties, import and export taxes, countervailing and anti-dumping duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity and any instalments in respect thereof, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, whether disputed or not;

"**Transaction**" means, collectively, the transactions contemplated by this Agreement;

"**Transfer Taxes**" means all applicable Taxes, including any applicable GST/HST payable upon or in connection with the Transaction and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement (for greater certainty, excluding any income Taxes of the Vendor);

"**Vendor**" has the meaning set out in the preamble hereto; and

"**Vendor Released Parties**" has the meaning set out in Section 5.1.

Section 1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

Section 1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

Section 1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Winnipeg time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Winnipeg time) on the next succeeding Business Day.

Section 1.5 Additional Rules of Interpretation

(1) Consents, Agreements, Approval, Confirmations and Notice to be Written. Any consent, agreement, approval or confirmation from, or notice to, any Party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation or notice, and email shall be sufficient.

(2) Gender and Number. In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(3) Headings and Table of Contents. The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(4) Section References. Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement and to Schedules to this Agreement.

(5) Words of Inclusion. Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

(6) References to this Agreement. The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(7) Statute References. Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

(8) Document References. All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

Section 1.6 Schedules

(1) The following are the Schedule(s) attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Purchased Assets
Schedule B	Form of Conveyance and Assignment Agreement

(2) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE OF ASSETS

Section 2.1 Purchase and Sale of Purchased Assets

At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Vendor shall sell to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the Vendor’s right, title and interest in and to the Purchased Assets, free and clear of all Excluded Liabilities and all Encumbrances other than Permitted Encumbrances. For greater certainty, notwithstanding any other provision of this Agreement, this Agreement does not constitute an agreement by the Purchaser to purchase, or by the Vendor to sell, any assets, properties or undertakings of the Vendor other than the Purchased Assets.

Section 2.2 Assumed Liabilities

At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Purchaser shall assume and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any Excluded Liabilities.

Section 2.3 Customer Data

(1) The Parties shall collaborate on seeking the meaningful consent of each existing customer of the Vendor to enable the Vendor to transfer to the Purchaser certain personal information of such customer in compliance with all Applicable Laws (including Privacy Laws) (the “**Customer Consent**”). As soon as practicable following the date of this Agreement, the Vendor shall send an email notification to its customers for the purpose of obtaining “opt-in” Customer Consent. The Vendor will identify to the Purchaser the form

of consent it will be relying upon to send this email. The form of Customer Consent and the Vendor's email notification to customers shall be in a form mutually agreed to by the Parties, each acting reasonably.

(2) To the extent the Vendor transfers any Customer Data to the Purchaser in accordance with the terms and conditions of this Agreement, the Purchaser agrees that it shall: (a) not use or disclose the Customer Data for any purpose other than the purpose specified by the Vendor for which the personal information was collected, permitted to be used or disclosed, or as otherwise permitted or required by Applicable Laws; (b) protect the confidentiality of all Customer Data in a manner consistent with security safeguards appropriate to the sensitivity of the information; (c) give effect to any withdrawal of consent; and (d) otherwise comply with all Applicable Laws (including Privacy Laws) with respect to the Customer Data.

(3) Nothing in this Agreement shall be construed as requiring the Vendor to take any action in violation of Applicable Laws (including Privacy Laws), including sharing or otherwise transferring to the Purchaser any personal information in respect of a customer from whom a Customer Consent has not been obtained.

ARTICLE 3
PURCHASE PRICE & TAXES

Section 3.1 Deposit

Prior to the execution of this Agreement, the Purchaser has paid the Deposit to the Monitor. The Deposit shall be held by the Monitor in a non-interest-bearing trust account and be dealt with in accordance with the terms of this Agreement.

Section 3.2 Purchase Price

(1) The consideration payable by the Purchaser to the Vendor for the Vendor's right, title and interest in and to the Purchased Assets shall be a cash payment of $[redacted] (the "**Purchase Price**"), which Purchase Price shall be exclusive of all applicable Transfer Taxes.

(2) The Purchase Price shall be satisfied on the Closing Date as follows: (a) the Deposit shall be irrevocably and automatically released to the Monitor, for the benefit of the Vendor, and applied against the Purchase Price; and (b) the Purchaser shall pay to the Monitor, for the benefit of the Vendor, an amount of cash by wire transfer of immediately available funds to an account designated in writing by the Monitor equal to the Purchase Price less the Deposit.

Section 3.3 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets as agreed in writing by the Parties not less than five (5) Business Days prior to the Closing. Such allocation shall be binding, and the Parties shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the ITA and ETA to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

Section 3.4 Taxes

(1) In addition to the Purchase Price, the Purchaser shall be liable for and shall, at the Closing, pay all applicable Transfer Taxes, including GST/HST either directly to the Vendor or to the appropriate Governmental Entity (with written confirmation of same being timely provided to the Vendor) as required under Applicable Law.

(2) Where GST/HST is collectible by the Vendor (or by the Monitor on behalf of the Vendor), the Vendor shall promptly provide the Purchaser with an appropriate invoice containing all of the information prescribed under subsection 169(4) of the ETA and the *Input Tax Credit Information (GST/HST) Regulations* (Canada), and will separately indicate thereon the amount of GST/HST charged by the Vendor.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to and in favour of the Purchaser on the date hereof as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the Transaction:

(a) <u>Incorporation and Status</u>. The Vendor is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and, subject to the granting of the Approval and Vesting Order, has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) <u>Corporate Authorization</u>. Subject to the granting of the Approval and Vesting Order, the execution, delivery and performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor.

(c) <u>Transfer Tax Registrations.</u> The Vendor is duly registered for GST/HST purposes under Subdivision D of Division V of Part IX of the ETA and the Vendor's GST/HST registration number is 891410714.

