

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR
ARRANGEMENT OF PERFORMANCE SPORTS GROUP LTD., PERFORMANCE
SPORTS GROUP LTD., BAUER HOCKEY CORP., BAUER HOCKEY RETAIL CORP.,
BAUER PERFORMANCE SPORTS UNIFORMS CORP., BPS CANADA
INTERMEDIATE CORP., BPS DIAMOND SPORTS CORP., EASTON
BASEBALL/SOFTBALL CORP., KBAU HOLDINGS CANADA, INC., PERFORMANCE
LACROSSE GROUP CORP., PSG INNOVATION CORP., BAUER HOCKEY RETAIL
INC., BAUER HOCKEY, INC., BAUER PERFORMANCE SPORTS UNIFORMS INC.,
BPS DIAMOND SPORTS INC., BPS US HOLDINGS INC., EASTON
BASEBALL/SOFTBALL INC., PERFORMANCE LACROSSE GROUP INC., PSG
INNOVATION INC.

(the "Applicants")

FIFTH REPORT OF THE MONITOR

January 13, 2017

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the Court-appointed Monitor

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INTRODUCTION AND BACKGROUND

1. On October 31, 2016 (the “**Petition Date**”), the Ontario Superior Court of Justice – Commercial List (the “**Court**”) granted an order (as amended and restated, the “**Initial Order**”), among other things: (i) declaring that Performance Sports Group Ltd. (“**PSG**”) and certain of its subsidiaries and affiliates (collectively, the “**Applicants**”)¹ were companies to which the *Companies’ Creditors Arrangement Act* (“**CCAA**”)² applied; (ii) granting certain relief including, *inter alia*, a stay of proceedings in favour of the Applicants (the “**Stay of Proceedings**”); and (iii) appointing Ernst & Young Inc. (“**EY**”) as monitor (in such capacity, the “**Monitor**”) of the Applicants.
2. On the same date, the Applicants commenced proceedings (the “**Chapter 11 Proceedings**”) in the United States (“**U.S.**”) under Chapter 11 of the *U.S. Bankruptcy Code* (the “**Code**”)³ in the Bankruptcy Court for the District of Delaware (the “**U.S. Court**”).
3. PSG is a public corporation whose securities were traded on the New York and the Toronto Stock Exchanges under the symbol “PSG” before trading was suspended by both exchanges on October 31, 2016. The Toronto Stock Exchange delisted the securities effective December 8, 2016, and the New York Stock Exchange has announced that it will apply to delist the securities.
4. Background on the Applicants, including their business operations, causes of insolvency and various other matters are described in more detail in the affidavit of Mark Vendetti⁴ sworn October 31, 2016 in support of the Initial Order (“**Initial Affidavit**”).
5. Information regarding the Chapter 11 Proceedings, including copies of the “First day” orders entered by the U.S. Court are located on a website managed by the Applicants’ claims agent, Prime Clerk LLC (“**Prime Clerk**”), at the following URL: <https://cases.primeclerk.com/psg/> (the “**Prime Clerk Website**”). Information regarding the Applicants’ proceedings under the *CCAA* (the “**CCAA**”

¹ The Applicants in the present proceedings are comprised of Performance Sports Group Ltd., Bauer Hockey Corp., Bauer Hockey Retail Corp., Bauer Performance Sports Uniforms Corp., BPS Canada Intermediate Corp., BPS Diamond Sports Corp., Easton Baseball/Softball Corp., KBAU Holdings Canada, Inc., Performance Lacrosse Group Corp., PSG Innovation Corp., Bauer Hockey Retail Inc., Bauer Hockey, Inc., Bauer Performance Sports Uniforms Inc., BPS Diamond Sports Inc., BPS Us Holdings Inc., Easton Baseball/Softball Inc., Performance Lacrosse Group Inc., PSG Innovation Inc.

² *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended.

³ 11 U.S.C §§ 101 *et seq.*

⁴ Mr. Vendetti is PSG’s chief financial officer and an executive vice president.

Proceedings", and together with the Chapter 11 Proceedings, the "**Restructuring Proceedings**"), including court orders and other materials related to the proceedings, are on the Monitor's website at the following URL: www.ey.com/ca/psg (the "**Monitor's Website**").

6. The Applicants have filed a motion seeking approval of a proposed sale of the Applicants' soccer uniform business operating under the "INARIA" brand name (the "**Inaria Business**").
7. This fifth report of the Monitor (the "**Fifth Report**") provides the Court with information relevant to the *CCAA* Proceedings to date, in particular the matters referred to above.
8. This Fifth Report is presented under the following headings:
 - a) Introduction and background;
 - b) Terms of reference and disclaimer;
 - c) Update on the restructuring proceedings to date;
 - d) Comparison of actual and projected cash flow results;
 - e) Quarterly reporting;
 - f) Sale of the Inaria Business; and
 - g) Overall comments and conclusions.

TERMS OF REFERENCE AND DISCLAIMER

9. The Monitor has prepared several reports since the commencement of the Restructuring Proceedings, each of which is accessible on the Monitor's Website. The Fifth Report should be read in conjunction with the previous reports.
10. In preparing this Fifth Report and making the comments herein, the Monitor has been provided with and has relied upon certain unaudited, draft and/or internal financial information, company records, management prepared financial information and projections, discussions with management and employees of the Applicants, and information from other third party sources, including the Applicants' Chief Restructuring Officer, Brian J. Fox of Alvarez & Marsal North America LLC ("**A&M**") (the "**CRO**"), and other personnel from A&M and its affiliates (collectively, the "**Information**").

11. The Monitor has assumed the integrity and truthfulness of the Information and explanations provided to it, within the context in which it was presented. To date, nothing has come to the attention of the Monitor that would cause it to question the reasonableness of this assumption.
12. Finally, the Monitor has requested that management and the CRO bring to its attention any significant matters that were not addressed in the course of its specific inquiries. Accordingly, this Fifth Report is based solely on the Information (financial or otherwise) provided to the Monitor.
13. Except as described in this Fifth Report, 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, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards and accordingly the Monitor expresses no opinion or other form of assurance in respect of the Information.
14. In view of the purpose of the Fifth Report, some of the financial information herein may not comply with generally accepted accounting principles.
15. Some of the information referred to in this Fifth Report consists of forecasts and projections that were prepared based on management's current estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence no assurance can be provided regarding the forecasted or projected results. Actual results will likely vary from the forecasts or projections, even if the assumptions materialize, and the variations could be significant.
16. The Monitor has prepared this Fifth Report in its capacity as the court-appointed Monitor in the *CCAA* Proceedings in order to provide additional information to the Court in connection with the *CCAA* Proceedings to date. This Fifth Report may not be appropriate for any other purpose and consequently should not be used for any other purpose.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in U.S. dollars and all terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order and in the Monitor's previous reports.

UPDATE ON THE RESTRUCTURING PROCEEDINGS TO DATE

18. Since the Monitor's fourth report to the Court, filed January 5, 2017 (the "**Fourth Report**"), the U.S. Court issued the following orders:

- a) *Amended Ombudsman Order*: an amended order directing the United States Trustee for the District of Delaware (the "**U.S. Trustee**") to appoint a consumer privacy ombudsman;
- b) *Fee Examiner Order*: an order appointing a fee examiner and establishing related procedures for compensation and reimbursement of expenses and consideration of fee applications;
- c) *KERP/KEIP Filing Under Seal Order*: an order authorizing the Applicants to file their motion seeking approval of their Key Employee Incentive Plan and Key Employee Retention Plan in redacted form publicly and in unredacted form under seal;
- d) *Information Access and Sharing Procedures and Protocols Order*: an order approving procedures and protocols for the sharing of confidential or privileged information by the Official Committee of Unsecured Creditors (the "**UCC**");
- e) *KERP/KEIP Approval Order*: an order approving the Applicants' Key Employee Incentive Plan and Key Employee Retention Plan;
- f) *Order Authorizing Retention of KPMG LLP*: an order authorizing the Applicants to retain KPMG LLP as their auditors *nunc pro tunc* to the petition date; and
- g) *Houlihan Lokey Retention Order*: an order authorizing the Official Committee of Equity Security Holders (the "**Equity Committee**") to retain Houlihan Lokey Capital, Inc. as its financial advisor and investment banker *nunc pro tunc* to November 28, 2016.

