



GROUPE DYNAMITE INC.
5592, rue Ferrier
Ville Mont-Royal, Québec, H4P 1M2
groupedynamite.com



September 13, 2021

To: Creditors of Groupe Dynamite Inc., GRG USA Holdings Inc. and GRG USA LLC

RE: Proposed Joint Plan of Compromise and Arrangement

Dear Sir/Madam:

As you are aware, on September 8, 2020, we initiated a process pursuant to the *Companies' Creditors Arrangement Act* (the "**CCA**") and the Chapter 15 of the *U.S. Bankruptcy Code* which was triggered by the onslaught of the pandemic. As a significant number of businesses, COVID-19 caused an unexpected and unsustainable strain on our business and a significant decrease in our sales due to sudden and unforeseen impact within the retail sector.

Since the beginning of our restructuring, we have worked tirelessly to restructure our affairs in a new COVID-friendly operating model for the benefit of all stakeholders. We are confident that the steps we have taken to restructure our business have best positioned us for the future.

We are now at the end of our process and to finalize same, we developed the enclosed Joint Plan of Compromise and Arrangement (the "**Plan**"). Once approved by our creditors and sanctioned by the Court, the Plan will:

- Provide for the distribution of an amount of at least 7 % of your admitted proof of claim as of September 30, 2021;
- Effect a compromise, settlement and payment of our creditors' claims in an efficient and cost-effective fashion;
- Ensure our continued operations; and
- Resolve our restructuring process with certainty and finality.

We firmly believe that the persons who have a valid economic interest in us will derive a greater benefit from the implementation of the Plan than they would derive from a liquidation of our business in a bankruptcy scenario.

Most importantly, the Plan provides us and many of our stakeholders, including employees, business partners and customers, with the continued opportunity to work and do business together.

The meeting of creditors to consider and vote on the Plan will be held virtually on September 30, 2021 at 10:00 am (Montréal time). Creditors who wish to attend the meeting are required to register, the whole as more fully set forth in the meeting materials enclosed herewith.



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Once the creditors have approved the Plan at the creditors' meeting, we expect to address the Court, on or about October 7, 2021, and obtain an order sanctioning the Plan, both in Canada and in the United States of America, and shortly thereafter to remit the Plan Contribution Amount (as defined in the Plan) for a prompt distribution to the creditors.

We urge you to review the Plan and the Monitor's report in connection therewith (the Monitor recommends that creditors vote in favour of the Plan) and consider:

- Sending without delay to the Monitor either your proxy and voting form, or your convenience voting and election form; or
- Attending the meeting and, hopefully, support us by voting in favour of the Plan.

Please note that the deadline to provide your proxy and voting form or your convenience voting and election form to the Monitor is before the beginning of the Creditors' Meeting.

Additional information is available on the website that is maintained by the Monitor in respect of our restructuring process at <https://www.insolvencies.deloitte.ca/en-ca/Pages/GDI.aspx> or by making a request to the Monitor by email at groupedynamite@deloitte.ca.

We are available to discuss any of the above or our ongoing or future relationship at your convenience.

We thank you for your continued support, cooperation and confidence through our restructuring process.

We sincerely hope that you will vote for the Plan for the sake of our ongoing or future relationship.

Yours very truly,

Groupe Dynamite Inc., GRG USA Holdings Inc. and GRG USA LLC

Per: Andrew Lutfy, President and CEO