(d) <u>Residency.</u> The Vendor is not a non-resident of Canada for purposes of the ITA.

(e) <u>Intellectual Property.</u> To the knowledge of the Vendor, Schedule "A" sets out the registered trademarks and trademark applications owned by the Vendor and included in the Purchased Assets, and the Vendor has not received written notice of any pending claim, opposition, cancellation, expungement or other proceeding challenging the Vendor's ownership of any such registered trademarks or trademark applications that remains outstanding as of the date hereof.

Section 4.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Vendor as follows and acknowledges and agrees that the Vendor is relying upon such representations and warranties in connection with the Transaction:

(a) Incorporation and Status. The Purchaser is duly incorporated, organized or formed (as applicable), validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation and has full power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action.

(c) No Commissions. There are no brokerage commissions, finders' fees or similar compensation in connection with the Transaction based on any arrangement or agreement which would result in Liability for the Vendor.

(d) Proceedings. As of the date hereof, there are no Actions pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Entity, which would: (i) prevent the Purchaser from paying the Purchase Price; (ii) prohibit or seek to enjoin, restrict or prohibit the Transaction; or (iii) which would reasonably be expected to materially delay the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(e) Proceeds of Crime / Money Laundering. The Purchase Price which will be advanced by the Purchaser hereunder does not and will not represent the proceeds of crime for the purposes of *the Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), S.C. 2000, c. 17 (the "**PCMLTFA**"), and the Purchaser acknowledges that the Vendor may in the future be required by law to disclose the name of the Purchaser and other information relating to this Agreement, on a confidential basis, pursuant to the PCMLTFA. To the best of the Purchaser's knowledge, none of the funds provided by the Purchaser have been or will be derived directly or indirectly from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or are being tendered on behalf of a person or entity who has not been identified to the Purchaser. The Purchaser will promptly notify the Vendor and the Monitor if it discovers that any of such representations cease to be true and shall provide the Vendor and the Monitor with appropriate information in connection therewith.

(f) Consents. No Authorization of, or filing with or notice to, any Governmental Entity or other Person is required in connection with the Purchaser's execution, delivery or performance of this Agreement or the Ancillary Agreements to be executed and delivered by the Purchaser hereunder.

(g) Financial Ability. The Purchaser has cash on hand in amounts sufficient to allow it to pay the Purchase Price in full and all other costs and expenses in connection with the consummation of the Transaction.

Section 4.3 As is, Where is

The Purchaser acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Vendor and the Purchased Assets, and, based solely thereon and the advice of its financial, legal and other advisors, has determined to proceed with the Transaction. The Purchaser has relied solely on the results of its own independent investigation and verification and, except for the representations and warranties of the Vendor expressly set forth in Section 4.1, the Purchaser understands, acknowledges and agrees that all other representations, warranties, guarantees, conditions and statements of any kind or nature, expressed or implied are specifically disclaimed by the Vendor and its legal counsel and the Monitor and its legal counsel. THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE VENDOR EXPRESSLY AND SPECIFICALLY SET FORTH IN SECTION 4.1: (A) THE PURCHASER IS ACQUIRING THE PURCHASED ASSETS ON AN "AS IS, WHERE IS" BASIS, FREE AND CLEAR OF ALL EXCLUDED LIABILITIES AND ALL ENCUMBRANCES OTHER THAN PERMITTED ENCUMBRANCES PURSUANT TO THE APPROVAL AND VESTING ORDER; AND (B) NONE OF THE VENDOR, THE MONITOR, OR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF THE VENDOR OR THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) IS MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, GUARANTEES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE VENDOR, THE PURCHASED ASSETS, THE ASSUMED LIABILITIES OR THE TRANSACTION, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, TITLE, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, GUARANTEES, STATEMENTS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY IRREVOCABLY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

ARTICLE 5
COVENANTS

Section 5.1 Release by the Purchaser

The Purchaser hereby unconditionally and irrevocably waives and releases and forever discharges the Vendor, the Monitor and each of their respective successors, assigns and Affiliates, and all current and former officers, directors, partners, members, limited partners, employees, agents, financial and legal advisors of each of the foregoing Persons (collectively, the "**Vendor Released Parties**") of and from all Liabilities and Actions by reason of any matter or thing arising out of or resulting from, any of the Assumed Liabilities, save and except for any Liabilities or Actions arising out of fraud or willful misconduct of the Vendor Released Parties.

Section 5.2 Post-Closing License

(1) At the Closing Time, the Purchaser hereby grants to the Vendor, and the Vendor hereby accepts, a personal, irrevocable, non-exclusive, non-transferable, non-sublicensable and royalty-free license to use the Purchased Assets in Canada solely and exclusively in association with winding down the operations of the Vendor's retail stores and selling remaining inventory in the Vendor's retail stores until the date that is 30 days following the Closing Date (the "**License End Date**").

(2) During the period from the Closing Date until the License End Date, any use of the Purchased Assets by the Vendor in accordance with Section 5.2(1) shall be in a manner

that is consistent with the use of the Purchased Assets by the Vendor immediately prior to the Closing Time (which includes the liquidation and closure of the Vendor's retail stores in the CCAA Proceedings), and shall not be used in connection with any new goods, new services, new marketing campaigns, new channels of trade or any expansion of the Vendor's business. The Vendor shall not use the Purchased Assets in any manner that would reasonably be expected to impair, dilute, damage or otherwise adversely affect the goodwill associated with the Purchased Assets.

(3) Upon the License End Date, the Vendor shall immediately cease all use of the Purchased Assets and shall remove, disable or discontinue all signage, advertising, marketing materials, website content, social media content and other materials bearing or using the Purchased Assets, except to the extent otherwise agreed by the Purchaser in writing, provided that nothing herein shall restrict the Vendor from abandoning signage, inventory and other personal property in connection with the CCAA Proceedings.