19. Additionally, the following documents have been filed in the Chapter 11 Proceedings since the filing of the Fourth Report:

- a) *Fee Applications*: fee application filed by Brown Rudnick LLP, requesting a total of amount of \$291,812.44 for the period from November 28, 2016 to December 31, 2016;

- b) *Declarations of Disinterestedness*: declaration of disinterestedness filed by Shusaku Yamamoto pursuant to the OCP Employment & Payment Order;
 - c) *Notice of Appointment of Consumer Privacy Ombudsman*: notification of the appointment by the U.S. Trustee of Michael St. Patrick Baxter of Covington and Burling as Consumer Privacy Ombudsman; and
 - d) *Monthly Operating Report*: a monthly operating report for the period from October 31, 2016, to November 30, 2016.
20. The Monitor continues the processes described in the previous reports, namely responding to creditors' enquiries; monitoring the Applicants' receipts and disbursements; monitoring the sale process; exchanging with the Applicants and their advisers on aspects related to the restructuring; and coordinating the claims process with representatives of Prime Clerk.

COMPARISON OF ACTUAL AND PROJECTED CASH FLOW RESULTS

21. Pursuant to its duties as set out in the Initial Order, the Monitor has monitored the Applicants' receipts and disbursements since the commencement of the *CCAA* Proceedings. Attached as **Appendix "A"** to this Fifth Report, and summarized below, is a comparative analysis of the statement of receipts and disbursements covering the period from October 31 to January 6, 2017, (10 weeks).

Performance Sports Group Ltd. and its Applicant subsidiaries Comparison of actual and projected receipts and disbursements For the period from October 31 to January 6, 2017 (10 weeks) In US \$000's			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Cash receipts	111,274	120,964	9,690
Cash disbursements	(128,353)	(92,504)	35,849
Net cash Flow	(17,079)	28,460	45,539
Cash reconciliation			
Opening cash balance	-	3,202	3,202
Net cash Flow	(17,079)	28,460	45,539
Net ABL and DIP Facility draw / (paydown)	6,524	(29,787)	(36,311)
Term Loan DIP draw (paydown)	18,054	4,313	(13,741)
Ending cash balance	7,500	6,187	(1,312)
<i>ABL balance:</i>			
ABL Facility	50,269	49,786	(483)
ABL DIP Facility	117,798	79,776	(38,022)
Letters of Credit	1,001	1,001	-
Ending ABL balance (A)	169,068	130,562	(38,506)
ABL Borrowing Base (B)	169,068	145,149	(23,919)
ABL availability (B-A)	-	14,587	14,587
Non-restricted cash	7,500	6,187	(1,312)
Term Loan DIP availability	11,946	25,687	13,741
Total Availability	19,446	46,462	27,017

22. The actual results for the 10-week period from October 31 to January 6, 2017 indicate a favourable variance in receipts and disbursements of \$45.5 million and a variance arising from the additional opening cash on hand at October 31, 2016 of \$3.2 million. These variances do not result in additional liquidity of \$48.7 million, as the favourable variances in receipts caused a decrease in the borrowing base and thus on the available credit. The additional liquidity generated from the favourable variances is reported to be \$27.0 million⁵.

⁵ The report prepared by the Applicants indicates a surplus availability of \$28.9 million. The difference relates to cheques in circulation that are added back to the availability in the Applicants' reporting. Considering that these funds have already been allocated, the Monitor does not consider that they form part of the available funds.

23. Although the aggregate favourable variance in receipts and disbursements is reported to be \$45.5 million, the cash on hand at January 6, 2017 is \$1,312,000 lower than the projected amount, in view of the fact that the Applicants repaid amounts greater than budgeted on the ABL Facility and drew lower amounts under the ABL DIP Facility (each as defined in the Initial Order) for a combined variance of \$36.3 million, excluding an opening favourable ABL variance of \$2.7 million, and an unfavourable foreign exchange variance of \$500,000 on disbursements clearing, and borrowed less than projected on the Term Loan DIP Facility (as defined in the Initial Order) by \$13.7 million.
24. Overall, the Applicants report a more favourable liquidity position as at January 6, 2017 than originally projected, by \$27.0 million. The Applicants are of the view that the improvement in liquidity is attributable to a combination of timing differences and permanent favorable variances. Based on the results to date, the Monitor has no reason to believe that there has been a substantial adverse change in the Applicants' cash flow.

QUARTERLY REPORTING

25. The CCAA provides (*inter alia*) that the Monitor must file a report with the court on the state of the companies' business and financial affairs containing the prescribed information, if any, not later than 45 days, or any longer period that the court may specify, after the day on which each of the company's fiscal quarters ends (the "**Quarterly Report**").⁶ There is no information in the *Companies' Creditors Arrangement Regulations*⁷ prescribing the form or contents of the Quarterly Report.
26. The Applicants' fiscal year-end is May 31, and as such the most recent fiscal quarter ended on November 30, 2016 and the deadline to file the Quarterly Report is January 14, 2017.
27. The Applicants advised the Monitor that their financial statements for the quarter ended November 30, 2016 are not available, due to the fact that the financial statements for fiscal 2016 (ending May 31, 2016) have not yet been finalized and that management's main focus has been on managing the sale process since the inception of the Restructuring Proceedings. The Applicants indicated to the Monitor that the only financial information that is available at this time, and that

⁶ Section 23(1)(d)(ii) CCAA.

⁷ SOR/2009-219.

will be available by the deadline to file the Quarterly Report, is: (a) a comparison of actual and projected receipts and disbursements; and (b) a monthly operating report for November 2016, which presents the results of operations for the period October 31 through November 30, 2016 and the balance sheet as at November 30, 2016. These documents are attached to this report as **Appendix “A”** and **Appendix “B”**, respectively.

28. The Applicants advise that the above-mentioned financial information has not been subjected to an audit and reflects the best information available to the Applicants and the Monitor at this time, and that the information is preliminary and subject to adjustments. The Applicants advise as well that the financial information does not necessarily comply with generally accepted accounting principles in the United States (“GAAP”), in that the information does not include all of the disclosures that would be required under GAAP, was prepared on the basis of the Applicants as a going concern and does not reflect any adjustments that might be required as a result of the restructuring process. Notwithstanding that the information provided may not conform to GAAP and may be subject to change, the information contained in Appendix “A” and Appendix “B” represents the best report on the state of the Applicants’ business and affairs that can be presented at this time.

SALE OF THE INARIA BUSINESS

29. The Applicants request that the Court approve the asset purchase agreement dated December 30, 2016 (the “**Inaria APA**”), between Bauer Performance Sports Uniforms Corp., Bauer Performance Sports Uniforms Inc., and Mr. Saverio Michielli and a company to be formed by Mr. Michielli (the “**Purchaser**”).
30. The background and circumstances of the proposed sale are described in greater detail in the affidavit of Brian Fox sworn January 3, 2017 and filed in support of the Applicants’ motion (the “**Fox Affidavit**”). According to the Fox Affidavit, the Inaria Business is a non-core component of the Applicants’ overall business and has been generating negative EBITDA since it was acquired in 2012, with the exception of 2014 in which it generated slightly positive EBITDA. The Applicants expect that the Inaria Business will continue to incur losses. The Applicants were considering closing down this business prior to the start of the Restructuring Proceedings, but identified the possibility of selling the Inaria Business back to Mr. Michielli who was one of the former owners of Inaria International Inc., the company from which the Applicants acquired the Inaria Business. Mr. Michielli is currently an employee of the Applicants involved in the day-to-day management of the

Inaria Business. Pursuant to the Inaria APA, the Purchaser will purchase the Inaria Business for approximately CAD\$2.1 million (plus an assumption of certain liabilities and other consideration). The Applicants believe that this result is superior to a liquidation and are asking that the Court authorize them to complete this sale.

