

Reitmans (Canada) Limited announces its results for the 13 and 39 weeks ended October 31, 2020

MONTREAL, Dec. 17, 2020 /CNW Telbec/ - The Company's results for the 13 weeks ended October 31, 2020 ("third quarter of 2021") and the results for the 39 weeks ended October 31, 2020 ("year to date fiscal 2021") and the respective comparative periods of the 13 weeks ended November 2, 2019 ("third quarter of 2020") and the 39 weeks ended November 2, 2019 ("year to date fiscal 2020") separately present continuing and discontinuing operations as described below under "Discontinued Operations".

13 weeks ended October 31, 2020

Sales for the third quarter of 2021 decreased by \$20.2 million, or 11.0%, to \$163.4 million, primarily attributable to a net reduction of 35 stores, as well as store traffic trends in the third quarter of 2021 that were below pre-pandemic levels (as described below under "Key Business Developments and Subsequent Events"), partially offset by an increase in e-commerce sales.

Gross profit for the third quarter of 2021 decreased \$15.2 million or 15.8%, to \$81.6 million as compared with \$96.8 million for the third quarter of 2020, primarily attributable to lower sales and a net reduction of 35 stores. Gross profit as a percentage of sales for the third quarter of 2021 decreased to 49.9% from 52.7% for the third quarter of 2020. The decrease is primarily attributable to higher promotional activity during the third quarter of 2021, particularly with respect to men's and women's work wear apparel as customer preferences and habits quickly changed upon the transition to working from home during the pandemic, combined with a negative foreign exchange impact in U.S. dollar denominated purchases included in cost of goods sold.

Results from operating activities from continuing operations for the third quarter of 2021 were a loss of \$13.5 million as compared with a loss of \$5.1 million for the third quarter of 2020. The increased loss of \$8.4 million is primarily attributable to the decrease in gross profit from lower sales and extensive promotional activity, an increase in overall freight costs of \$4.3 million incurred due to the growth in e-commerce sales, an increase of \$4.2 million of impairment charges and \$3.8 million of restructuring costs, partially offset by a decrease in overall operating costs from having fewer stores and cost-cutting measures undertaken as part of the Company's restructuring plan, lower depreciation and amortization charges of \$6.8 million and support received from the Canada Emergency Wage Subsidy ("CEWS") program of \$6.7 million for the third quarter of 2021.

Net loss from continuing operations for the third quarter of 2021 was \$14.9 million (\$0.31 basic and diluted loss per share) as compared with a net loss of \$9.4 million (\$0.19 basic and diluted loss per share) for the third quarter of 2020. The increase in net loss of \$5.5 million is primarily attributable to the decrease in results from operating activities as explained above and an increase in income tax expense from not recognizing deferred tax assets on operating losses, partially offset by a decrease in net finance costs.

Adjusted EBITDA¹ from continuing operations for the third quarter of 2021 was \$8.6 million as compared with \$15.7 million for the third quarter of 2020. The decrease of \$7.1 million is primarily attributable to the decrease of \$15.2 million in gross profit, partially offset by a reduction in operating costs (excluding restructuring costs, depreciation, amortization and impairment of non-financial assets) of \$8.0 million.

As described below under "Discontinued Operations", the Company, as part of its restructuring plan, closed the Thyme Maternity and Addition Elle banners. Net earnings from discontinued operations

for the third quarter of 2021 was \$0.4 million as compared to net loss from discontinued operations of \$13.7 million for the third quarter of 2020. The increase in net earnings of \$14.1 million is primarily attributable to a goodwill impairment charge of \$11.8 million taken in the third quarter of 2020 and a \$2.3 million increase in net earnings of the discontinued operations during the third quarter of 2021 as compared to the third quarter of 2020.

39 weeks ended October 31, 2020

Sales for the year to date fiscal 2021 decreased by \$132.4 million, or 25.4%, to \$388.7 million primarily due to the impact from temporary store closures and an overall net reduction of 35 stores, a phased store re-opening (as described below under "Key Business Developments and Subsequent Events"), as well as store traffic trends that were below pre-pandemic levels in the second and third quarter of 2021, partially offset by an increase in e-commerce sales.