Section 5.3 Court Approval.

(1) The Vendor shall seek Court approval of the Transaction on or before August 15, 2026, or such later date as the Parties, with the consent of the Monitor, may agree (in all cases subject to Court availability), in accordance with the following:

(a) the Vendor shall file motion materials seeking the issuance of the Approval and Vesting Order, which motion materials shall be in form and substance reasonably acceptable to the Purchaser. The Vendor shall deliver to the Purchaser prior to filing, and as early in advance as is practicable to permit adequate and reasonable time for the Purchaser and its counsel to review and comment, copies of all of the Vendor's proposed motion materials to be filed by the Vendor in connection with such motion;

(b) the Parties shall cooperate with filing and prosecuting the motion for issuance and entry of the Approval and Vesting Order; and

(c) the Parties, in consultation with the Monitor, shall determine all Persons required to receive notice of the Approval and Vesting Order under Applicable Laws or requirements of the Court, and any other Person determined necessary by the Parties, in consultation with the Monitor.

Section 5.4 Name Change

Within 30 days after Closing, the Vendor shall change its legal name to a name that does not include the words "Warehouse One" or "Bootlegger" or any confusingly similar word, phrase, or variant thereof. The Approval and Vesting Order sought by the Vendor shall include a provision ordering and directing that, effective immediately upon such change of the Vendor's legal name in accordance with this section, the style of cause in the CCAA Proceedings shall be changed to reflect the Vendor's new legal name.

Section 5.5 Maintenance of Purchased Assets' Registrations

From the date of this Agreement until Closing, the Vendor shall maintain all Purchased Assets registrations listed in Schedule "A" in good standing, including by timely making all required filings, paying all maintenance and renewal fees and responding to any office actions or other proceedings before the relevant Governmental Entities and authorized registrars, and shall not permit any such registration to lapse, be abandoned or become subject to cancellation.

ARTICLE 6
CLOSING ARRANGEMENTS

Section 6.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, and shall be subject to such escrow document release arrangements as the Parties may agree.

Section 6.2 Vendor's Closing Deliveries

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

(a) the Purchased Assets, with such delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;

(b) all access credentials, transfer codes, administrator rights, account information, records, authorizations and other information in the Vendor's possession or control that are reasonably necessary to transfer, control, maintain, operate and use the Purchased Assets, including the domain names, websites, e-commerce websites, social media accounts and handles included in the Purchased Assets;

(c) a copy of the issued and entered Approval and Vesting Order;

(d) the Conveyance and Assignment Agreement, duly executed by the Vendor;

(e) an acknowledgement addressed to the Purchaser and the Monitor dated as of the Closing Date that each of the conditions precedent in Article 7 have been fulfilled, performed or waived; and

(f) such further and other documentation as is referred to in this Agreement or as the Purchaser or the Purchaser's counsel may reasonably require to complete and give full effect to the Transaction.

Section 6.3 Purchaser's Closing Deliveries

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or as otherwise indicated below), the following:

(a) the balance of the Purchase Price (being the Purchase Price less the Deposit), plus any applicable Transfer Taxes to be collected by the Vendor, to be paid to the Monitor on behalf of the Vendor;

(b) the Conveyance and Assignment Agreement, duly executed by the Purchaser;

(c) an acknowledgement addressed to the Vendor and the Monitor dated as of the Closing Date that each of the conditions precedent in Article 7 have been fulfilled, performed or waived; and

(d) such further and other documentation as is referred to in this Agreement or as the Vendor or the Vendor's counsel may reasonably require to complete and give full effect to the Transaction.

Section 6.4 Monitor

When all conditions to Closing set out in Article 7 have been satisfied or waived by the Vendor or the Purchaser, as applicable, the Vendor and the Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor, that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of a certificate confirming the satisfaction of all conditions under this Agreement, payment of the Purchase Price and the vesting of the Purchased Assets pursuant to the Approval and Vesting Order (the "**Monitor's Certificate**") to the Purchaser in accordance with such Approval and Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (a) issue forthwith its Monitor's Certificate in accordance with the Approval and Vesting Order; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). The Parties hereby acknowledge and agree that the Monitor shall be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Vendor and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to the Parties or any other Person as a result of filing the Monitor's Certificate.

ARTICLE 7
CONDITIONS OF CLOSING

Section 7.1 Mutual Conditions

(1) The respective obligations of the Purchaser and the Vendor to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the conditions listed below:

(a) No Violation of Orders or Applicable Law. No Governmental Entity shall have enacted, issued or promulgated any final or non-appealable Order or Applicable Law which has the effect of: (i) making the Transaction illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of the Transaction.

(b) CCAA Proceedings. The Amended and Restated Initial Order shall not have been vacated, set aside or stayed.

(c) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, and such Approval and Vesting Order shall not have been vacated, set aside or stayed.

(2) The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. Any condition in this Section 7.1 may be jointly waived by the Vendor and by the Purchaser, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Vendor and the Purchaser, as applicable, only if made in writing.

Section 7.2 The Purchaser's Conditions

(1) The Purchaser shall not be obligated to complete the Transaction unless the Vendor has executed and delivered or caused to have been executed and delivered to the Purchaser all of the closing deliveries contemplated in Section 6.2, it being understood that said condition is included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights in this Agreement. Any such waiver shall be binding on the Purchaser only if made in writing, provided that if the Purchaser does not waive the condition and completes the Closing, such condition shall be deemed to have been waived by the Purchaser. The Vendor shall take all such actions, steps and proceedings as are reasonably within its control, subject to the CCAA and any Order of the Court, as may be necessary to ensure that the condition in this Section 7.2(1) is fulfilled at the Closing Time.