31. The *CCAA* provides a non-exclusive list of factors⁸ that the Court should consider in granting a request to sell assets outside of the normal course of business, which are as follows:

- a) the reasonableness of the process leading to the proposed sale or disposition;
- b) whether the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- c) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value;
- d) the extent to which the creditors were consulted; and
- e) the effects of the proposed sale or disposition on the creditors and other interested parties.

The Fifth Report provides the Court with the Monitor's comments regarding the above-mentioned factors.

Process leading to the proposed sale

32. The Fox Affidavit discloses that the Applicants did not put in place a marketing process before negotiating the Inaria APA. That decision was based on the Applicants' assessment that the value of the assets did not justify the cost of a marketing process and that the party most likely to provide the highest and best offer had already been identified. That assessment is supported by the advice of the Applicants' investment banker, Centerview Partners LLC ("**Centerview**"), who indicated that in their view, the cost of carrying out a sale process would not be justified in the circumstances.

33. The special committee of the PSG board of directors (the "**Special Committee**") has had oversight of the Inaria transaction throughout the process. Once the Inaria APA was substantially finalized, it was considered and approved by the Special Committee.

⁸ See section 36(3) of the *CCAA*. The *CCAA* also provides additional considerations when the sale or disposition is intended to be made to a related person.

34. Based on the explanations received, the Monitor is satisfied that the decision to forego testing the market through a sale process was reasonable in the circumstances.

The proposed sale is more beneficial than a sale or disposition in a bankruptcy context

35. The Applicants assert that the sale price to be received, approximately CAD\$2.1 million, is superior to the value that can be expected in a liquidation carried out in the context of an outright bankruptcy. The information supporting this assessment is based on management's assessment of the liquidation value of the assets of the Inaria Business. Approximately 90% of the carrying value of the assets to be sold under the proposed transaction consists of inventories. Management's assessment of the liquidation value of the assets is based in large part on the results of a recent appraisal of the inventories by a third party appraisal firm.
36. The Monitor reviewed the estimates and assumptions made by the Applicants regarding the liquidation value of the assets and considers these to be reasonable in the circumstances. As such, the Monitor believes that the sale price of approximately CAD\$2.1 million is higher than the value that could be expected to be received in a liquidation, including one performed in a bankruptcy context.
37. Furthermore, the proposed transaction contemplates that the Applicants will derive the following additional benefits:
- a) the Purchaser will assume certain trade accounts payable specifically relating to the Inaria Business, which are estimated to total approximately CAD\$480,000;
 - b) the proposed transaction will provide continued employment to approximately 26 employees who are currently working in the Inaria Business. The Purchaser will assume the employment obligations of the employees who accept its employment offer, thereby assuming any severance, vacation pay or wages; and
 - c) the sale will also settle a dispute that exists since the acquisition of the Inaria Business regarding certain purchase price adjustments relating to the acquisition. The settlement of this dispute will allow the Applicants to retain approximately CAD\$367,000, the full amount of the disputed funds.

38. In view of all of the above, the Monitor believes that the proposed transaction is more beneficial for the creditors than a sale or disposition in a bankruptcy context.

Reasonableness of the consideration to be received

39. The Applicants believe that the consideration to be received is fair and reasonable as compared to the fair market value of the assets. This assessment is based on advice from Centerview that indicated it is unlikely that a superior offer could be obtained from another prospective purchaser in view of the fact that (a) the Inaria Business has been generating EBITDA losses consistently since its acquisition in 2012, except for a small positive EBITDA in 2014; (b) the Inaria Business is expected to continue generating negative EBITDA in 2017; (c) the Inaria Business has had stagnant or decreasing revenue since fiscal 2014; and (d) the Applicants do not see significant growth potential with the Inaria Business.
40. While no information is available on the fair market value of the assets to be sold in the context of the proposed going concern sale transaction, the Monitor considers that the Applicants' and Centerview's reasoning regarding the value of the Inaria Business is reasonable.

Other considerations

41. The Monitor understands that the Applicants have discussed the proposed sale with the UCC and Equity Committee and the Applicants are not aware of any objections being raised.
42. The assets used in connection with the Inaria Business have been specifically excluded from the stalking horse sale process that is presently underway and the assets described in the SH Agreement are excluded from the Inaria APA. The proposed sale of the Inaria Business to the Purchaser is unlikely to affect the current stalking horse sale process and will provide additional value for the Applicants' assets. In view of the above, the sale appears to be in the best interest of the stakeholders.

OVERALL COMMENTS AND CONCLUSIONS

43. The sale of the Inaria Business is not likely to affect the value of the remaining assets, which represent the most significant value to the stakeholders. The proposed sale will (a) provide additional recoveries that will benefit the stakeholders; (b) provide continued employment for the workforce presently employed in the Inaria Business; (c) provide a continued supply chain link for the Inaria

Business' suppliers; (d) provide meaningful recoveries for the trade accounts payable creditors' whose debts will be assumed; and (e) allow management of the Applicants to devote all of their attention to operating the remaining business and concluding the sale process; and (f) allow the Applicants to retain funds that are subject to ongoing litigation.

44. The Monitor considers that the limited marketing process leading to the proposed sale is reasonable in the circumstances and believes that the sale is more beneficial than an outright liquidation in a bankruptcy context.

45. In view of the above, the sale appears to be in the best interest of the stakeholders, and the Monitor recommends that the Court grant the relief sought.

All of which is respectfully submitted this 13th day of January, 2017.

ERNST & YOUNG INC.

In its capacity as the Monitor
in the matter of a proposed plan of compromise or
arrangement of Performance Sports Group Ltd. *et al.*

Per:

A handwritten signature in black ink, appearing to read "Brian Denega". The signature is fluid and cursive, with the first name "Brian" and last name "Denega" clearly distinguishable.

Brian M. Denega, CPA, CA, CIRP, LIT
Jean-Daniel Breton, CPA, CA, FCIRP, LIT
Martin Daigneault, CPA, CA, CIRP, LIT
Senior Vice-Presidents

APPENDIX “A”

