

Reitmans (Canada) Limited announces its results for the 13 and 52 weeks ended January 29, 2022

MONTREAL, April 21, 2022 /CNW/ - The Company's results for the 13 weeks ended January 29, 2022 ("fourth quarter of 2022") and the results for the 52 weeks ended January 29, 2022 ("fiscal 2022") and the respective comparative periods of the 13 weeks ended January 30, 2021 ("fourth quarter of 2021") and the 52 weeks ended January 30, 2021 ("fiscal 2021"). Certain measures, including those expressed on an adjusted basis, are non-GAAP measures. See section entitled "Non-GAAP Financial Measures".

52 weeks ended January 29, 2022

Sales for fiscal 2022 increased by \$128.6 million, or 24.1%, to \$662.0 million as compared with \$533.4 million for fiscal 2021, primarily due to the Company's store network operating capacity being closed for far fewer total number of days while under partial lockdowns for fiscal 2022 as compared to a phased store re-opening from full and partial lockdowns for fiscal 2021, resulting in an increase in store traffic and number of transactions, with customers transitioning back to a "brick and mortar" shopping experience and an increase in the Company's e-commerce sales.

Gross profit for fiscal 2022 increased \$106.8 million, or 43.4%, to \$353.1 million as compared with \$246.3 million for fiscal 2021. Gross profit as a percentage of sales for fiscal 2022 increased to 53.3% from 46.2% for fiscal 2021. The increase both in gross profit and as a percentage of sales is primarily attributable to lower markdowns and promotional activity in fiscal 2022 combined with a favourable foreign exchange impact on U.S. dollar denominated purchases included in cost of goods sold, partially offset by higher merchandise freight costs as the global shipping industry disruption required an increased usage of air freight shipments to meet customer demand.

Results from operating activities from continuing operations for fiscal 2022 were earnings of \$143.1 million as compared with a loss of \$108.0 million for fiscal 2021. The increase in earnings of \$251.1 million is primarily attributable to a \$88.6 million gain on settlement of liabilities subject to compromise, the increase in gross profit of \$106.8 million from higher sales and lower promotional activity and a decrease in overall operating costs of \$55.7 million. The decrease in overall operating costs is primarily attributable to a decrease in restructuring costs of \$32.8 million, fewer stores, improved lease arrangements, lower depreciation and amortization of \$16.4 million, a decrease in impairment charges of \$14.9 million and a decrease in overall freight costs of \$2.4 million as customers transitioned back to a in-store shopping experience, partially offset by an increase in store personnel wages and higher digital media advertising spend and a decrease of \$12.7 million in financial support from the Canada Emergency Wage Subsidy ("CEWS"), the Canada Emergency Rent Subsidy ("CERS") and the Tourism and Hospitality Recovery Program ("THRP") programs.

Net earnings from continuing operations for fiscal 2022 was \$143.2 million (\$2.93 basic and diluted earnings per share) as compared with a \$100.0 million net loss (\$2.05 basic and diluted loss per share) for fiscal 2021. The increase in net earnings from continuing operations of \$243.2 million is primarily attributable to a recovery of restructuring costs, the gain realized on settlement of liabilities subject to compromise, the increase in gross profit, a decrease in overall operating costs and an increase in tax recovery, partially offset by an increase in net finance costs.

Adjusted EBITDA¹ from continuing operations for fiscal 2022 was \$94.8 million as compared to \$6.6 million for fiscal 2021. The increase of \$88.2 million is primarily attributable to the increase of \$106.8 million in gross profit, partially offset by an increase in operating costs (excluding restructuring costs, depreciation, amortization and impairment of non-financial assets) of \$8.4 million and a decrease of

\$10.2 million in foreign exchange gain.

The Company, as part of its restructuring plan, closed the Thyme Maternity and Addition Elle banners during fiscal 2021 (see section entitled "Discontinued Operations"). Net earnings from discontinued operations for fiscal 2022 was \$15.0 million as compared to a net loss from discontinued operations of \$72.2 million for fiscal 2021. As the discontinued banners were not in operation during fiscal 2022, the net earnings of \$15.0 million resulted from an adjustment to the provision for disclaimed leases and the total liabilities subject to compromise under the Plan of Arrangement (see section entitled "Other Key Company Updates").