(2) The Purchaser acknowledges and agrees that: (a) its obligation to consummate the Transaction is not conditioned or contingent in any way upon receipt of financing from a third party; and (b) failure to consummate the Transaction by reason only of the failure to obtain financing shall constitute a breach of this Agreement by the Purchaser.

Section 7.3 The Vendor's Conditions

The Vendor shall not be obligated to complete the Transaction unless the Purchaser has executed and delivered or caused to have been executed and delivered to the Vendor or the Monitor, as applicable, all the closing deliveries (including, without limitation, the Purchase Price) contemplated in Section 6.3, it being understood that said condition is included for the exclusive benefit of the Vendor, and may be waived by the Vendor in whole or in part, without prejudice to any of its rights in this Agreement. Any such waiver shall be binding on the Vendor only if made in writing, provided that if the Vendor does not waive the condition and completes the Closing, such condition(s) shall be deemed to have been waived by the Vendor. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the condition in this Section 7.3 is fulfilled at the Closing Time.

ARTICLE 8
TERMINATION

Section 8.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date in accordance with the following, provided that the Party desiring to terminate this Agreement pursuant to this Section 8.1 shall give written notice of such termination to the other Party and the Monitor specifying in reasonable detail the basis for such Party's exercise of its termination rights:

(1) by the mutual written agreement of the Vendor and the Purchaser, with the consent of the Monitor;

(2) by either the Vendor or the Purchaser, upon the termination, dismissal or conversion of the CCAA Proceedings, provided that neither Party may terminate this Agreement pursuant to this Section 8.1(2) if the termination, dismissal or conversion of the CCAA Proceedings was caused by a breach of this Agreement by such Party;

(3) by either the Vendor or the Purchaser, if the Court grants relief terminating the Stay Period (as defined in the Amended and Restated Initial Order) with regard to any Purchased Assets and any appeal periods relating thereto shall have expired;

(4) by either the Vendor or the Purchaser, if the Court declines at any time to grant the Approval and Vesting Order, provided that: (a) the reason for the Approval and Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement; and (b) the Purchaser may not terminate this Agreement while any decision of the Court declining to grant the Approval and Vesting Order is under appeal by the Vendor;

(5) by either the Vendor or the Purchaser, if a Governmental Entity issues a final, non-appealable Order permanently restraining, enjoining or otherwise prohibiting consummation of the Transaction where such Order was not requested, encouraged or supported by the terminating Party;

(6) by either the Vendor or the Purchaser, at any time following the Outside Date, if the Closing has not occurred on or prior to 11:59 p.m. (Winnipeg time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to: (a) any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement; or (b) any decision of the Court declining to grant the Approval and Vesting Order which remains under appeal by the Vendor.

(7) by the Vendor, if there has been a material violation or material breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1 or Section 7.3 by the Outside Date and such violation or breach has not been waived by the Vendor or cured by the Purchaser, within five (5) Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is itself in material breach of its own obligations under this Agreement at such time; or

(8) by the Purchaser, if there has been a material violation or material breach by the Vendor of any agreement, covenant, representation or warranty of the Vendor in this Agreement which would prevent the satisfaction of, or compliance with, any conditions set forth in Section 7.1 or Section 7.2 by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Vendor within five (5) Business Days of the Purchaser providing written notice to the Vendor of such breach, unless the Purchaser is itself in material breach of its own obligations under this Agreement at such time.

Section 8.2 Effect of Termination

(1) If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations to the other Party hereunder, except, subject to Section 8.2(2), as contemplated in Section 3.1 (*Deposit*), Section 9.2 (*Expenses*), Section 9.3 (*Public Announcements*), Section 9.4 (*Notices*), Section 9.9 (*Waiver and Amendment*), Section 9.11 (*Remedies Cumulative*), Section 9.12 (*Governing Law*), Section 9.13 (*Dispute Resolution*), Section 9.14 (*Attornment*), Section 9.15 (*Successors and Assigns*), Section 9.16 (*No Liability; Monitor Holding or Disposing Funds*), and Section 9.17 (*Third Party Beneficiaries*), which shall survive such termination.

(2) If the Agreement is terminated by the Vendor pursuant to Section 8.1(7), or if the Transaction fails to close by the Outside Date and such failure is attributable to any failure or omission of the Purchaser to fulfil its obligations under the terms of this Agreement, the Deposit shall become the property of, and shall be transferred to, the Vendor as liquidated damages (and not as a penalty) to compensate the Vendor for the expenses incurred and opportunities foregone as a result of the failure to close the Transaction, and the Vendor may pursue any Liabilities and Actions against the Purchaser related to the termination of this Agreement. To the extent subsection 182(1) of the ETA applies to deem the Deposit forfeited or any other payment made pursuant to this Agreement to the Vendor to be inclusive of GST/HST, the Purchaser shall pay to the Vendor an additional amount sufficient to ensure that the Vendor receives the same net aggregate amount had such deeming provision(s) not applied. If the Agreement is terminated in accordance with its terms other than (a) pursuant to Section 8.1(7), or (b) as a result of the failure to close by the Outside Date being attributable to any failure or omission of the Purchaser, the Deposit will be forthwith refunded in full to the Purchaser.

(3) Nothing in this Section 8.2 shall be deemed to release any Party from any liability for any breach by such Party of the terms and conditions of this Agreement or impair the right of any Party to compel specific performance by the other Party of its obligations under this Agreement.

ARTICLE 9
GENERAL

Section 9.1 Survival

All representations, warranties, covenants and agreements of the Parties made in this Agreement or any Ancillary Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

Section 9.2 Expenses

Each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, the Ancillary Agreements and the Transaction (including the fees and disbursements of legal counsel and other advisers). For greater certainty, any fees, costs, and expenses incurred in connection with the transfer of ownership and registration of the Purchased Assets (including, for greater certainty, any transfer of ownership and registration required or contemplated by this Agreement or any Ancillary Agreement, which shall expressly include any and all expenses reasonably incurred by the Vendor or an Affiliate thereof) shall be borne by the Purchaser.