Performance Sports Group Ltd and its Applicant subsidiaries

Budget to Actual results for the 10 weeks ended January 7, 2017

	Compared to Initial Budget 4 Weeks Ended 01/06/17			Compared to Initial Budget 10 Weeks Ended 01/06/17		
	Forecast	Actual	Variance	Forecast	Actual	Variance
Total Receipts	\$ 53,475	\$ 53,128	\$ (347)	\$ 111,274	\$ 120,964	\$ 9,690
<u>Cash Disbursements:</u>						
Payroll, Benefits and Temps.	(5,387)	(5,524)	(136)	(12,484)	(12,746)	(262)
Finished Goods / Materials	(15,844)	(11,001)	4,843	(36,858)	(20,084)	16,775
Distribution	(893)	(687)	206	(2,229)	(1,856)	373
Marketing / R+D (Excl. Labor)	(2,663)	(1,268)	1,395	(4,915)	(2,380)	2,535
Freight	(2,817)	(3,625)	(808)	(6,729)	(7,310)	(581)
Utilities	(162)	(440)	(278)	(362)	(549)	(187)
Insurance	(148)	(162)	(14)	(444)	(458)	(15)
Property, Sales and Other Taxes	(1,061)	(1,174)	(113)	(2,956)	(2,320)	636
Facilities / Rent / Leases	(531)	(324)	207	(1,592)	(975)	617
Other Operating Disbursements	(4,269)	(3,390)	879	(9,603)	(6,226)	3,377
Total Operating Disbursements	\$ (33,775)	\$ (27,593)	\$ 6,181	\$ (78,172)	\$ (54,903)	\$ 23,268
Total Operating Cash Flow	\$ 19,700	\$ 25,535	\$ 5,834	\$ 33,102	\$ 66,061	\$ 32,958
Capex	(266)	(164)	102	(1,225)	(450)	775
Interest Payments	(2,715)	(2,557)	158	(14,447)	(14,369)	78
Professional Fees	(5,385)	(2,822)	2,563	(5,385)	(5,322)	63
Other Non-Operating Disbursements	(415)	(344)	71	(1,424)	(599)	825
Total Non-Operating Disbursements	\$ (8,781)	\$ (5,887)	\$ 2,894	\$ (22,481)	\$ (20,740)	\$ 1,741
<u>Chapter 11 / CCAA Items:</u>						
Utilities Deposit	-	(124)	(124)	(300)	(124)	176
503b9 Claims	(233)	-	233	(1,400)	-	1,400
Foreign / Critical Vendor Payments	(3,417)	(2,023)	1,393	(20,500)	(11,896)	8,604
Shippers and Warehousemen	(3,000)	(4,300)	(1,300)	(5,500)	(4,841)	659
KEIP / KERP	-	-	-	-	-	-
Total Chapter 11 / CCAA Items	(6,650)	(6,447)	203	(27,700)	(16,861)	10,839
Total Disbursements	\$ (49,205)	\$ (39,927)	\$ 9,278	\$ (128,353)	\$ (92,504)	\$ 35,849
Net Cash Flow	\$ 4,269	\$ 13,201	\$ 8,931	\$ (17,079)	\$ 28,460	\$ 45,539
<u>Cash Balance:</u>						
Beginning Cash Book Balance	\$ 7,500	\$ 6,517	\$ (983)	\$ -	\$ 3,202	\$ 3,202
Net Cash Flow (excl. Draws/Paydowns)	4,269	13,201	8,932	(17,079)	28,460	45,539
Revolver Draws / (Paydowns)	(15,808)	(13,531)	2,278	6,524	(29,787)	(36,311)
Delayed Draw DIP Term Loan Draws/(Paydowns)	11,539	-	(11,539)	18,054	4,313	(13,741)
Ending Cash Book Balance	7,500	6,187	(1,312)	7,500	6,187	(1,312)
Outstanding Checks	-	1,925	1,925	-	1,925	1,925
(A) Ending Cash Bank Balance (Excl. Restricted Cash)	\$ 7,500	\$ 8,112	\$ 613	\$ 7,500	\$ 8,112	\$ 613
Restricted Cash	\$ 4,000	\$ 4,124	\$ 124	\$ 4,000	\$ 4,124	\$ 124
Ending Cash Bank Balance (incl. Restricted Cash)	\$ 11,500	\$ 12,236	\$ 737	\$ 11,500	\$ 12,236	\$ 737
Ending Prepetition Revolver Balance	\$ 50,269	\$ 49,786	\$ (483)	\$ 50,269	\$ 49,786	\$ (483)
Ending DIP Revolver Balance	117,798	79,776	(38,022)	117,798	79,776	(38,022)
Letters of Credit	1,001	1,001	-	1,001	1,001	-
	\$ 169,068	\$ 130,562	\$ (38,506)	\$ 169,068	\$ 130,562	\$ (38,506)
Borrowing Base	\$ 169,068	\$ 145,149	\$ (23,919)	\$ 169,068	\$ 145,149	\$ (23,919)
(B) Effective Availability - Revolving Credit Facility	\$ -	\$ 14,587	\$ 14,587	\$ -	\$ 14,587	\$ 14,587
(C) Delayed Draw Term Loan Availability	\$ 11,946	\$ 25,687	\$ 13,741	\$ 11,946	\$ 25,687	\$ 13,741
(A+B+C) Total Availability	\$ 19,446	\$ 48,387	\$ 28,942	\$ 19,446	\$ 48,387	\$ 28,942

APPENDIX “B”

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re: BPS US Holdings Inc., et.al.
Debtors

Case No. 16-12373 (KJC)
Reporting Period: November 2016

MONTHLY OPERATING REPORT
For the Period October 31, 2016 through November 30, 2016

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X	
Schedule of Professional Fees Paid	MOR-1b	X	
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4a		X
Summary of Unpaid Postpetition Debts	MOR-4b	X	
Trade Accounts Receivable Aging and Reconciliation	MOR-5a	X	
Debtor Questionnaire	MOR-5b	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



Signature of Authorized Individual

January 10, 2017

Date

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

**In re: BPS US Holdings Inc., et.al.
Debtors**

**Case No. 16-12373 (KJC)
Reporting Period: October 31, 2016 to November 30, 2016**

GENERAL NOTES

Debtor-In-Possession Financial Statements

The financial statements and supplemental information contained herein are unaudited, preliminary, and may not comply with generally accepted accounting principles in the United States of America ("U.S. GAAP") in all material respects. The statements are presented on the basis of a going concern, but there is an offer to sell substantially all of the assets and once complete, the values may differ from those presented. All amounts are in US dollars. Amounts not in US dollars were converted at the applicable exchange rate.

Financial Accounting Standards Board Accounting Standards Codification 852, (Reorganizations) ("ASC 852"), which is applicable to companies in Chapter 11, requires that financial statements for periods after the filing of a Chapter 11 petition distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. The financial statements have been prepared in accordance with ASC 852. The unaudited financial statements have been derived from the books and records of the Debtors. This information, however, has not been subject to procedures that would typically be applied to financial information presented in accordance with U.S. GAAP, and upon application of such procedures, the Debtors believe that the financial information could be subject to changes, and these changes could be material. These statements do not include non-debtor entities controlled by the Debtors and therefore do not represent the consolidated financial results of Performance Sports Group Ltd.

The results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the results of operations, financial position and cash flows of the Debtors in the future. None of the asset values have been adjusted to reflect the sale proceeds or related gains and losses.

The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee.

Liabilities Subject to Compromise

As a result of the chapter 11 filings, the payment of prepetition indebtedness is subject to compromise or other treatment under a plan of reorganization. The determination of how liabilities will ultimately be settled or treated cannot be made until the Bankruptcy Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. ASC 852 requires prepetition liabilities that are subject to compromise to be reported at the amounts expected to be allowed as claims, even if they may be settled for lesser amounts. The amounts currently classified as liabilities subject to compromise are preliminary and may be subject to future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events. The values reflect payments made on account of First Day Orders but do not reflect any liabilities potentially assumed by the buyer.

Reorganization Items

ASC 852 requires expenses and income directly associated with the Chapter 11 filings to be reported separately in the income statement as reorganization items. Reorganization items includes expenses related to legal advisory and representation services, other professional consulting and advisory services, expenses associated with the rejection of unexpired leases and changes in liabilities subject to compromise recognized as there are changes in amounts expected to be allowed as claims.

In re: BPS US Holdings Inc., et al.
DebtorsCase No. 16-12373
Reporting Period: November 2016

MOR-1
Statement of Cash Flows (1) (2)
For the Period October 31, 2016 through November 30, 2016
(Unaudited)