Gross profit for the year to date fiscal 2021 decreased \$94.4 million, or 34.2%, to \$181.4 million as compared with \$275.8 million for the year to date fiscal 2020. Gross profit as a percentage of sales for the year to date fiscal 2021 decreased to 46.7% from 52.9% for the year to date fiscal 2020. The decrease both in gross profit and as a percentage of sales is primarily attributable to spring and summer season merchandise selling at larger discounts than usual as customer preferences and habits quickly changed upon the transition to working from home during the pandemic, lower turnover of merchandise as a result of the temporary store closures during a portion of the year to date fiscal 2021 as well as store traffic trends that were below pre-pandemic levels, combined with a negative foreign exchange impact in U.S. dollar denominated purchases included in cost of goods sold.

Results from operating activities from continuing operations for the year to date fiscal 2021 were a loss of \$96.2 million as compared with a loss of \$22.4 million for the year to date fiscal 2020. The increased loss of \$73.8 million is primarily attributable to the decrease in gross profit from lower sales and extensive promotional activity, an \$11.4 million increase in overall freight costs incurred due to the growth of e-commerce sales, an increase of \$10.4 million of impairment charges and \$27.3 million in restructuring costs, partially offset by a decrease in overall operating costs from having fewer stores and cost-cutting measures undertaken as part of the Company's restructuring plan, lower depreciation and amortization charges of \$23.1 million and support received from the CEWS program of \$26.3 million for the year to date fiscal 2021.

Net loss from continuing operations for the year to date fiscal 2021 was \$89.1 million (\$1.82 basic and diluted loss per share) as compared with a \$26.0 million net loss (\$0.44 basic and diluted loss per share) for the year to date fiscal 2020. The increase in net loss from continued operations of \$63.1 million is primarily attributable to the decrease in results from operating activities as explained above and an increase in income tax expense from not recognizing deferred tax assets on operating losses, partially offset by an increase in net finance income.

Adjusted EBITDA¹ from continuing operations for the year to date fiscal 2021 was a loss \$5.5 million as compared to earnings of \$41.6 million for the year to date fiscal 2020. The decrease of \$47.1 million is primarily attributable to the decrease of \$94.4 million in gross profit, partially offset by a reduction in operating costs (excluding restructuring costs, depreciation, amortization and impairment of non-financial assets) of \$35.1 million and an increase of \$12.2 million in foreign exchange gain, as noted above.

Net loss from discontinued operations for the year to date fiscal 2021 was \$72.2 million as compared to net loss from discontinued operations of \$9.8 million for the year to date fiscal 2020. The increase in net loss of \$62.4 million is primarily attributable to \$51.7 million in restructuring costs, an increase of \$21.1 million in impairment of non-financial assets as a result of the Company's decision to close the brands, and a decrease in gross margin from the liquidation of merchandise as the banners' stores closed, partially offset by reduced operating costs due to temporary store closures and the measures taken by the Company to reduce costs. In addition, there was no

goodwill impairment charge in year to date 2021 compared to the impairment of goodwill of \$11.8 million for the Addition-Elle banner incurred in the year to date fiscal 2020.

