

PesoRama Reports Q3 2022 Financial Results

- Sales increased by 57.0% to \$4,125,085
- Product gross margins increased by 37.6% to \$1,549,154
- Merchandising strategies, product assortment, and overall customer experience increased store traffic by 153.0% and average ticket by 16.9%

Toronto, Ontario--(Newsfile Corp. - December 28, 2022) - [PesoRama Inc. \(TSXV: PESO\)](#) ("**PesoRama**" or the "**Company**"), a Canadian company operating dollar stores in Mexico under the JOi Canadian Stores brand, today announced its financial results for the third quarter ended October 31, 2022 ("**Q3 2022**"). All financial figures are in Canadian dollars unless otherwise noted.

"As the only true dollar store company in Mexico, we are constantly innovating and pushing the boundaries of what is possible," said Erica Fattore, President & CEO of PesoRama. "Creating a new market space requires strategic thinking, operational excellence, and execution, which is reflected in this quarter's results. During Q3 2022, we saw a significant increase in-store traffic of 153%, and average ticket grew by 16.9% over Q2 2022. We attribute this to the success of our unique merchandising strategies, product assortment, and overall customer experience. Our JOi Dollar Plus Stores are increasing in popularity as we continue to expand our footprint and raise the bar in our market. We believe we have the winning strategy and we are meeting the needs of the cost-conscious shopper in a massively underserved market that will ultimately drive long-term value for our shareholders. We have big ambitions and will continue to think outside the box to set ourselves apart."

Key Financial Highlights: Q3 2022 vs Q3 2021

- Multi-price points continue to lead to increased product assortment and increased growth of new product categories across all departments.
- Sales increased by 57.0% to \$4,125,085 for the three-months ended October 31, 2022, primarily from organic growth and the opening of two additional stores since October 31, 2021.
- Product gross margins were \$1,549,154 or 37.6% for the three-months ended October 31, 2022, compared to \$923,431 or 35.1% for the same period in 2021, due to a decrease in product and freight costs per item as a result of the Company's inventory purchasing strategies.
- Adjusted EBITDA increased to a loss of \$1,658,100 from a loss of \$895,839 for the same period in 2021, primarily driven by additional public-company expenses, personnel, and infrastructure to support growth.

Key Financial Highlights: November 1 to December 20, 2022 **(compared to the same period in the prior year)**

- Same store sales increased by 24.4%
- Sales increased by 42.2%
- Traffic increased by 178.8%
- Number of transactions increased by 29.2%
- Average ticket increased by 10.1%

Key Achievements YTD 2022

- Opened 21st JOi Dollar Plus Store in December 2022 in Power Center [San Marcos, Mexico.](#)
- Opened 20th JOi Dollar Plus Store in May 2022 in [Cuernavaca, Mexico.](#)
- Opened 19th JOi Dollar Plus Store in April 2022 in [Cuernavaca, Mexico.](#)
- Expanded customer base with a larger product mix at multiple price points that appeal to more customers looking for the discount value proposition on higher valued items.
- Diversified product sources by adding South Asia and Europe for broader product assortment and supply chain risk mitigation.

This earnings news release should be read in conjunction with the Company's interim condensed consolidated financial statements for the three-month period ending October 31, 2022, which can be found on PesoRama's issuer profile on SEDAR at www.sedar.com.

About PesoRama Inc.

PesoRama, operating under the JOi Dollar Plus brand, is a Mexican value dollar store retailer. PesoRama launched operations in 2019 in Mexico City and the surrounding areas targeting high-density, high-traffic locations. PesoRama's 21 stores offer consistent merchandise offerings which include items in the following categories: household goods, pet supplies, seasonal products, party supplies, health and beauty, snack food items, confectionery, and more. For more information visit: <http://pesorama.ca/>.

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Non-IFRS Measures

There are measures included in this news release that do not have a standardized meaning under international financial reporting standards (IFRS) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures because it believes certain investors use them as a means of assessing financial performance. Adjusted gross margin, EBITDA and Adjusted EBITDA are financial measures that do not have a standardized meaning under IFRS. EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA refers to earnings before interest, taxes, depreciation, amortization, stock-based compensation, one-time transaction expenses and financing costs. Adjusted gross margin is defined as gross profit plus distribution costs divided by sales.

We prepare and release quarterly unaudited and annual audited financial statements prepared in accordance with IFRS. We also disclose and discuss certain non-GAAP (Generally Accepted Accounting Principles) financial information used to evaluate our performance in this and other earnings releases and investor conference calls as a complement to results provided in accordance with IFRS. We believe that current shareholders and potential investors in the Company use non-GAAP financial measures, such as adjusted gross margin, EBITDA, and adjusted EBITDA in making investment decisions about the Company and measuring its operational results.

Management believes that investors and financial analysts measure our business on the same basis, and we are providing the adjusted gross margin, operating profit, EBITDA, and adjusted EBITDA as financial metrics to assist in this evaluation and to provide a higher level of transparency into how we measure our own business.

Adjusted EBITDA is more fully defined and discussed, and reconciliation to IFRS financial measures is provided, in Company's Management's Discussion and Analysis ("MD&A") for the third quarter

ended October 31, 2022.

Cautionary Note

This press release contains "forward-looking information" within the meaning of applicable securities laws, including, among other things, statements regarding the Company's planned expansion, new store openings and expected future developments and other factors that have been considered appropriate. While the Company believes that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements, including due to changes in consumer behaviour, general economic factors, the ability of the Company to execute its strategies, the availability of capital and the risk factors which are discussed in greater detail in the "Risk Factors" section of the Company's prospectus dated January 31, 2022 and filed under the Company's profile on www.sedar.com. The statements in this press release are made as of the date of this release. PesoRama undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of PesoRama, its securities, or its financial or operating results (as applicable).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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