Case #	16-12386 (KJC)	16-12374 (KJC)	16-12381 (KJC)	16-12382 (KJC)	16-12388 (KJC)	16-12379 (KJC)	16-12389 (KJC)	16-12377 (KJC)	16-12373 (KJC)	16-12387 (KJC)	16-12378 (KJC)	16-12390 (KJC)	16-12376 (KJC)	16-12380 (KJC)	16-12385 (KJC)	16-12375 (KJC)	16-12384 (KJC)
Debtors	Bauer Hockey Corp.	Bauer Hockey Inc.	Performance Sports Group Ltd.	KRAU Holdings Canada Inc.	BPS Diamond Sports Corp.	BPS Diamond Sports Inc.	Bauer Performance Sports Uniforms Corp.	Bauer Performance Sports Uniforms Inc.	BPS US Holdings Inc.	BPS Canada Intermediate Corp.	Performance Lacrosse Group Inc.	Performance Lacrosse Group Corp.	Bauer Hockey Retail Inc.	PSG Innovation Inc.	PSG Innovation Corp.	Easton Baseball / Softball Inc.	Easton Baseball / Softball Corp.
RECEIPTS																	
OPERATING (1)	21,922,031	15,228,946	258,123	-	1,222	4,114	318,311	-	-	-	2,447,343	16,851	943,642	-	-	7,468,883	337,434
REVOLVER DRAW	14,746,877	7,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,746,877
TRANSFERS IN FROM NON-DEBTORS	2,001,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,001,976
TOTAL RECEIPTS	38,670,884	22,228,946	258,123	-	1,222	4,114	318,311	-	-	-	2,447,343	16,851	943,642	-	-	7,468,883	337,434
DISBURSEMENTS																	
DISBURSEMENTS AND OTHER	5,617,143	6,886,378	4,195,263	-	927	7,717	259,652	-	-	-	1,428,514	4,295	303,312	85	555	3,316,200	63,557
REVOLVER PAYDOWN	22,225,599	16,943,012	-	-	-	-	130,660	-	-	-	2,418,482	13,862	935,395	-	-	7,593,395	336,771
TRANSFERS OUT TO NON-DEBTORS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFESSIONAL FEES & EXPENSES	255,083	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	255,083
U.S. TRUSTEE QUARTERLY FEES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COURT COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	28,097,827	23,829,390	4,195,263	-	927	7,717	390,312	-	-	-	3,846,996	20,157	1,238,707	85	555	10,909,595	400,328
NET CASH FLOW (4)	10,574,057	(900,444)	(3,937,140)	-	295	(3,603)	(72,001)	-	-	-	(1,399,653)	(3,306)	(295,065)	(85)	(555)	(3,440,712)	(62,894)
DISBURSEMENTS FOR CALCULATING TRUSTEE QUARTERLY FEES (5)	5,872,228	6,886,378	4,195,263	-	927	7,717	259,652	-	-	-	1,428,514	4,295	303,312	85	555	3,316,200	63,557
																	22,138,683

Notes:

- (1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. Certain totals may not sum due to rounding.
- (2) This statement reflects unrestricted cash and represents the book balances of the company. These statements do not include non-debtor entities controlled by the Debtors and therefore do not represent the consolidated financial results of Performance Sports Group Ltd. Furthermore, due to the consolidated cash management reporting system, certain cash payments may be paid out of a legal entity that is different than the legal entity where the expenses were incurred. Also, certain cash receipts may be received in a different legal entity than the legal entity where the accounts receivable is recorded.
- (3) Operating receipts include receipts of cash from the sales of sporting goods equipment and apparel and other miscellaneous receipts. The operating receipts are presented on a gross basis, which includes applicable taxes charged. Operating receipts also include credit card payments which are processed against the customer account when authorization from the credit card company is received. However, the bank can take up to 3 days to reflect the cash deposit.
- (4) Net Cash Flow excludes transfers in from Debtors and transfers out to Debtors.
- (5) Disbursements for calculating the trustee quarterly fees exclude revolver paydowns.

In re: BPS US Holdings Inc., et.al.
Debtors

Case No. 16-12373
Reporting Period: October 31, 2016 to November 30, 2016

MOR-1a
Debtor Statement with Respect to Bank Account Reconciliations, Bank Statements and Cash Disbursements Journal
For the Period October 31, 2016 through November 30, 2016
(Unaudited)

Bank Account Reconciliation & Cash Disbursements Journals

The debtors affirm that bank reconciliations are prepared for all open and active bank accounts on a monthly basis. The Debtors affirm that within its financial accounting systems, check registers and/or disbursement journals are maintained for each disbursement account.

Bank Statements

The Debtors affirm that bank statements for all open and active bank accounts are retained by the Debtors. The Debtors affirm that no bank accounts were closed during the current reporting period.

The Debtors affirm that one bank account was opened during the current reporting period.

Debtor Entity	Bank Name	Account Type	Account Number (Last 4 digits only)	11/30/2016 Bank Balance (USD)	Notes
Bauer Hockey Corp.	Bank of America Canada	Operating	0204	\$ 305,048.80	(1)
Bauer Hockey Corp.	Bank of America Canada	Lockbox	0212	\$ 399,119.30	(1)
Bauer Hockey Inc.	Bank of America Canada	Operating	7102	\$ 1,000.00	
Bauer Hockey Retail Inc.	Bank of America Canada	Operating	7100	\$ 1,000.00	
Bauer Performance Sports Uniforms Inc.	Bank of America Canada	Operating	2101	\$ 1,000.00	
Bauer Performance Sports Uniforms Corp.	Bank of America Canada	Operating	7208	\$ -	(1)
Bauer Performance Sports Uniforms Corp.	Bank of America Canada	Lockbox	7216	\$ 20,016.20	(1)
BPS Diamond Sports Corp.	Bank of America Canada	Operating	2206	\$ -	(1)
BPS Diamond Sports Inc.	Bank of America Canada	Operating	4107	\$ 1,000.00	
BPS US Holdings Inc.	Bank of America Canada	Operating	6103	\$ 1,000.00	
Easton Baseball / Softball Corp.	Bank of America Canada	Concentration Account	9207	\$ -	(1)
Easton Baseball / Softball Corp.	Bank of America Canada	Lockbox	9215	\$ 3,004.57	(1)
Easton Baseball / Softball Corp.	Bank of America Canada	Operating	9223	\$ -	(1)
Easton Baseball / Softball Corp.	Bank of America Canada	Payroll Account	9231	\$ -	(1)
Easton Baseball / Softball Inc.	Bank of America Canada	Operating	9106	\$ 1,000.00	
Performance Lacrosse Group Corp.	Bank of America Canada	Operating	7201	\$ -	(1)
Performance Lacrosse Group Corp.	Bank of America Canada	Lockbox	7219	\$ 1,055.35	(1)
Performance Lacrosse Group Inc.	Bank of America Canada	Operating	8108	\$ 1,000.00	
Performance Sports Group Ltd.	Bank of America Canada	Operating	1209	\$ -	(1)
Performance Sports Group Ltd.	Bank of America Canada	Operating	1100	\$ 62,307.37	
PSG Innovation Corp.	Bank of America Canada	Operating	3203	\$ 1,562.99	(1)
PSG Innovation Corp.	Bank of America Canada	Operating	3104	\$ 4,107,247.96	(3)
PSG Innovation Inc.	Bank of America Canada	Operating	1101	\$ 1,000.00	
Bauer Hockey Inc.	Bank of America, N.A.	Operating-Utilities reserve	2266	\$ 124,000.00	(2)
Bauer Hockey Corp.	Bank of America, N.A.	Operating	4534	\$ 222,034.00	
BPS Diamond Sports Corp.	Bank of America, N.A.	Operating	0089	\$ -	
BPS Diamond Sports Inc.	Bank of America, N.A.	Operating	6344	\$ -	
BPS Diamond Sports Inc.	Bank of America, N.A.	Lockbox	6486	\$ -	
Performance Lacrosse Group Inc.	Bank of America, N.A.	Operating	4458	\$ -	
Performance Lacrosse Group Inc.	Bank of America, N.A.	Lockbox	4461	\$ 72,102.59	
PSG Innovation Inc.	Bank of America, N.A.	Operating	6613	\$ 2,868.97	
Bauer Performance Sports Uniforms Corp.	Bank of America, N.A.	Operating	2941	\$ -	
BPS US Holdings Inc.	Bank of America, N.A.	Operating	2557	\$ -	
Bauer Hockey Inc.	Bank of America, N.A.	Operating	3713	\$ 287,104.50	
Bauer Hockey Inc.	Bank of America, N.A.	Lockbox	5768	\$ 431,813.66	
Bauer Hockey Retail Inc.	Bank of America, N.A.	Lockbox	0967	\$ 31,334.30	
Bauer Hockey Retail Inc.	Bank of America, N.A.	Operating	8684	\$ -	
Easton Baseball / Softball Inc.	Bank of America, N.A.	Concentration Account	1173	\$ -	
Easton Baseball / Softball Inc.	Bank of America, N.A.	Operating	1178	\$ -	
Easton Baseball / Softball Inc.	Bank of America, N.A.	Lockbox	1192	\$ 158,576.64	
Easton Baseball / Softball Inc.	Bank of America, N.A.	Payroll Account	1197	\$ -	
BPS Canada Intermediate Corp.	N/A - No Bank Accounts			\$ -	
KBAU Holdings Canada, Inc.	N/A - No Bank Accounts			\$ -	
PSG Innovation Corp.	N/A - No Bank Accounts			\$ -	
Bauer Hockey Retail Corp.	N/A - No Bank Accounts			\$ -	
Total Bank Account Cash				\$ 6,237,197.20	

Notes:

- (1) The bank balances are carried in CAD and were converted to USD using the exchange rate of 1.3433, which was the monthly rate as of November 30, 2016.
- (2) This bank account was opened during the reporting period. The amount represents restricted cash.
- (3) \$4.0 million of this balance represents restricted cash.