Key Business Developments and Subsequent Events

Since the coronavirus disease (COVID-19) was declared a pandemic on March 11, 2020 by the World Health Organization, there have been significant impacts for the Company. The measures adopted by the Federal and provincial governments in order to mitigate the spread of the pandemic required the Company to temporarily close all of its retail locations across the country effective March 17, 2020. During the period of closure, the Company's only sales were derived from its e-commerce channel; its distribution and fulfillment center remained open while the Company leveraged its ship-from-store capabilities. In late May 2020, and in accordance with the laws and regulations of each applicable region and province, the Company began to reopen its retail locations. By the end of June 2020, all of the Company's stores were open for business. During the third quarter of 2021, with the Company operating all of its stores, the impact from COVID-19 was still omnipresent. Shopping behaviour has not returned to pre-pandemic levels. From the beginning of the pandemic, consumers quickly shifted their spending habits from non-essential items (including apparel goods) to essential items and other product categories that help consumers work, learn and entertain from the comfort of their home. In late September 2020, both the Federal and certain provincial governments indicated that their respective jurisdictions were in a "second wave" of the COVID-19 pandemic. During the year to date fiscal 2021, the Company has incurred incremental costs for personal protective equipment and additional supply costs associated with social distancing protocols and cleaning regimens being put in place in its retail locations, distribution and fulfillment center and head office. Subsequent to the third quarter of 2021, with the number of daily cases continuing to increase at an accelerated rate, certain provincial governments have enacted a variety of measures, ranging from limiting the number of people allowed in the Company's stores at the same time to temporarily closing stores. The Company has temporarily closed some of its stores as a result of the measures announced by local governments corresponding to the municipalities targeted by such measures. During these temporary closures, the Company, as permitted by the applicable measures announced, will continue to fulfill e-commerce orders via its store fulfillment capabilities and will continue to follow all government and health organization guidelines.

The extent to which COVID-19 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. As the Company navigates through challenges caused by COVID-19, its focus will be 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 unprecedented change in demand behavior since COVID-19 started. Current financial information may not necessarily be indicative of future operating results.

The Company had taken many measures to protect its financial position during this challenging situation. Such measures included:

- Furloughing a substantial number of store and head office employees;
- All other employees collectively contributing to on-going cost-cutting initiatives through temporary salary reductions;
- Cancelling or delaying significant investments in capital expenditures for the remainder of fiscal 2021;
- Adjusting inventory levels by cancelling or delaying many orders;
- Reducing all non-payroll discretionary expenses, including marketing and travel; and
- Extending payment terms and asking for temporary price concessions for both merchandise and non-merchandise vendor invoices.

Such measures partially mitigated the impact of COVID-19 on the Company's business. However,

with the deterioration in the Company's financial performance and its financial position since the end of the fiscal 2020, the continued uncertainty surrounding the pandemic, and after evaluating all its strategic options, 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. Since its initial filing on May 19, 2020 the Company obtained three extensions of the protection under CCAA; initially until July 27, 2020, a second extension until October 16, 2020 and a further extension until January 22, 2021. The CCAA process allows the Company to implement an operational and commercial restructuring plan to re-position the Company for long-term success (the "restructuring plan"). On June 1, 2020, the Company announced that, as part of its restructuring plan and as approved by the Monitor, it was closing the Thyme Maternity and Addition Elle banners and reducing its workforce by approximately 1,100 employees in its retail stores and approximately 300 employees at its head office. This led to the closure of all retail stores for both banners. Their respective e-commerce websites have also ceased operations. See section entitled "Discontinued Operations".

During the third quarter of 2021, the Monitor commenced the claims process for creditor amounts owing that existed as at May 19, 2020. Creditors had to file their proof of claim and former employees had to file the appropriate notice of dispute document with the Monitor on or before October 21, 2020. The Monitor is currently working on reviewing the claims filed and will contact creditors where discrepant claims exist between the Company's records and amounts claimed. Once all claims filed have been reconciled, settlement thereof will then be addressed in a Plan of Arrangement to be filed and communicated at a later date.

In accordance with the policies of the Toronto Stock Exchange (the "TSX"), trading in Reitmans' Common shares and Class A non-voting shares was suspended on May 19, 2020 and the Company's shares were delisted from the TSX effective at the close of business on July 29, 2020. The Company began to work on a transition plan to allow trading of its shares on the TSX Venture Exchange (the "TSX-V") and, on September 3, 2020, its shares began trading on the TSX-V. The trading symbol of the Company's Common shares and Class A shares remained "RET" and "RET-A", respectively.