13 weeks ended January 29, 2022

Sales for the fourth quarter of 2022 increased by \$45.5 million, or 31.4%, to \$190.2 million as compared with \$144.7 million for the fourth quarter of 2021, primarily due to an increase in store traffic and number of transactions as a fewer number of the Company's retail stores operated under government imposed store capacity restrictions during a portion of the fourth quarter of 2022 as compared to a larger number of the Company's retail stores being closed under partial lockdowns during the fourth quarter of 2021.

Gross profit for the fourth quarter of 2022 increased \$31.3 million, or 48.2%, to \$96.2 million as compared with \$64.9 million for the fourth quarter of 2021. Gross profit as a percentage of sales for the fourth quarter of 2022 increased to 50.6% from 44.9% for the fourth quarter of 2021. The increase both in gross profit and as a percentage of sales is primarily attributable to lower markdowns and promotional activity in the fourth quarter of 2022 combined with a favourable foreign exchange impact on U.S. dollar denominated purchases included in cost of goods sold, partially offset by higher merchandise freight costs as the global shipping industry disruption required an increased usage of air freight shipments to meet customer demand.

Results from operating activities from continuing operations for the fourth quarter of 2022 were earnings of \$96.1 million as compared with a loss of \$11.8 million for the fourth quarter of 2021. The increase in earnings of \$107.9 million is primarily attributable to a \$88.6 million gain on settlement of liabilities subject to compromise and the increase in gross profit of \$31.3 million from higher sales and lower promotional activity, partially offset by an increase in overall operating costs of \$12.0 million. The increase in overall operating costs is primarily attributable to higher store personnel wages and higher digital media spend during the fourth quarter of 2022, an increase in restructuring costs of \$5.0 million, a decrease of \$4.5 million in the total combined financial support from the CEWS, CERS and THRP programs, partially offset by improved lease arrangements, fewer stores, lower depreciation and amortization of \$2.7 million and lower impairment charges of \$1.2 million.

Net earnings from continuing operations for the fourth quarter of 2022 was \$97.2 million (\$1.99 basic and diluted earnings per share) as compared with a \$10.9 million net loss from continuing operations (\$0.22 basic and diluted loss per share) for the fourth quarter of 2021. The increase in net earnings from continuing operations of \$108.1 million is primarily attributable to the gain realized on settlement of liabilities subject to compromise, the increase in gross profit, an increase in net finance income, partially offset by an increase in overall operating costs and a decrease in income tax recovery.

Adjusted EBITDA¹ from continuing operations for the fourth quarter of 2022 was \$23.5 million as compared with \$2.8 million for the fourth quarter of 2021. The increase of \$20.7 million is primarily attributable to the increase of \$31.3 million in gross profit and an increase of \$0.3 million in foreign exchange gain on U.S. denominated monetary assets and liabilities, partially offset by an increase in operating costs (excluding restructuring costs, depreciation, amortization and impairment of non-financial assets) of \$10.9 million.

As highlighted in the section entitled "Discontinued Operations", the Company, as part of its restructuring plan, closed the Thyme Maternity and Addition Elle banners in fiscal 2021. The

discontinued banners were not in operation during the fourth quarter of 2022 or the fourth quarter of 2021.

COVID-19

The COVID-19 pandemic had significant impacts on the Company's results.

During fiscal 2021, all of the Company's stores were closed for 55 consecutive days from the start of the "first wave" of governmental lockdowns. During the second quarter of 2021, the Company had a phased reopening of its stores and by the end of June 2020, all of the Company's stores were open for business. During the fourth quarter of 2021, as the number of COVID-19 cases increased and government-imposed restrictions became effective, temporary store closures grew to approximately 62% (at its highest point) of the Company's total retail store network.

At the beginning of fiscal 2022, the Company had 240 out of its 415 stores (58% of its store network) closed as a consequence of governmental lockdown directives. This partial lockdown of the Company's retail store network continued into the first quarter of 2022. Even though restrictions were relaxed and some stores reopened, in April 2021 a "third wave" resulting in increased COVID-19 cases required some further governmental lockdowns. By the end of June 2021, all temporarily closed stores had reopened. However, a "fourth and fifth wave" of COVID-19 variant cases resulted in most provincial authorities imposing store capacity restrictions during a portion of the fourth quarter of 2022. As at January 29, 2022, while all of the company's stores were open, store capacity restrictions were still in effect by most provincial authorities.