Professional	Role in Case	Period Covered	Payment Date	Amount Paid			Year-To-Date		
				Fees	Expenses	Total	Fees	Expenses	Total
Ernst & Young Inc.	CC/AA Monitor	10/12/2016 to 10/30/2016	11/30/2016	238,397	16,688	255,085	238,397	16,688	255,085
			Total	\$ 238,397	\$ 16,688	\$ 255,085	\$ 238,397	\$ 16,688	\$ 255,085

MOR - 2
STATEMENT OF OPERATIONS (1) (2) (3) (4)
For the Period October 31, 2016 to November 30, 2016
(Unaudited)

Case #	16-12386 (KJC)	16-12374 (KJC)	16-12381 (KJC)	16-12388 (KJC)	16-12379 (KJC)	16-12389 (KJC)	16-12377 (KJC)	16-12375 (KJC)	16-12380 (KJC)	16-12376 (KJC)	16-12385 (KJC)	16-12375 (KJC)	16-12384 (KJC)			
	Bauer Hockey Corp.	Bauer Hockey Inc.	Performance Sports Group Ltd.	BPS Diamond Sports Corp.	BPS Diamond Sports Inc.	Bauer Performance Sports Uniforms Corp.	Bauer Performance Sports Uniforms Inc.	BPS US Holdings Inc.	Performance Lacrosse Group Inc.	Performance Lacrosse Group Corp.	Bauer Hockey Retail Inc.	PSG Innovation Inc.	PSG Innovation Corp.	Eaton Baseball / Softball Inc.	Eaton Baseball / Softball Corp.	Total
Revenues	18,985,345	13,692,342	-	-	-	119,729	2,983,666	-	29,444	29,444	804,345	-	-	10,277,095	373,053	47,565,019
Gross Profit	4,470,235	5,126,525	-	(261)	(4,629)	(209,790)	1,946,404	-	14,415	14,415	612,658	-	-	4,516,075	144,718	16,616,351
Wage Related	1,201,432	3,199,222	230,115	-	879	271,546	552,393	-	2,457	2,457	118,428	-	-	2,151,376	34,377	7,534,886
Professional Services	1,008,063	2,806,574	(114,521)	-	-	9,693	169,201	-	851	851	19,874	-	-	198,819	7,651	4,714,298
Travel & Expense	170,071	278,359	(342)	4,025	-	19,459	60,249	-	-	-	2,530	-	85	-	2,053	579,632
Rent	66,697	379,271	-	-	-	10,148	29,238	-	-	-	63,714	-	-	245,083	794,151	794,151
Bad Debt	152,777	(135,121)	-	-	-	(43,499)	(93,501)	-	(11,566)	(11,566)	-	-	-	(15,242)	54,042	(92,210)
Other Operational Expenses	569,241	537,668	-	40,720	8,187	(94,323)	33,301	-	-	-	224,367	-	-	203,274	74,262	1,646,002
Marketing Expenses	60,745	1,650,766	15	11,355	10,414	30,413	144,265	-	-	-	11,597	-	-	586,233	4,895	2,510,684
Depreciation & Amortization	124,177	395,613	-	-	-	31,620	220,373	-	-	-	142,224	-	-	273,704	-	1,248,449
Reorganization Costs (5)	643,952	2,641,945	306,218	(56,362)	(24,109)	(494,238)	830,894	-	22,374	22,374	29,924	(85)	(164,977)	845,474	(32,562)	3,591,115
Operating income (loss)	474,081	(6,627,775)	(421,486)	-	-	-	-	-	-	-	-	-	-	-	-	2,741,496
Interest income	212,176	920,828	1,606,485	-	-	-	-	-	-	-	-	-	-	2,007	-	(600,379)
Realized (gains) losses on derivative instruments	243,898	-	-	-	-	-	-	-	-	-	-	-	-	-	-	243,898
Unrealized (gains) losses on derivative instrument	(252,149)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(252,149)
Foreign exchange (gain) loss	695,823	1,059,176	(824)	(15,461)	(7,807)	29,579	(4,348)	-	2,436	2,436	(482)	-	(578)	(1,698)	41,897	1,798,713
Other expenses (income)	(109)	7,073	-	-	-	(17)	(25)	-	3	3	-	-	-	(983)	-	5,741
Nonoperating Expense (Income)	4,712,560	(2,547,311)	(1,458,852)	-	-	18,897	(31,190)	(10,147)	(3,563)	(3,563)	-	-	-	1,261,100	14,020	1,965,728
Nonoperating income (loss)	(5,612,036)	1,154,550	(146,809)	15,461	2,807	(68,600)	35,563	10,147	(3,988)	(3,988)	482	-	578	(1,260,424)	(55,918)	(5,903,048)
Pre-tax income	(5,137,955)	(5,473,225)	(588,295)	(40,901)	(16,302)	(542,698)	(12,425)	10,147	866,457	866,457	30,406	(85)	(164,399)	(414,550)	(88,479)	(11,334,320)
Income tax expense	411,947	(654,578)	-	-	-	-	-	-	-	-	-	-	-	-	-	(242,431)
Net income (loss)	(5,549,902)	(4,818,647)	(588,295)	(40,901)	(16,302)	(542,698)	(12,425)	10,147	866,457	866,457	30,406	(85)	(164,399)	(414,550)	(88,479)	(11,291,889)

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. Certain totals may not sum due to rounding.

(2) These statements do not include un-auditor entities controlled by the Debtors and therefore do not represent the consolidated financial results of Performance Sports Group Ltd.

(3) This schedule only includes entities with operational activity for the reporting period.

(4) Some of the expenses reflected in an entity may be allocated to other entities upon further review.

(5) These are the expenses that the company has identified and may not be all inclusive of the reorganization costs.

MOR-3
DEBTOR BALANCE SHEETS (1) (2) (3)
November 30, 2016
(Unaudited)