For the year to date fiscal 2021, the Company incurred a net loss of \$161.3 million. As at October 31, 2020, the Company's current liabilities of \$300.2 million exceed current assets of \$230.7 million. On August 5, 2020, the Company secured interim financing ("DIP Loan") up to a maximum amount of \$60 million, including facilities available for securing letters of credit of up to \$5.0 million, with a Canadian financial institution. As of the date of this press announcement, the Company has not drawn funds from the DIP Loan facility, other than for the issuance of letters of credit totalling \$0.2 million. With the uncertainties surrounding the impact of COVID-19 going forward, the Company cannot guarantee that such DIP Loan will not be utilized in the future. These factors and conditions, combined with the unpredictability of the outcome of the matters arising from the CCAA proceedings, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business.

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate and whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, management must take into account all available information about the future, including estimated future cash flows, for a period of at least twelve months following the end of the reporting period. The unaudited condensed consolidated interim financial statements as at October 31, 2020 do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis

was not appropriate. Such adjustments could be material. It is not possible to reliably estimate the length and severity of COVID-19 and the impact on the financial results and financial condition of the Company in future periods. During the remainder of fiscal 2021, the Company will continue to take into consideration the most recent developments and impacts of the pandemic, including updated assessments of future cash flows. Any additional impacts resulting from COVID-19 will be reflected in the financial results of fiscal 2021, if applicable.

Discontinued Operations

As part of its restructuring plan, the Company closed the Thyme Maternity and Addition Elle banners and, as a result, their results and cash flows have been classified as discontinued operations. IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, requires that the comparative statements of earnings and comprehensive income (loss) be presented as if the operations were discontinued from the start of the comparative year. As a result, discontinued operations are excluded from the 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).

Dividends

At the Board of Directors meeting held on December 17, 2020, to conserve cash to finance its ongoing operations, the Board decided to continue to suspend the quarterly cash dividend. The Company will continue to assess potential future dividend levels on a quarterly basis.

About Reitmans (Canada) Limited

The Company is a leading women's specialty apparel retailer with retail outlets throughout Canada. As at October 31, 2020, the Company operated 418 stores consisting of 247 Reitmans, 92 Penningtons and 79 RW&CO. As noted above, all Addition Elle and Thyme Maternity stores have been closed in connection with the restructuring plan.

¹Non-GAAP Financial Measures

The Company has identified several key operating performance measures and non-GAAP financial measures which management believes are useful in assessing the performance of the Company; however, readers are cautioned that some of these measures may not have standardized meanings under IFRS and, therefore, may not be comparable to similar terms used by other companies.

In addition to discussing earnings in accordance with IFRS, this press announcement provides adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") as a non-GAAP financial measure. Adjusted EBITDA is defined as net earnings before income tax expense/recovery, dividend income, interest income, net change in fair value and loss on disposal of marketable securities, interest expense, depreciation, amortization, impairment of non-financial assets and restructuring costs. The Company updated its definition of Adjusted EBITDA to exclude the restructuring costs which have been incurred as a result of the restructuring plan. Subsequent to the classification of the Addition Elle and Thyme Maternity businesses as discontinued operations, Adjusted EBITDA has also been modified to exclude discontinued operations.

The following table reconciles the most comparable GAAP measure, net earnings or loss from continuing operations, to Adjusted EBITDA. 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. The exclusion of dividend income, interest income and expense and the net change in fair value and loss on disposal of marketable securities eliminates 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 costs and discontinued operations presents the results of the on-going businesses. The intent of Adjusted EBITDA is to provide additional useful information to investors and analysts. The measure does not have any standardized meaning under IFRS. Although depreciation, amortization and impairment charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, as such, Adjusted EBITDA does not reflect any cash requirements for these replacements. Adjusted EBITDA should not be considered either as discretionary cash available to invest in the growth of the business or as a measure of cash that will be available to meet the Company's obligations. Other companies may calculate Adjusted EBITDA differently. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring. Adjusted EBITDA should not be used in substitute for measures of performance prepared in accordance with IFRS or as an alternative to net earnings, net cash provided by operating, investing or financing activities or any other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with IFRS. Although Adjusted EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, it has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under IFRS.