During partial or full lockdowns, the Company continued to fulfill e-commerce orders though sales were not sufficient to offset the lost sales due to the closures. In June 2021, the Company implemented its buy online pick up in store ("BOPIS") initiative to enhance its customers' omnichannel experience and reduce freight costs on fulfilling e-commerce orders. Since BOPIS only started in June 2021, the impact on the Company's operating results for the fourth quarter of 2022 and fiscal 2022 was minimal in relation to freight costs.

During fiscal 2022, the Company's measures to protect its financial situation continued to include furloughing retail sales associates during temporary store closures and obtaining financial assistance from federal programs, such as the CEWS, the CERS and the THRP, under which the subsidies were consolidated starting from October 24, 2021. Such measures and financial assistance mitigated the financial impact of COVID-19 on the Company's business.

The extent to which COVID-19 and its variants will continue to impact the Company's business, including its supply chain, consumer shopping behavior and consumer demand, including online shopping, will depend on future developments, which are highly uncertain and cannot be predicted at this time. These future developments include emergence of new variants of COVID-19 resulting in a resurgence of positive COVID-19 cases, vaccination rates amongst the Canadian population and other measures taken by various government authorities to contain the virus and its variants spread for potential future waves as well as future customer shopping behavior including online sales. As the Company navigates through the challenges caused by COVID-19 and its variants, its focus is to adapt to customers' changing product preferences, closely monitor its cash position and control its spending, while managing its inventory levels in line with the change in demand behavior since COVID-19 started. Current financial information may not necessarily be indicative of future operating results.

Other Key Company Updates

During fiscal 2021, specifically on May 19, 2020, the Company obtained an initial order (the "Order") from the Superior Court of Québec (the "Court") to seek protection from creditors under the Companies' Creditors Arrangement Act (the "CCAA") and Ernst & Young Inc. was appointed as the

Monitor. The CCAA process allowed the Company to implement an operational and commercial restructuring plan which included the closure of the Thyme Maternity and Addition Elle banners (see section entitled "Discontinued Operations"). On November 26, 2021, the Company obtained authorization from the Court to file its Plan of Arrangement ("the Plan") under CCAA. On December 21, 2021, the Company obtained approval of the Plan from its creditors and on January 4, 2022, the Company obtained a sanction order from the Court of its Plan. On January 12, 2022, in accordance with the Plan, the Company paid the Monitor the aggregate amount of \$95.0 million in full and final settlement of all claims from its creditors affected by the Plan, and emerged from the CCAA proceedings. Concurrently, the Company secured a senior secured asset-based revolving facility with a Canadian financial institution of up to \$115.0 million ("borrowing base") or its U.S. dollar equivalent, which matures on January 12, 2025. Up to \$35.0 million (or its U.S. dollar equivalent) of the \$115.0 million facility can be withdrawn through secured letters of credit. As of January 29, 2022, the Company's borrowing base was \$90.7 million of which \$29.6 million was drawn down under the revolving credit facility.

Discontinued Operations

During fiscal 2021, as part of its restructuring plan, the Company closed the Thyme Maternity and Addition Elle banners which resulted in the termination of approximately 1,600 employees in its retail locations and head office and, as a result, these results and cash flows have been classified as discontinued operations. Discontinued operations are excluded from the net earnings (loss) from continuing operations and are presented as earnings (loss) from discontinued operations, net of tax, as a separate line item in the consolidated statements of earnings (loss).

About Reitmans (Canada) Limited

The Company is a leading women's specialty apparel retailer with retail outlets throughout Canada. As at January 29, 2022, the Company operated 404 stores consisting of 237 Reitmans, 90 Penningtons and 77 RW&CO.

¹Non-GAAP Financial Measures

This press announcement makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for the Company's analysis of its financial information reported under IFRS.

Financial Measures

This press announcement discusses adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and is considered a non-GAAP financial measure. This press announcement also indicates Adjusted EBITDA as a percentage of sales and is considered a non-GAAP financial ratio. Adjusted EBITDA is defined as net earnings (loss) before income tax expense/recovery, interest income, interest expense, depreciation, amortization, impairment of non-financial assets, restructuring costs and recoveries and gain on settlement of liabilities subject to compromise. With the classification of the Addition Elle and Thyme Maternity businesses as discontinued operations, Adjusted EBITDA is presented excluding discontinued operations. The intent of Adjusted EBITDA is to provide additional useful information to investors and analysts. Management believes that Adjusted EBITDA is an important indicator of the Company's ability to generate liquidity through operating cash flow to fund working capital needs and fund capital expenditures and uses the metric for this purpose. Management believes that Adjusted EBITDA as a percentage of sales indicates how much liquidity is generated for each dollar of sales. The exclusion

of interest income and expenses eliminate the impact on earnings derived from non-operational activities. The exclusion of depreciation, amortization and impairment charges eliminates the non-cash impact, and the exclusion of restructuring items, gain on settlement of liabilities subject to compromise and discontinued operations presents the results of the on-going business.