US Dollar

Case #	16-12386 (KJC)	16-12374 (KJC)	16-12381 (KJC)	16-12382 (KJC)	16-12388 (KJC)	16-12379 (KJC)	16-12377 (KJC)	16-12378 (KJC)	16-12390 (KJC)	16-12396 (KJC)	16-12385 (KJC)	16-12375 (KJC)	16-12384 (KJC)				
	Bauer Hockey Corp.	Bauer Hockey Inc.	Performance Ltd.	KBAU Holdings Canada Inc.	BPS Diamond Sports Corp.	BPS Diamond Sports Inc.	Performance Sports Uniforms Corp.	Bauer Performance Sports Uniforms Corp.	BPS US Holdings Inc.	BPS Canada Intermediate Corp.	Performance Lacrosse Group Inc.	Performance Lacrosse Group Corp.	Bauer Hockey Retail Inc.	PSG Innovation Inc.	PSG Innovation Corp.	Easton Baseball / Softball Inc.	Easton Baseball / Softball Corp.
Cash	1,502,921	454,313	54,381	-	19,958	(6,181)	33,521	1,000	1,000	(0)	72,433	1,055	37,481	3,869	108,779	122,263	(5,924)
Restricted cash	-	124,000	-	-	-	-	-	-	-	-	-	-	-	-	4,000,000	-	-
Accounts receivable, net	67,638,632	55,229,458	2,713	-	125,899	(14)	193,949	-	-	-	7,648,534	83,998	357,759	-	657,929	32,414,668	1,064,209
Inventories, net	25,014,047	46,603,427	-	-	-	(6,669)	3,064,662	-	-	-	6,652,161	-	1,052,153	-	-	33,375,738	-
Income taxes receivable	4,782,715	708,202	-	-	-	-	-	-	3,752,244	19,411	16,717	-	-	-	-	130,928	-
Other current assets	1,700,503	6,343,981	2,585,104	-	14,594	52,248	466,376	-	-	-	344,951	-	106,393	-	75,000	477,104	2,171
Total current assets	100,658,818	109,463,381	2,602,399	-	160,450	39,384	3,758,507	1,000	3,753,244	19,411	14,734,796	83,054	1,553,785	3,869	4,841,708	66,520,701	1,060,456
Property, plant and equipment, net	10,534,474	31,016,964	-	-	1	0	171,796	-	-	-	1,344,929	-	8,268,637	-	317,500	13,277,658	-
Goodwill	9,918,421	(100,537)	99,124	-	-	-	-	-	-	-	4,102,142	-	-	-	-	-	-
Intangible assets	36,674,427	12,433,136	-	-	-	-	881,519	-	-	-	26,042,212	-	1,790,510	-	6,468,543	80,516,421	-
Investment in subsidiaries	79,099,562	81,691,877	312,587,980	40,134,444	-	-	-	-	159,743,689	3,000,000	-	-	-	-	-	-	-
Other non-current assets	1,922,263	2,235,290	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	131,150	-
Deferred income taxes	0	25,323,533	0	-	-	-	-	699	(14,636,199)	-	(11,165,420)	-	-	-	-	638,387	(0)
Total assets	237,787,966	262,063,644	315,229,503	40,134,444	160,451	39,384	4,811,822	1,699	148,860,734	3,019,411	36,998,331	85,054	11,612,931	3,869	12,627,751	161,084,316	1,060,456
Liabilities Not Subject to Compromise (Postpetition)																	
Short-term debt	14,125,584	7,338,213	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of financing & capital lease obligations	-	(6,200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable (4)	2,520,511	5,928,216	18,489	-	2,998	16,512	56,983	-	-	-	932,680	-	173,695	-	98,542	4,899,925	3,651
Accrued liabilities	5,789,934	7,704,087	246,533	-	-	-	198,182	511	-	-	286,007	3,717	83,694	-	-	2,096,401	43,287
Current portion benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable	(24,911,602)	24,682,287	2,568,295	-	(26,190)	(7,807)	(237,083)	11,914	(10,147)	18,160	(1,439,370)	(18,762)	(405,429)	-	1,999,503	(3,320,238)	39,457
Intercompany payable (receivable) (5)	(2,475,572)	45,646,602	2,833,317	-	(23,192)	8,705	18,082	12,425	(10,147)	18,160	(220,683)	(15,044)	(148,040)	-	2,098,046	3,667,088	86,395
Total current liabilities	(2,475,572)	45,646,602	2,833,317	-	(23,192)	8,705	18,082	12,425	(10,147)	18,160	(220,683)	(15,044)	(148,040)	-	2,098,046	3,667,088	86,395
Long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit plans	14,889	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing and capital lease obligations	(9,667)	(2,956)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	(883)	(35)	-	-	(243)	-	-	-	-	-	-	-	1,415	-	-	(8,998)	-
Total Liabilities Not Subject to Compromise (Postpetition)	(2,471,233)	45,647,631	2,833,317	-	(23,435)	8,705	18,082	12,425	(10,147)	18,160	(220,683)	(15,044)	(146,625)	-	2,098,046	3,658,090	86,395
Liabilities Subject to Compromise (Pre-Petition)																	
Short-term debt (6)	(253,772)	109,327,217	(1,697,755)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of financing & capital lease obligations	110,593	77,939	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	8,184,811	13,785,090	40,807	-	95,979	1,933,393	400,765	-	-	-	2,388,438	7,558	74,053	-	253,336	15,233,514	29,025
Accrued liabilities	9,158,580	14,970,889	1,775,383	-	176,459	204,886	144,686	7,558	-	-	1,377,819	2,399	103,649	-	94,445	8,098,653	479,750
Current portion benefit plans	253,852	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable	156,251,597	(87,117,586)	(361,726,702)	-	3,985,545	11,404,561	21,861,039	494,021	3,537,867	(6,776,195)	7,050,849	(50,033)	11,505,666	60,316	13,805,897	241,620,068	2,210,373
Intercompany payable (receivable)	173,705,660	51,706,549	(361,698,066)	-	4,257,982	(13,492,956)	22,406,490	501,579	3,698,867	(6,776,195)	10,871,106	(26,727)	11,683,368	60,316	14,153,678	264,952,236	2,719,149
Total current liabilities	(348,970)	(527,117)	324,725,501	-	-	115	-	-	-	-	-	-	-	-	-	-	-
Long-term debt (6) (7)	3,549,276	801,941	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit plans	7,948,604	5,577,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing and capital lease obligations	3,541,488	12,783,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	218,089	(62,643)	-	-	-	-	28,368	-	847,710	-	(1,256,136)	-	-	-	-	(6,079,674)	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities Subject to Compromise (Pre-Petition)	188,614,147	69,679,821	(36,882,565)	-	4,348,799	11,587,372	22,434,838	501,579	4,546,577	(6,776,195)	9,560,070	(26,727)	12,469,446	60,316	14,153,678	259,812,847	2,719,149
Common Stock	4,013	53,249,344	286,889,431	4,013	-	-	0	-	53,242,603	3,000,000	81,691,877	-	-	-	-	8	-
Additional Paid-in Capital	39,891,430	107,897,347	102,454,094	40,130,430	-	-	-	-	106,501,086	-	-	-	-	-	-	74,999,993	-
Retained earnings (deficit)	20,269,989	(12,148,006)	(27,102,127)	-	(4,576,620)	(13,556,692)	(20,066,372)	(512,306)	(15,419,386)	10,480,305	(54,033,833)	143,098	(709,889)	(56,447)	(3,622,973)	(177,386,621)	(2,061,989)
Accumulated other comprehensive income	(8,520,380)	(2,262,493)	(12,862,493)	(0)	411,707	-	2,497,234	-	(1,702,860)	-	(16,223)	-	-	-	-	316,901	-
Total equity	51,645,052	146,736,192	349,378,752	40,134,444	(4,164,913)	(13,556,692)	(17,641,117)	(512,306)	144,324,303	9,777,446	27,658,044	126,825	(709,889)	(56,447)	(3,622,973)	(102,386,621)	(1,745,088)
Total liabilities and equity	237,787,966	262,063,644	315,229,503	40,134,444	160,451	39,384	4,811,822	1,699	148,860,734	3,019,411	36,998,331	85,054	11,612,931	3,869	12,627,751	161,084,316	1,060,456

Notes:

- (1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. Certain totals may not sum due to rounding.
- (2) These statements do not include non-debtor entities controlled by the Debtors and therefore do not represent the consolidated financial results of Performance Sports Group Ltd.
- (3) This schedule only includes entities with operational activity for the reporting period.
- (4) The post-petition accounts payable (receivable) represents open and outstanding trade vendor invoices that have been entered into the Debtors' accounts payable system. This summary does not include accruals for invoices not yet received or for invoices not yet entered into the Debtors' accounts payable system.
- (5) The post-petition intercompany payable (receivable) represents November 2016 intercompany activity.
- (6) Negative balances represent deferred financing fees on pre-petition debt that have not been written off the Debtors books.
- (7) The long-term debt on Performance Sports Group Ltd. was paid off on December 7, 2016 pursuant to the DIP motion.