Section 9.3 Public Announcements

The Vendor and the Monitor shall be entitled to disclose this Agreement and the terms of the Transaction to the Court in connection with the CCAA Proceedings. Other than: (a) as provided in the preceding sentence or statements made in Court (or in pleadings filed therein); or (b) as otherwise permitted by this Agreement (including in connection with pursuing and obtaining Customer Consents), the Vendor and the Purchaser shall not issue, prior to the granting of the

Approval and Vesting Order, any press release or make any public statement or public communication with respect to this Agreement or the Transaction contemplated hereby without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed; provided, however, that a Party may, without the prior consent of the other Party, issue such press release or make such public statement as may, upon the advice of counsel, be required by Applicable Laws or by any Governmental Entity with competent jurisdiction.

Section 9.4 Notices

(1) Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (a) delivered personally; (b) sent by prepaid courier service; or (c) sent by e-mail, in each case, to the applicable address set out below.

(a) if to the Vendor, to:

Warehouse One Clothing Ltd.
2650-733 Seymour Street
Vancouver, BC V6B 0S6

Attention: Shamsh Kassam
Email: skassam@sternpartners.com

with a copy to:

Pitblado LLP
2500-360 Main St
Winnipeg, MB R3C 4H6

Attention: Catherine Howden
Email: howden@pitblado.com

(b) if to the Monitor, to:

Alvarez & Marsal Canada Inc.
3501 – 200 Bay Street
Toronto, Ontario M5J 2J1

Attention: Josh Nevsky
E-mail: jnevsky@alvarezandmarsal.com

with a copy to:

Goodmans LLP
333 Bay Street West, Suite 3400
Toronto, ON M5H 2S7
Toronto, ON M5L 1B9

Attention: Bradley Wiffen / Erik Axell
E-mail: bwiffen@goodmans.ca / eaxell@goodmans.ca

(c) if to the Purchaser, to:

YM Inc. (Sales)
50 Dufflaw Road
Toronto, Ontario M6A 2W1

Attention: Eric Grundy
E-mail: Egrundy@yminc.ca

with a copy to:

Dickinson Wright LLP
199 Bay Street, Suite 2200, Commerce Court West
Toronto, ON M5L 1G4

Attention: Mark S. Shapiro/ Mark S. Redinger
E-mail: MShapiro@dickinson-wright.com/ MRedinger@dickinson-wright.com

(2) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. (Winnipeg time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(3) Change of Address. Any Party may from time to time change its address under this Section 9.4 by notice to the other Parties given in the manner provided by this Section 9.4.

Section 9.5 Time of Essence

Time shall be of the essence of this Agreement in all respects.

Section 9.6 Further Assurances

Each Party shall, if requested by the other Party and at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

Section 9.7 Power of Attorney

(1) Effective upon Closing, the Vendor hereby irrevocably constitutes and appoints the Purchaser, and each officer, director or authorized representative of the Purchaser, with full power of substitution, as the Vendor's true and lawful attorney and agent, in the name of, and for and on behalf of, the Vendor, to execute, deliver, acknowledge, certify, file, register and record any and all assignments, transfers, applications, declarations, affidavits, consents, confirmations, notices, instruments and other documents, and to do

all such other acts and things, as the Purchaser may determine to be necessary or desirable to assign, transfer, convey, register, record, evidence, perfect, protect or enforce the Purchaser's right, title and interest in and to the Purchased Assets, including with any intellectual property office, domain name registrar, website or e-commerce platform, social media platform, governmental authority, registry, record-keeping body or other third party.

(2) The Purchaser may exercise the power of attorney granted under this Section if the Vendor fails to execute or deliver any document or instrument, or to do any such act or thing, as required under this Agreement within five Business Days after written request by the Purchaser, or if the Purchaser determines, acting reasonably, that the exercise of such power of attorney is necessary or desirable to avoid delay, prejudice, loss of rights or impairment of the Purchaser's ability to register, record, evidence, perfect, protect or enforce its right, title and interest in and to the Purchased Assets.

(3) The Vendor acknowledges and agrees that the power of attorney granted under this Section is coupled with an interest, is given for valuable consideration, is irrevocable to the fullest extent permitted by applicable law, shall survive Closing, and may be relied upon by the Purchaser and any intellectual property office, domain name registrar, website or e-commerce platform, social media platform, governmental authority, registry, record-keeping body or other third party.

Section 9.8 Entire Agreement

This Agreement and the deliverables delivered by the Parties in connection with the Transaction constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect to the subject matter herein, including, without limitation, the letter agreement between the Parties dated June 3, 2026. There are no conditions, representations, warranties, obligations or other agreements between the Parties with respect to the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

Section 9.9 Waiver and Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Parties (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

Section 9.10 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.11 Remedies Cumulative

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. Each Party hereby: (a) agrees that the other Party shall be entitled to seek specific performance; (b) waives any requirement under any Applicable Law for the other Party to post a bond or other security as a prerequisite to obtaining equitable relief; and (c) agrees not to assert that a remedy of specific performance or other equitable relief is unenforceable, invalid, contrary to law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy or that the parties otherwise have an adequate remedy under Applicable Law. Neither the commencement of any Action pursuant to this Section 9.11 nor anything else in this Section 9.11 shall restrict or limit a Party's right to pursue any other remedies under this Agreement that may be available, and nothing in this Section 9.11 or elsewhere in this Agreement shall require a Party to institute any proceedings for specific performance prior to or as a condition to exercising any other right or remedy (including the pursuit of damages).