The Company uses a key performance indicator ("KPI"), comparable sales, to assess store performance and sales growth. The Company engages in an omnichannel approach in connecting with its customers by appealing to their shopping habits through either online or store channels. This approach allows customers to shop online for home delivery, purchase in any of our store locations or ship to home from another store when the products are unavailable in a particular store. Due to customer cross-channel behavior, the Company reports a single comparable sales metric, inclusive of store and e-commerce channels. Comparable sales are defined as sales generated by stores that have been continuously open during both of the periods being compared and include e-commerce sales. Comparable sales exclude sales from wholesale accounts. The comparable sales metric compares the same calendar days for each period. Although this KPI is expressed as a ratio, it is a non-GAAP financial measure that does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures used by other companies. Management uses comparable sales in evaluating the performance of stores and online sales and considers it useful in helping to determine what portion of new sales has come from sales growth and what portion can be attributed to the opening of new stores. Comparable sales is a measure widely used amongst retailers and is considered useful information for both investors and analysts. Comparable sales should not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS.

As highlighted in the section entitled "Key Business Developments and Subsequent Events", on March 17, 2020, the Company announced the temporary closure of its retail stores with store locations reopening from late May 2020 to the end of June 2020, while its e-commerce channel operated throughout the year to date fiscal 2021. Due to the unprecedented nature of COVID-19 and its significant impact on consumers and our ability to service our customers, management believes that comparable sales are not currently representative of the underlying trends of our business and consequently would not provide a meaningful metric in comparisons of year-over-year sales results. Accordingly, this press announcement does not include a discussion of the Company's comparable sales in respect of the third quarter of and year to date fiscal 2021. Management will continue to monitor and evaluate the effects of COVID-19 and will resume the evaluation of comparable sales when year-over-year results are more representative.

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

For the third quarter of

Year to date fiscal

	2021	2020 ¹	2021	2020 ¹
Net loss from continuing operations	\$ (14.9)	\$ (9.4)	\$ (89.1)	\$ (26.0)
Depreciation and amortization	13.7	20.5	38.8	62.0
Impairment of non-financial assets	4.5	0.3	12.8	2.4
Dividend income	-	(0.1)	-	(1.4)
Interest income	(0.1)	(0.4)	(0.4)	(1.3)
Net change in fair value of marketable securities	-	4.4	-	8.3
Interest expense on lease liabilities	1.4	1.5	4.4	4.6
Income tax expense (recovery)	0.2	(1.1)	0.7	(7.0)
Restructuring costs	3.8	-	27.3	-
Adjusted EBITDA from continuing operations	\$ 8.6	\$ 15.7	\$ (5.5)	\$ 41.6
Adjusted EBITDA from continuing operations as % of Sales	5.3%	10.8%	(1.7)%	10.4%

¹Comparative figures have been restated to conform to the current definition, which excludes the effect of discontinued operations.

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 the third quarter of 2021.

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 the third quarter of 2021 are available online at www.sedar.com.

Montreal, December 17, 2020

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RETMANS (CANADA) LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS
(Unaudited)
(in thousands of Canadian dollars except per share amounts)

	For the 13 weeks ended		For the 39 weeks ended	
	October 31, 2020	November 2, 2019 ⁽¹⁾	October 31, 2020	November 2, 2019 ⁽¹⁾
Sales	\$ 163,362	\$ 183,603	\$ 388,675	\$ 521,058
Cost of goods sold	81,819	86,809	207,316	245,259
Gross profit	81,543	96,794	181,359	275,799
Selling and distribution expenses	78,474	89,991	212,550	261,762
Administrative expenses	8,280	11,617	24,891	34,067
Impairment of non-financial assets	4,528	330	12,771	2,386
Restructuring costs	3,797	-	27,342	-
Results from operating activities	(13,536)	(5,144)	(96,195)	(22,416)
Finance income	201	533	12,112	2,735
Finance costs	1,406	5,892	4,373	13,310
Loss before income taxes	(14,741)	(10,503)	(88,456)	(32,991)
Income tax expense (recovery)	217	(1,106)	660	(7,031)
Net loss from continuing operations	(14,958)	(9,397)	(89,116)	(25,960)
Earnings (loss) from discontinued operations, net of tax	383	(13,700)	(72,181)	(9,806)
Net loss	\$ (14,575)	\$ (23,097)	\$ (161,297)	\$ (35,766)
Loss per share :				
Basic	\$ (0.30)	\$ (0.47)	\$ (3.30)	\$ (0.61)
Diluted	(0.30)	(0.47)	(3.30)	(0.61)
Loss per share from continuing operations :				
Basic	\$ (0.31)	\$ (0.19)	\$ (1.82)	\$ (0.44)
Diluted	(0.31)	(0.19)	(1.82)	(0.44)