**In re: BPS US Holdings Inc., et.al.
Debtors**

**Case No. 16-12373 (KJC)
Reporting Period: November 2016**

MOR-4a

Declaration Regarding the Status of Post Petition Taxes of the Debtors

Reporting Period: October 31, 2016 to November 30, 2016

Mark Vendetti hereby declares and states:

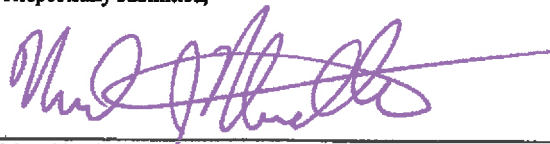
I am the Chief Financial Officer of BPS US Holdings Inc., a corporation organized under the laws of the state of Delaware and one of the Debtors and Debtors-in-possession in the above-captioned Chapter 11 case. In this capacity, I am familiar with the day-to-day operations, businesses, financial affairs and books and records.

Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge of the operations and finances of BPS US Holdings Inc. Information learned from my review of relevant documents and information I have received from other members of management or the Debtors' advisors. I am authorized to submit this declaration on behalf of BPS US Holdings Inc. and, if I were called upon to testify, I could and would testify to the facts set forth herein. I submit this declaration under penalty of perjury pursuant to 28 U.S.C. Section 1746.

To the best of my knowledge, the Debtors have filed all necessary, federal, state, and local tax returns and made all required post-petition tax payments in connection therewith on a timely basis or have promptly remediated any late filings or payments that may have occurred due to unintentional oversights.

Dated: January 10, 2017

Respectfully submitted,



Mark Vendetti
Chief Financial Officer

In re: BPS US Holdings Inc., et.al.
Debtors

Case No. 16-12373 (KJC)
Reporting Period: October 31, 2016 to November 30, 2016

MOR-4b
Debtors Summary of Unpaid Post Petition Accounts Payable (1) (2) (3)
November 30, 2016
(Unaudited)

Accounts Payable Aging	Days Aged				Total
	0 to 30	31 - 60	61 - 90	>90	
Debtors	\$ 14,207,891	\$ 229,174	\$ 103,381	\$ 13,213	\$ 14,553,660
<i>Percentage of total</i>	<i>98%</i>	<i>2%</i>	<i>1%</i>	<i>0%</i>	<i>100%</i>

Notes:

(1) The post petition accounts payable reported represents open and outstanding trade vendor invoices that have been entered into the Debtors' accounts payable system. This summary does not include accruals for invoices not yet received or for invoices not yet entered into the Debtors' accounts payable system.

(2) All amounts are presented in USD, although the actual document currency may vary. The November 2016 balance sheet exchange rates were utilized to convert amounts to USD.

(3) Accounts payable aged greater than 30 days mostly represents invoices dated prior to October 31, 2016 for post-petition products/services.

In re: BPS US Holdings Inc., et.al.
Debtors

Case No. 16-12373 (KJC)
Reporting Period: October 31, 2016 to November 30, 2016

MOR-5a
TRADE ACCOUNTS RECEIVABLE AGING AND RECONCILIATION (1) (2) (3) (4) (5)
November 30, 2016
(Unaudited)

Trade Accounts Receivable Aging	Days Aged					Total
	0 to 30	31 - 60	61 - 90	>90		
Debtors	\$ 158,113,417	\$ 8,412,197	\$ 3,855,022	\$ 17,151,899	\$	187,532,535
Percentage of total	84%	4%	2%	9%		100%

For the Period October 31, 2016 through November 30, 2016

Accounts Receivable Reconciliation				Amount
Total Trade Accounts Receivable at the beginning of the reporting period				194,882,083
+ Amounts billed during the period, net of adjustments (6)				48,290,213
- Amounts collected during the period (non-debtor entities) (1)				(6,191,861)
- Amounts collected during the period				(49,447,900)
Total Trade Accounts Receivable at the end of the reporting period				187,532,535

Notes:

(1) The aging is primarily for the Debtors' product sales receivables and does not include intercompany receivables. Product sales receivables are aged from the date of shipment. All amounts are included on a gross basis before any adjustment for estimated bad debts, other uncollectible amounts and other estimated sales reserves. The trade receivables includes sales outside of North America whereby certain cash receipts from the customers is received in non-debtor entities.

(2) The aging excludes approximately \$15.0 million allowance for doubtful accounts. The allowance for doubtful accounts balance should be netted with the total trade accounts receivable balance in order to reconcile to "Accounts receivable, net" included in the Debtors' Balance Sheets as of November 30, 2016.

(3) The aging excludes approximately \$5.1 million discount reserves. The discount reserves balance should be netted with the total trade accounts receivable balance in order to reconcile to "Accounts receivable, net" included in the Debtors' Balance Sheets as of November 30, 2016.

(4) The aging excludes approximately \$5.5 million service charge reserves. The service charge reserves balance should be netted with the total trade accounts receivable balance in order to reconcile to "Accounts receivable, net" included in the Debtors' Balance Sheets as of November 30, 2016.

(5) The aging excludes approximately \$4.2 million of other receivables that are not trade related.

(6) The amounts billed during the period include adjustments such as credit memos, the write off of uncollectible trade accounts receivable, and foreign exchange differences.

In re: BPS US Holdings Inc., et.al.
Debtors

Case No. 16-12373 (KJC)
Reporting Period: October 31, 2016 to November 30, 2016

MOR-5b
DEBTOR QUESTIONNAIRE
November 30, 2016

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.	X ⁽¹⁾	
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	X ⁽²⁾	

(1) Funds have been disbursed out of non-debtor entity bank accounts. These non-debtor entities are primarily European entities.

(2) Bauer Hockey Inc. opened a utility reserve bank account in November 2016. The new account is reflected on schedule MOR 1a.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

BPS US Holdings Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-12373 (KJC)

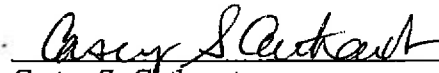
Jointly Administered

AFFIDAVIT OF SERVICE

STATE OF DELAWARE)
) SS
NEW CASTLE COUNTY)

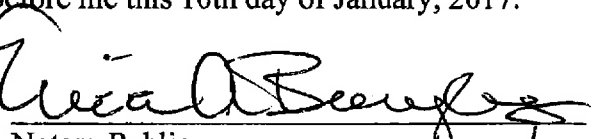
Casey S. Cathcart, being duly sworn according to law, deposes and says that she is employed by the law firm of Young Conaway Stargatt & Taylor, LLP, co-counsel to the above-captioned debtors, and that on January 10, 2017, she caused a copy of the *Monthly Operating Report for the Period October 31, 2016 Through November 30, 2016* to be served via hand delivery upon the following party:

Mark S. Kenney, Esq.
Office of the United States Trustee
844 King Street, Suite 2207
Lockbox 35
Wilmington, DE 19801


Casey S. Cathcart

SWORN TO AND SUBSCRIBED before me this 10th day of January, 2017.

ERICA A. BROYLES
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires July 22, 2017


Notary Public

My Commission Expires: 7/22/17

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number or Canadian equivalent, are as follows: BPS US Holdings Inc. (8341); Bauer Hockey, Inc. (3094); Easton Baseball / Softball Inc. (5670); Bauer Hockey Retail Inc. (6663); Bauer Performance Sports Uniforms Inc. (1095); Performance Lacrosse Group Inc. (4200); BPS Diamond Sports Inc. (5909); PSG Innovation Inc. (9408); Performance Sports Group Ltd. (1514); KBAU Holdings Canada, Inc. (5751); Bauer Hockey Retail Corp. (1899); Easton Baseball / Softball Corp. (4068); PSG Innovation Corp. (2165); Bauer Hockey Corp. (4465); BPS Canada Intermediate Corp. (4633); BPS Diamond Sports Corp. (8049); Bauer Performance Sports Uniforms Corp. (2203); and Performance Lacrosse Group Corp. (1249). The Debtors' headquarters are located at 100 Domain Drive, Exeter, New Hampshire 03833.

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 PERFORMANCE SPORTS GROUP LTD. et al

Court File No.: CV-16-11582-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

FIFTH REPORT OF THE MONITOR

January 13, 2017

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Lawyers for Ernst & Young Inc.,
the Court-appointed Monitor