The following table reconciles net earnings (loss) from continuing operations to Adjusted EBITDA from continuing operations:

	For the fourth quarter of		For fiscal	
	2022	2021	2022	2021
Net earnings (loss) from continuing operations	\$ 97.2	\$ (10.9)	\$ 143.2	\$ (100.0)
Depreciation and amortization	11.3	14.0	47.6	64.0 ¹
Impairment of non-financial assets	2.2	3.4	1.6	16.5
Interest income	(0.1)	(0.1)	(0.4)	(0.4)
Interest expense on lease liabilities	1.0	1.4	4.0	5.7
Income tax (recovery) expense	-	(0.5)	(0.4)	0.2
Restructuring	0.5	(4.5) ²	(12.2)	20.6 ²
Gain on settlement of liabilities subject to compromise	(88.6)	-	(88.6)	-
Adjusted EBITDA from continuing operations	\$ 23.5	\$ 2.8	\$ 94.8	\$ 6.6
Adjusted EBITDA from continuing operations as % of Sales	12.4%	1.9%	14.3%	1.2%

¹ Depreciation and amortization has been increased by \$11.5 million with a corresponding decrease to selling, distribution and administrative expenses for fiscal 2021 to properly record depreciation and amortization expense for continuing operations. See Notes 4, 8, 9 and 10 of the audited consolidated financial statements for fiscal 2022.

² In order to conform to the fiscal 2022 presentation, comparative figures have been decreased by \$3.7 million for the fourth quarter of 2021 and decreased by \$5.9 million for fiscal 2021 due to a reclassification of rent and occupancy costs recovered on lease re-negotiations to restructuring costs (gains), net. See Note 16 of the audited consolidated financial statements for fiscal 2022.

Forward-Looking Statements

All of the statements contained herein, other than statements of fact that are independently verifiable at the date hereof, are forward-looking statements. Such statements, based as they are on the current expectations of management, inherently involve numerous risks and uncertainties, known and unknown, many of which are beyond the Company's control, including statements regarding the impact of COVID-19 on the Company's business, financial position and operations, and are based on several assumptions which give rise to the possibility that actual results could differ materially from the Company's expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved.

Consequently, the Company cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits the Company will derive from them. Forward-looking statements are provided in this press announcement for the purpose of giving information about management's current expectations and plans as of the date of this press announcement, and allowing investors and others to get a better understanding of the Company's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose. Forward-looking statements are based upon the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and currently expected future developments, as well as other factors it believes, are appropriate in the circumstances.

This press announcement contains forward-looking statements about the Company's objectives, plans, goals, expectations, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this press announcement include, but are not limited to, statements with respect to the Company's belief in its strategies and its brands and their capacity to generate long-term profitable growth, future liquidity, planned capital expenditures, amount of pension plan contributions, status and impact of systems implementation, the ability of the Company to successfully implement its strategic initiatives and cost reduction and productivity improvement initiatives as well as the impact of such initiatives. These specific forward-looking statements are contained throughout the Company's Management Discussion & Analysis ("MD&A") including those listed in the "Operating Risk Management" and "Financial Risk Management" sections of the MD&A.

Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may" and "should" and similar expressions, as they relate to the Company and its management.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Please refer to the "Forward-Looking Statements" section of the Company's MD&A for fiscal 2022.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time. The reader should not place undue reliance on any forward-looking statements included herein. These statements speak only as of the date made and the Company is under no obligation and disavows any intention to update or revise such statements as a result of any event, circumstances or otherwise, except to the extent required under applicable securities law.

The Company's complete financial statements including notes and Management's Discussion and Analysis for fiscal 2022 are available online at www.sedar.com.