(1) Comparative figures have been restated to separately present the results of continuing and discontinued operations.

RETMANS (CANADA) LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in thousands of Canadian dollars)

	For the 13 weeks ended		For the 39 weeks ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
Net loss	\$ (14,575)	\$ (23,097)	\$ (161,297)	\$ (35,766)
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 39 weeks ended October 31, 2020; net of tax of \$91 for the 13 weeks and \$75 for the 39 weeks ended November 2, 2019)	-	(249)	(754)	(207)

Foreign currency translation differences	28	13	(53)	(35)
Total other comprehensive income (loss)	28	(236)	(807)	(242)
Total comprehensive loss	\$ (14,547)	\$ (23,333)	\$ (162,104)	\$ (38,008)

REITMANS (CANADA) LIMITED
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited)
(in thousands of Canadian dollars)

	October 31, 2020	November 2, 2019	February 1, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 82,717	\$ 67,346	\$ 89,410
Trade and other receivables	6,018	7,801	6,313
Derivative financial asset	-	252	1,124
Inventories	111,853	175,254	147,428
Prepaid expenses	30,074	15,163	9,441
Total Current Assets	230,662	265,816	253,716
NON-CURRENT ASSETS			
Property and equipment	70,680	89,463	88,090
Intangible assets	11,714	19,546	20,267
Right-of-use assets	121,441	193,797	198,097
Deferred income taxes	-	30,582	-
Total Non-Current Assets	203,835	333,388	306,454
TOTAL ASSETS	\$ 434,497	\$ 599,204	\$ 560,170
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	\$ 45,663	\$ 111,294	\$ 109,674
Derivative financial liability	-	1,023	348
Deferred revenue	10,010	10,340	15,042
Income taxes payable	2,418	344	3,207
Current portion of lease liabilities	38,764	61,509	61,618
Liabilities subject to compromise	203,332	-	-
Total Current Liabilities	300,187	184,510	189,889
NON-CURRENT LIABILITIES			
Lease liabilities	98,963	141,704	152,251
Pension liability	3,627	21,089	24,213
Total Non-Current Liabilities	102,590	162,793	176,464
SHAREHOLDERS' EQUITY			
Share capital	27,406	27,406	27,406
Contributed surplus	10,290	10,277	10,283
(Deficit) retained earnings	(4,942)	215,744	156,355
Accumulated other comprehensive loss	(1,034)	(1,526)	(227)
Total Shareholders' Equity	31,720	251,901	193,817
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 434,497	\$ 599,204	\$ 560,170

REITMANS (CANADA) LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(in thousands of Canadian dollars)

	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance as at February 2, 2020	\$ 27,406	\$ 10,283	\$ 156,355	\$ (227)	\$ 193,817