Section 9.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Section 9.13 Dispute Resolution

If any dispute arises with respect to the interpretation or enforcement of this Agreement, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

Section 9.14 Attornment

Each Party agrees: (a) that any Action relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the exclusive jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Action in the Court on any jurisdictional basis, including forum non conveniens; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.14.

Section 9.15 Successors and Assigns

(1) This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

(2) Except as provided in this Section 9.15, neither this Agreement nor any rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party.

(3) Upon prior written notice to the Vendor and the Monitor not less than five (5) Business Days prior to Closing, the Purchaser shall be permitted to assign this Agreement and its rights to acquire the Purchased Assets to one or more of its Affiliates, and the Vendor shall convey the Purchased Assets to such Affiliate or Affiliates at Closing, provided that no such assignment shall relieve the Purchaser of any of its obligations or liabilities pursuant to this Agreement or any Ancillary Agreement.

Section 9.16 No Liability; Monitor Holding or Disposing Funds

Any obligation of or direction to the Monitor to disburse or hold funds or take any action shall be subject to any Order of the Court in all respects. The Purchaser and the Vendor acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Vendor in the CCAA Proceedings, the Monitor's Affiliates, and each of their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement, the Transaction or the Approval and Vesting Order (including, without limitation, in connection with the receipt, holding or distribution of the Purchase Price), whether in its capacity as Monitor, in its personal capacity or otherwise, other than as a result of the gross negligence or wilful misconduct of the Monitor. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Parties with respect to the holding or disposition of any portion of the Purchase Price (including the Deposit), or any other obligation of the Monitor hereunder in respect of the Purchase Price, or if at any time the Monitor is unable to determine the proper disposition of any portion of the Purchase Price, or its proper actions with respect to its obligations hereunder in respect of the Purchase Price, then the Monitor may: (a) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by Applicable Law or otherwise at the sole and absolute discretion of the Monitor, pay the Purchase Price or any portion of thereof into the Court for holding and disposition in accordance with the instructions of the Court; or (b) hold the Purchase Price or any portion thereof and not make any disbursement thereof until: (i) the Monitor receives a written direction signed by both the Vendor and the Purchaser directing the Monitor to disburse, as the case may be, the Purchase Price or any portion thereof in the manner provided for in such direction; or (ii) the Monitor receives an Order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse, as the case may be, the Purchase Price or any portion thereof in the manner provided for in the Order.

Section 9.17 Third Party Beneficiaries

Except with respect to the Vendor Released Parties and the Monitor as provided in this Agreement (including without limitation, pursuant to Section 5.1, Section 6.4 and Section 9.16 hereof) this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.18 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[*Remainder of Page Left Intentionally Blank – Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

WAREHOUSE ONE CLOTHING LTD.

By: ______________________________

Name: Shamsh Kassam

Title: Director

I have authority to bind the corporation

YM INC. (SALES)

By: ______________________________

Name:

Title:

I have authority to bind the corporation

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

WAREHOUSE ONE CLOTHING LTD.

By: ______________________________

Name:

Title:

I have authority to bind the corporation

YM INC. (SALES)

By: ______________________________

Name: Eric Grundy

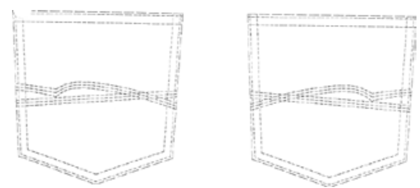
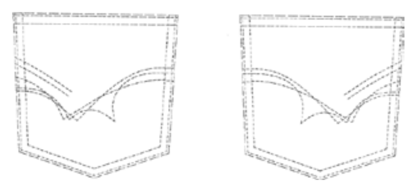
Title: CEO

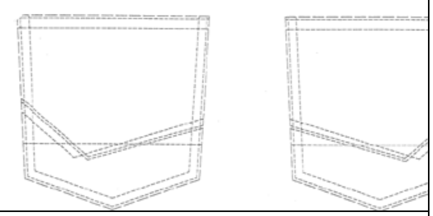
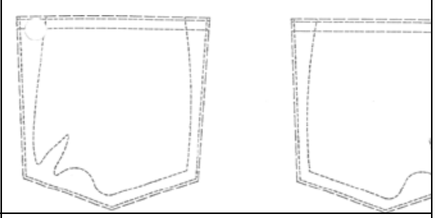
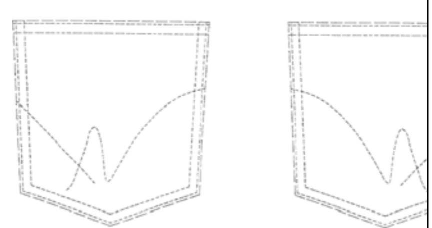
I have authority to bind the corporation

Schedule “A”
Purchased Assets

The Purchased Assets include, without limitation, the following assets and properties of the Vendor:

Trademarks

APPLICATION NUMBER	TRADEMARK	TYPE(S)	CIPO STATUS	NICE CLASS	DESIGN (IF APPLICABLE)
1308247	W & Design	Design	REGISTERED	9;14;18;25;35	
1517622	Pocket Stitching Design (mens option 6)	Design	REGISTERED	25	
1517504	Pocket Stitching Design (ladies option)	Design	REGISTERED	25	
1669216	WAREHOUSE ONE THE JEAN STORE & Design	Design	REGISTERED	9;14;18;25;35	
1308244	W & Design	Design	REGISTERED	9;14;18;25;35	

APPLICATION NUMBER	TRADEMARK	TYPE(S)	CIPO STATUS	NICE CLASS	DESIGN (IF APPLICABLE)
1669214	COMMITTED TO JEANS	Word	REGISTERED	35	N/A
1669215	W Design	Design	REGISTERED	9;14;18;25;35	
1517910	Pocket Stitching Design (mens option 4)	Design	REGISTERED	25	
1517500	Pocket Stitching Design (ladies option 1)	Design	REGISTERED	25	
1308239	WAREHOUSE ONE THE JEAN STORE (Stylized)	Design	REGISTERED	9;14;18;25;35	WAREHOUSE THE JEAN STORE
1517502	Pocket Stitching Design (ladies option 3)	Design	REGISTERED	25	