Montreal, April 21, 2022

Stephen F. Reitman

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REITMANS (CANADA) LIMITED
CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
(Unaudited)
(in thousands of Canadian dollars except per share amounts)

	For the 13 weeks ended		For the 52 weeks ended	
	January 29, 2022	January 30, 2021 ⁽¹⁾	January 29, 2022	January 30, 2021 ⁽¹⁾
Sales	\$ 190,220	\$ 144,687	\$ 661,952	\$ 533,362
Cost of goods sold	94,013	79,792	308,787	287,108
Gross profit	96,207	64,895	353,165	246,254
Selling and distribution expenses	75,503	70,380	272,453	284,803
Administrative expenses	10,455	7,451	36,817	32,342
Impairment of non-financial assets	2,239	3,421	1,611	16,524
Restructuring	477	(4,554)	(12,249)	20,583
Gain on settlement of liabilities subject to compromise	(88,613)	-	(88,613)	-
Results from operating activities	96,146	(11,803)	143,146	(107,998)
Finance income	2,149	1,785	3,725	13,897
Finance costs	1,011	1,371	4,067	5,744
Earnings (loss) before income taxes	97,284	(11,389)	142,804	(99,845)
Income tax (recovery) expense	(32)	(469)	(420)	191
Earnings (loss) from continuing operations	97,316	(10,920)	143,224	(100,036)
Earnings (loss) from discontinued operations, net of tax	-	-	15,032	(72,181)
Net earnings (loss)	\$ 97,316	\$ (10,920)	\$ 158,256	\$ (172,217)
Earnings (loss) per share:				
Basic	\$ 1.99	\$ (0.22)	\$ 3.24	\$ (3.52)
Diluted	1.99	(0.22)	3.24	(3.52)

Earnings (loss) per share from continuing operations:

Basic	\$ 1.99	\$ (0.22)	\$ 2.93	\$ (2.05)
Diluted	1.99	(0.22)	2.93	(2.05)

(1) Comparative figures have been restated to correctly present depreciation and amortization recognized in selling and distribution expenses, impairment of non-financial assets and restructuring.

RETMANS (CANADA) LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(in thousands of Canadian dollars)

	For the 13 weeks ended		For the 52 weeks ended	
	January 29, 2022	January 30, 2021	January 29, 2022	January 30, 2021
Net earnings (loss)	\$ 97,316	\$ (10,920)	\$ 158,256	\$ (172,217)
Other comprehensive income (loss)				
Items that are or may be reclassified subsequently to net earnings:				
Cash flow hedges (net of tax of \$273 for the 52 weeks ended January 30, 2021)	-	-	-	(754)
Foreign currency translation differences	(151)	180	1	127
	(151)	180	1	(627)
Items that will not be reclassified to net earnings:				
Actuarial gain on defined benefit plan (net of tax of nil for the 13 weeks and 52 weeks ended January 29, 2022 and January 30, 2021)	3,886	700	3,886	700
Total other comprehensive income	3,735	880	3,887	73
Total comprehensive income (loss)	\$ 101,051	\$ (10,040)	\$ 162,143	\$ (172,144)

RETMANS (CANADA) LIMITED
CONSOLIDATED BALANCE SHEETS

As at January 29, 2022 and January 30, 2021

(Unaudited)

(in thousands of Canadian dollars)

	2022	2021 ⁽¹⁾
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 25,502	\$ 75,162
Trade and other receivables	7,606	10,668
Inventories	118,972	96,122
Prepaid expenses and other assets	42,590	32,100
Total Current Assets	194,670	214,052
NON-CURRENT ASSETS		
Restricted cash	2,757	2,753
Property and equipment	65,970	66,112
Intangible assets	5,613	10,331
Right-of-use assets	44,978	103,831
Pension asset	100	-
Deferred income taxes	186	151
Total Non-Current Assets	119,604	183,178
TOTAL ASSETS	\$ 314,274	\$ 397,230
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Revolving credit facility	\$ 29,634	\$ -
Trade and other payables	34,478	31,522
Deferred revenue	13,490	12,462
Income taxes payable	537	1,169
Current portion of lease liabilities	20,888	35,303
Liabilities subject to compromise	-	204,083
Total Current Liabilities	99,027	284,539
NON-CURRENT LIABILITIES		
Lease liabilities	31,419	87,914

Pension liability	-	3,092
Total Non-Current Liabilities	31,419	91,006

SHAREHOLDERS' EQUITY

Share capital	27,406	27,406
Contributed surplus	10,295	10,295
Retained earnings (deficit)	146,980	(15,162)
Accumulated other comprehensive loss	(853)	(854)
Total Shareholders' Equity	183,828	21,685

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY **\$ 314,274** **\$ 397,230**

(1) Comparative figures have been restated to correctly present restricted cash as non-current assets as at January 30, 2021.