Net loss	-	-	(161,297)	-	(161,297)
Total other comprehensive loss	-	-	-	(807)	(807)
Total comprehensive loss for the period	-	-	(161,297)	(807)	(162,104)
Share-based compensation costs	-	7	-	-	7
Total contributions by owners of the Company	-	7	-	-	7
Balance as at October 31, 2020	\$ 27,406	\$ 10,290	\$ (4,942)	\$ (1,034)	\$ 31,720
Balance as at February 3, 2019	\$ 38,397	\$ 10,245	\$ 292,239	\$ (1,284)	\$ 339,597
IFRS 16 adoption adjustment (net of tax)	-	-	767	-	767
Restated balance as at February 3, 2019	38,397	10,245	293,006	(1,284)	340,364
Net loss	-	-	(35,766)	-	(35,766)
Total other comprehensive loss	-	-	-	(242)	(242)
Total comprehensive loss for the period	-	-	(35,766)	(242)	(36,008)
Share-based compensation costs	-	32	-	-	32
Dividends	-	-	(8,776)	-	(8,776)
Purchase of Class A non-voting shares pursuant to substantial issuer bid	(10,991)	-	-	-	(10,991)
Excess of purchase price of Class A non-voting shares over carrying amount	-	-	(32,720)	-	(32,720)
Total (distributions to) contributions by owners of the Company	(10,991)	32	(41,496)	-	(52,455)
Balance as at November 2, 2019	\$ 27,406	\$ 10,277	\$ 215,744	\$ (1,526)	\$ 251,901

REITMANS (CANADA) LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands of Canadian dollars)

	For the 13 weeks ended		For the 39 weeks ended	
	October 31, 2020	November 2, 2019	October 31, 2020	November 2, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	\$ (14,575)	\$ (23,097)	\$ (161,297)	\$ (35,766)
Adjustments for:				
Depreciation and amortization	14,829	24,971	47,323	75,158
Impairment of non-financial assets	5,230	957	34,789	3,245
Impairment of goodwill	-	11,843	-	11,843
Share-based compensation costs	2	(124)	7	(57)
Net change in fair value of marketable securities	-	4,409	-	8,264
Net change in transfer of realized loss (gain) on cash flow hedges to inventory	-	116	(250)	1,423
Foreign exchange gain	(2,086)	(248)	(1,281)	(4,343)
Gain on lease re-measurements due to restructuring	(3,130)	-	(6,011)	-
Interest on lease liabilities	1,408	1,832	4,831	5,696
Interest and dividend income, net	(146)	(501)	(372)	(2,735)
Income tax expense (recovery)	217	(1,786)	740	(6,285)
	1,749	18,372	(81,521)	56,443
Changes in:				
Trade and other receivables	6,949	(1,206)	153	381
Inventories	(3,924)	(9,744)	35,575	(28,445)
Prepaid expenses	(8,212)	1,114	(20,633)	(1,585)
Trade and other payables	10,829	(4,115)	(64,344)	14,272
Liabilities subject to compromise	8,065	-	193,644	-
Pension liability	185	(102)	(20,586)	45
Deferred revenue	(2,422)	(2,355)	(5,032)	(4,869)
Cash from operating activities	13,219	1,964	37,256	36,242
Interest received	154	377	514	1,443
Dividends received	-	288	-	1,582
Income taxes received	771	255	883	267
Income taxes paid	(198)	(103)	(2,139)	(3,800)
Net cash flows from operating activities	13,946	2,781	36,514	35,734
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES				
Additions to property and equipment and intangible assets, net	(1,407)	(5,256)	(4,794)	(17,397)
Proceeds on sale of marketable securities	-	41,425	-	41,425
Cash flows (used in) from investing activities	(1,407)	36,169	(4,794)	24,028
CASH FLOWS USED IN FINANCING ACTIVITIES				
Dividends paid	-	(2,442)	-	(8,776)
Payment of lease liabilities	(11,510)	(18,982)	(39,951)	(56,755)
Purchases of Class A non-voting shares for cancellation	-	-	-	(43,711)
Cash flows used in financing activities	(11,510)	(21,424)	(39,951)	(109,242)
FOREIGN EXCHANGE GAIN ON CASH HELD IN FOREIGN CURRENCY	2,343	258	1,538	4,308

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,372	17,784	(6,693)	(45,172)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF THE PERIOD	79,345	49,562	89,410	112,518
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF THE PERIOD	\$ 82,717	\$ 67,346	\$ 82,717	\$ 67,346

SOURCE Reitmans (Canada) Limited

View original content: <http://www.newswire.ca/en/releases/archive/December2020/17/c1092.html>

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