APPLICATION NUMBER	TRADEMARK	TYPE(S)	CIPO STATUS	NICE CLASS	DESIGN (IF APPLICABLE)
501935	WAREHOUSE ONE	Word	REGISTERED	25;35	N/A
1791449	Life in Denim	Word	REGISTERED	25	N/A

APPLICATION NUMBER	TRADEMARK	TYPE(S)	CIPO STATUS	NICE CLASS	DESIGN (IF APPLICABLE)
1904806	True North Denim	Word	REGISTERED	25;35	N/A
2341893	1971 BY BOOTLEGGER	Standard Characters	REGISTERED	9;14;18;25;26;35	N/A
537590	R.W. BRODY & SONS	Word	REGISTERED	25	N/A
537589	R.W. BRODY & SONS & DESIGN	Design	REGISTERED	25	
2341894	1971	Standard Characters	REGISTERED	9;14;18;25;26;35	N/A
1482493	TEMPERANCE	Word	REGISTERED	9;14;18;25;26	N/A
433200	BOOTLEGGER	Word	REGISTERED	3;9;14;18;21;25;26;35	N/A

APPLICATION NUMBER	TRADEMARK	TYPE(S)	CIPO STATUS	NICE CLASS	DESIGN (IF APPLICABLE)
1335425	BOOTLEGGER JEANEOLOGIST	Word	REGISTERED	35	N/A
1791274	Bootlegger Weekend & Stylized Wordmark	Design	REGISTERED	25	
1482494	BOOTLEGGER SPEAKEASY	Word	REGISTERED	9;14;18;25;26	N/A
1261296	KISMET	Word	REGISTERED	3;25	N/A
1477332	DISTILLERY APPAREL	Word	REGISTERED	9;14;18;25	N/A

APPLICATION NUMBER	TRADEMARK	TYPE(S)	CIPO STATUS	NICE CLASS	DESIGN (IF APPLICABLE)
617092	BRODY & DESIGN	Design	REGISTERED	25	
717871	RIZER	Word	REGISTERED	18;25	N/A

Domain Names

1. bootleggershop.com
2. 1971jeans.com
3. bootlegger-email.com
4. jeaneology.ca
5. grandbeachclub.ca
6. justpetites.ca
7. bootleggergiftcards.com
8. bootlegger.ca
9. generationb.ca
10. bootlegger.com
11. brodyjeans.com
12. mybootlegger.ca
13. warehouseone.com

Websites and Social Media Accounts

1. Instagram: @warehouseonejeans
2. Instagram: @bootleggerjeans
3. Facebook: @warehouseone
4. Facebook: @bootleggerjeans
5. LinkedIn: Warehouse One
6. LinkedIn: Bootlegger
7. X: @warehouseone[1]
8. X: @bootleggerjeans[2]
9. Pinterest: warehouseone [3]
10. TikTok: warehouseonejeans[4]
11. YouTube: @warehouseone[5]

Copyrights

All copyrights and copyright rights owned by the Vendor and used in, held for use in, or related to the “Warehouse One” and “Bootlegger” brands or the Purchased Assets, whether registered or unregistered, including copyrights in and to the following as and to the extent they exist at the Closing Date:

(a) logos, design marks, stylized word marks, artwork, graphics, icons, illustrations, labels, hangtags, packaging, signage and other brand assets;

(b) website content, e-commerce content, product descriptions, online store content, landing pages, blog posts, promotional copy and other digital content;

(c) photographs, product images, model images, lifestyle images, videos, audiovisual works and other marketing or advertising content;

(d) social media content, posts, captions, images, videos, reels, stories, advertisements and other content used on or in connection with social media accounts and handles;

(e) advertising materials, marketing materials, catalogues, lookbooks, email marketing content, newsletters, promotional materials, point-of-sale materials and in-store display materials;

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[1] To the extent transferable.
[2] To the extent transferable.
[3] To the extent transferable.
[4] To the extent transferable.
[5] To the extent transferable.

(f) brand guidelines, style guides, creative briefs, templates, layouts, presentations, training materials and other brand-related materials;

(g) website designs, page layouts, user interface elements, creative files, source files, editable design files and other works of authorship embodied in or used in connection with the websites, e-commerce websites, domain names and digital properties included in the Purchased Assets; and

(h) all registrations, applications, renewals, extensions, causes of action, rights to sue and recover for past, present and future infringement, and all goodwill and other rights associated with the foregoing.

Schedule “B”
Form of Conveyance and Assignment Agreement

CONVEYANCE AND ASSIGNMENT AGREEMENT

THIS CONVEYANCE AND ASSIGNMENT AGREEMENT (this “**Agreement**”), effective as of **[●]** 2026 is made and entered into by and between Warehouse One Clothing Ltd. (“**Assignor**”) and YM Inc. (Sales) (“**Assignee**”). Assignor and Assignee are collectively referred to herein as the “**Parties**” and individually as a “**Party**”;

AND WHEREAS, the Parties entered into an Asset Purchase Agreement dated July 17, 2026 (as may be amended from time to time in accordance with its terms, the “**Asset Purchase Agreement**”). Capitalized terms used and not defined herein have the meanings given to them in the Asset Purchase Agreement;

AND WHEREAS, pursuant to the Asset Purchase Agreement, the Assignor agreed to sell to the Assignee, and the Assignee agreed to purchase from the Assignor, all of the Assignor’s right, title and interest in and to the Purchased Assets;

AND WHEREAS, the Parties wish to ensure that all right, title and interest of the Assignor is fully and effectively sold, transferred and assigned to the Assignee;

NOW, THEREFORE, pursuant to the Asset Purchase Agreement and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Assignment.** Assignor hereby absolutely assigns, sells, conveys, transfers and delivers to Assignee, and Assignee hereby accepts and assumes from Assignor, all right, title and interest of the Assignor in and to the Purchased Assets, together with all goodwill associated with any transferred trademarks, and all causes of action and rights of recovery relating to the Purchased Assets.