RETMANS (CANADA) LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the 52 weeks ended January 29, 2022 and January 30, 2021

(Unaudited)

(in thousands of Canadian dollars)

	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance as at January 31, 2021	\$ 27,406	\$ 10,295	\$ (15,162)	\$ (854)	\$ 21,685
Net earnings	-	-	158,256	-	158,256
Total other comprehensive income	-	-	3,886	1	3,887
Total comprehensive income for the year	-	-	162,142	1	162,143
Balance as at January 29, 2022	\$ 27,406	\$ 10,295	\$ 146,980	\$ (853)	\$ 183,828
Balance as at February 2, 2020	\$ 27,406	\$ 10,283	\$ 156,355	\$ (227)	\$ 193,817
Net loss	-	-	(172,217)	-	(172,217)
Total other comprehensive income (loss)	-	-	700	(627)	73
Total comprehensive loss for the year	-	-	(171,517)	(627)	(172,144)
Share-based compensation costs	-	12	-	-	12
Total contributions by owners of the Company	-	12	-	-	12
Balance as at January 30, 2021	\$ 27,406	\$ 10,295	\$ (15,162)	\$ (854)	\$ 21,685

RETMANS (CANADA) LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in thousands of Canadian dollars)

	For the 13 weeks ended		For the 52 weeks ended	
	January 29, 2022	January 30, 2021 ⁽¹⁾	January 29, 2022	January 30, 2021 ⁽¹⁾
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES				
Net earnings (loss)	\$ 97,316	\$ (10,920)	\$ 158,256	\$ (172,217)
Adjustments for:				
Depreciation and amortization	11,323	14,040	47,585	68,231
Impairment of non-financial assets	2,239	3,421	1,611	31,342
Share-based compensation costs	-	5	-	12
Net change in transfer of realized gain on cash flow hedges to inventory	-	-	-	(250)
Foreign exchange (loss) gain	(1,271)	846	518	(435)
Gain on lease re-measurements due to restructuring	(1,659)	(2,205)	(6,732)	(8,216)
Gain on settlement of liabilities subject to compromise	(88,613)	-	(88,613)	-
Interest on lease liabilities	970	1,370	4,026	6,201
Interest on revolving credit	41	-	41	-
Interest income	(123)	(64)	(353)	(436)
Income tax (recovery) expense	(32)	(469)	(420)	271
	20,191	6,024	115,919	(75,497)
Changes in:				
Trade and other receivables	(1,462)	(4,663)	3,059	(4,510)
Inventories	14,561	15,731	(22,850)	51,306
Prepaid expenses and other assets	(5,881)	(2,026)	(10,490)	(22,659)
Pension asset	144	165	694	(20,421)

Trade and other payables	(5,786)	(14,300)	3,272	(78,644)
Liabilities subject to compromise	(96,952)	971	(114,419)	194,615
Deferred revenue	2,964	2,452	1,028	(2,580)
Cash (used in) from operating activities	(72,221)	4,354	(23,787)	41,610
Interest received	117	77	356	591
Income taxes received	-	(750)	-	133
Income taxes paid	(130)	-	(1,298)	(2,139)
Net cash flows (used in) from operating activities	(72,234)	3,681	(24,729)	40,195
CASH FLOWS USED IN INVESTING ACTIVITIES				
Additions to property and equipment and intangible assets, net	(8,340)	(1,370)	(15,222)	(6,164)
Cash flows used in investing activities	(8,340)	(1,370)	(15,222)	(6,164)
CASH FLOWS FROM (USED) IN FINANCING ACTIVITIES				
Restricted cash	(1)	(3)	(4)	(2,753)
Revolving credit facility	29,634	-	29,634	-
Payment of lease liabilities	(9,367)	(6,867)	(38,822)	(46,818)
Cash flows from (used in) financing activities	20,266	(6,870)	(9,192)	(49,571)
FOREIGN EXCHANGE GAIN (LOSS) ON CASH HELD IN FOREIGN CURRENCY	1,139	(246)	(517)	1,292
NET DECREASE IN CASH	(59,169)	(4,805)	(49,660)	(14,248)
CASH, BEGINNING OF THE PERIOD	84,671	79,967	75,162	89,410
CASH, END OF THE PERIOD	\$ 25,502	\$ 75,162	\$ 25,502	\$ 75,162

(1) Comparative figures have been restated to correctly present depreciation and amortization and impairment of non-financial assets.

SOURCE Reitmans (Canada) Limited

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