2. **Recordation.** Assignor hereby authorizes and requests all persons, including domain name registrar(s) and governmental offices (including the Canadian Intellectual Property Office (“**CIPO**”)) whose duty it is to register and record ownership in intellectual property registrations and applications of any of the Purchased Assets identified in Schedule “A” to the Asset Purchase Agreement, to record this assignment and transfer of the Purchased Assets to the Assignee. For the limited purposes of recording the assignment and transfer of the Purchased Assets to the Assignee, the Assignor hereby appoints the Assignee as its agent to effect the recordation of the assignment contemplated hereby with any and all domain name registrar(s) and governmental offices throughout the world, including CIPO.

3. **Further Assurances**. Assignor shall, at the request and expense of Assignee, execute and deliver such further assignments, declarations, powers of attorney and other documents, and do such further acts, as Assignee may reasonably request to evidence, perfect, register or enforce the assignment of the Purchased Assets.

4. **Severability.** Should any provision or provisions of this Agreement be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision or provisions may be modified by such court in compliance with the law and, as modified, enforced. All other terms and conditions of this Agreement shall remain in full force and effect and shall

be construed in accordance with the modified provision or provisions, as if such illegal, invalid or unenforceable provision or provisions had not been contained herein.

5. **Asset Purchase Agreement**. Notwithstanding anything contained herein to the contrary, in the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall govern to the extent of such conflict or inconsistency.

6. **Successors and Assigns.** This Agreement will be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns. Except as expressly permitted by the Asset Purchase Agreement, neither this Agreement nor any rights or obligations under this Agreement, may be assigned or transferred, in whole or in part, without the prior written consent of the other Party.

7. **Governing Law.** This Agreement will be governed by, and construed and enforced in accordance with, the laws of the Province of Ontario, and the laws of Canada, without regard to its principles of conflicts of laws.

[Remainder of Page Left Intentionally Blank – Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

WAREHOUSE ONE CLOTHING LTD.

By: ______________________________

Name:

Title:

I have authority to bind the corporation

YM INC. (SALES)

By: ______________________________

Name:

Title:

I have authority to bind the corporation

CONFIDENTIAL APPENDIX C
UNREDACTED COPY OF THE PURCHASE AGREEMENT

This Appendix is subject to a sealing request pursuant to the proposed Approval and Vesting Order.

APPENDIX D
UPDATED CASH FLOW FORECAST

See attached.

Warehouse One Clothing Ltd.
7-Week Cash Flow Forecast
$CAD 000s

	Week 1 17-Jul	Week 2 24-Jul	Week 3 31-Jul	Week 4 7-Aug	Week 5 14-Aug	Week 6 21-Aug	Week 7 28-Aug	Total 7 Weeks
Receipts	**628**	**321**	**97**	**–**	**–**	**–**	**–**	**1,046**
Disbursements								
Occupancy	356	–	–	–	111	–	–	**466**
Payroll & Benefits	260	847	214	392	92	190	121	**2,117**
Merchandise	–	–	–	–	–	–	–	**–**
Logistics & Operating	66	65	134	176	75	25	15	**555**
Sales Tax Remittances	–	165	–	680	–	–	100	**945**
Liquidation Expenses	124	99	73	81	52	–	–	**428**
Employee and Store Retention	–	–	–	–	350	–	–	**350**
Professional Fees	29	127	15	–	160	–	175	**506**
Total Disbursements	**834**	**1,303**	**435**	**1,328**	**840**	**215**	**411**	**5,367**
Net Cash Flow	**(206)**	**(983)**	**(338)**	**(1,328)**	**(840)**	**(215)**	**(411)**	**(4,321)**
Opening Cash Balance	14,043	13,837	12,854	12,516	11,188	10,348	10,133	**14,043**
Net Cash Flow	(206)	(983)	(338)	(1,328)	(840)	(215)	(411)	**(4,321)**
DIP Draw / (Repayment)	–	–	–	–	–	–	–	**–**
Proposed Distribution	–	–	–	–	–	–	(7,200)	**(7,200)**
Closing Cash Balance	**13,837**	**12,854**	**12,516**	**11,188**	**10,348**	**10,133**	**2,522**	**2,522**

Warehouse One Clothing Ltd.
7-Week Cash Flow Forecast
Notes and Summary of Assumptions

*In preparing this cash flow forecast (the "**Forecast**"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions described below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("**CCAA**"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.*

The Forecast is presented in thousands of Canadian dollars.

1) Receipts
Receipts include the sale of merchandise and FF&E through retail stores, inclusive of sales tax.

2) Occupancy
Occupancy includes fixed rent and percentage rent for the remaining store locations.

3) Payroll & Benefits
Payroll & Benefits includes salary, wages, and benefits. Accrued vacation is forecast to be paid following each employee's final date of employment.

4) Logistics & Operating
Payments to logistics and supply chain providers, utilities, credit card processing fees, and other general operating costs to support the wind-down.

5) Sales Tax Remittances
Estimated based on forecast sales and disbursements.

6) Liquidation Expenses
Estimated fees and expenses to the Consultant pursuant to the Consulting Agreement.

7) Employee and Store Retention
Represents payment to the Participants in accordance with the ARIO, and payments to store-level employees for retention during the wind-down period.

8) Professional Fees
Includes payment of professional fees to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.