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CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No.: 500-11-058299-203

S U P E R I O R C O U R T
Commercial Division
Designated tribunal under the Companies' Creditors Arrangement Act[1]

IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT OF REITMANS (CANADA) LIMITED

TENTH REPORT OF THE MONITOR – December 27, 2021

INTRODUCTION AND BACKGROUND

1. On May 19, 2020, further to a petition filed by Reitmans (Canada) Limited (the "Petitioner" or "RCL"), the Superior Court of the Province of Québec for the district of Montréal (the "Court") sitting as the designated tribunal pursuant to the Companies' Creditors Arrangement Act ("CCAA") issued an order ("Initial Order") declaring that the Petitioner is a debtor company to which the CCAA applies, appointing Ernst & Young Inc., a licensed insolvency trustee, as monitor ("EY" or the "Monitor") and granting various relief measures. At a hearing held on May 29, 2020, the Court amended, restated and extended the Initial Order ("Amended Initial Order") and on July 27, 2020, the Court issued a further order extending the stay of proceedings provided for in the Initial Order and Amended Initial Order to October 16, 2020. At a hearing held on August 20, 2020, the Court amended and restated the Initial Order granting an interim lender's charge ("Second Amended Initial Order") and issued a claims process order ("Claims Process Order"). The stay of proceedings granted by the Second Amended Initial Order was extended through subsequent Court orders and is now scheduled to expire on January 28, 2022. Further, on November 26, 2021 the Court granted a Plan Filing and Meeting Order (the "Meeting Order"):

    - Authorizing the Petitioner to file a plan of arrangement (the "Plan");
    - Authorizing and directing the Petitioner to call, hold and conduct a meeting of its affected creditors (the "Affected Creditors"), to consider and vote on the Plan (the "Creditors' Meeting");
    - Setting a date for the hearing of the Petitioner's motion seeking an Order sanctioning the Plan if the Plan is approved by the requisite majority of the affected creditors (the "Sanction Hearing"), on January 4, 2022.

2. A corporate organization chart indicating the relationship between the various entities in the corporate group (collectively, "Reitmans Group") is attached as Appendix A hereof. A description

[1] Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

of the entities comprising the Reitmans Group was included in the pre-filing report filed by EY (then as proposed monitor), dated May 18, 2020, which can be accessed on the Monitor's website at www.ey.com/ca/reitmans.

3. This report ("Report") is prepared in connection with the requirement under sections 23(1)(d) and 23(1)(i) CCAA, based on the information that has been made available to the Monitor. The Report is presented under the following headings:

- Introduction and background;
- Terms of reference and disclaimer;
- Overview of the restructuring proceedings to date;
- Quarterly reporting;
- Comparison of actual and projected cash flow results;
- Cash Flow Forecast;
- Summary of Claims received under the Court approved Claims Process;
- Summary of the results of the meeting of creditors;
- Termination of CCAA proceedings;
- Upcoming restructuring measures; and
- Overall comments and conclusions.

TERMS OF REFERENCE AND DISCLAIMER

4. The Monitor has prepared other reports since the commencement of the restructuring proceedings, which are accessible on the Monitor's website. This Report should be read in conjunction with the previous reports.

5. In preparing this 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, information from other third-party sources, and has engaged in discussions with the Petitioner's directors, senior management team ("Management") and the Petitioner's legal advisors (collectively, the "Information"). Except as otherwise described in this Report:

   - 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.

   - The Monitor has requested that Management bring to its attention any significant matters which were not addressed in the course of its specific inquiries. Accordingly, this Report is based solely on the Information (financial or otherwise) provided by the Petitioner.

   - 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 or generally accepted standards for review engagements and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information.

- In view of the purpose of the Report, some of the financial information therein may not comply with generally accepted accounting principles.

- This Report does not take into account all future impacts of COVID-19 on the forecasts or projections or other actions taken by the Petitioner as a result of the evolving pandemic situation. Any references made to the impact of the pandemic on the Petitioner in this Report are based on preliminary enquiries and are not to be interpreted as a complete commentary or as an accurate assessment of the full impact of the pandemic. The potential for unknown ramifications on consumers, supply chains, commercial counterparties (both direct and indirect to RCL's operations), future decisions that Management may make as a result of the evolving pandemic situation and potentially adverse geopolitical outcomes, means that the forecasts or projections may be impacted by the ongoing pandemic. The full impact of the pandemic cannot be qualitatively or quantitatively assessed at this time.

- Some of the information referred to in this 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 any such forecasted or projected results. Actual results will vary from the forecasts or projections, even if the estimates and assumptions are accurate, and the variations could be significant.

6. This Report has been prepared by the Monitor for purposes set forth in Paragraph 3 hereof. This Report may not be appropriate for any other purpose and consequently should not be used for any other purpose.

7. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE RESTRUCTURING PROCEEDINGS TO DATE

8. The activities of the Monitor from the date of the Initial Order until December 13, 2021 were described in the Monitor's previous reports. Since that date, the Monitor conducted the following activities:

   - Populated the Monitor's website at www.ey.com/ca/reitmans with various documents relevant to the proceedings under the CCAA.

   - Consulted with the Petitioner and its legal advisors in connection with the claims process and the Creditors' Meeting.

   - Managed the claims process including by responding to creditor queries, receiving claims, and performing data entry in a claims database to facilitate the reconciliation process.

- Managed the ongoing process of reconciling claims that present a material discrepancy from the amount reflected in the Petitioner's books and records, in collaboration with the Petitioner's employees and the Petitioner's and the Monitor's legal counsel.

- Prepared and sent notices of revision or disallowance to certain creditors.

- Responded to queries from various stakeholders and assisted the Petitioner in dealing with supplier issues.

- Worked with the Petitioner to review the Petitioner's actual cash flow as compared to the projected cash flow filed in support of the petition for an extension of the stay of proceeding and other relief dated September 13, 2021.

- Reviewed the Petitioner's disbursements as contemplated in the Initial Order.

- Assisted the Petitioner in providing financial information to the interim financing lender.

- Reviewed and compiled the voting forms and pre-registration and proxy forms received from creditors.

- Responded to various queries from creditors related to the Plan and Creditors' Meeting.

- Held the Creditors' Meeting on December 21, 2021.

- Prepared this Report in preparation for the Sanction Hearing.

9. The activities of the Petitioner from the date of the Initial Order until December 13, 2021 were described in the Monitor's previous reports. Since that date, the Petitioner conducted the following significant activities:

- Continued to manage the operations in the normal course, adapting to the various governmental restrictions in the multiple provinces in which their stores are located. As at the date of this report 413 stores are open and in operation and approximately 164 stores have been permanently closed since the date of the Initial Order.

- Assisted the Monitor in the claims process by analyzing and reconciling claims.

- Negotiated with trade suppliers to obtain necessary goods and services in the context of the Petitioner's going concern operations

- Responded to various queries from its suppliers related to the Plan and Creditors' Meeting.

QUARTERLY REPORTING

10. The third quarter of the current (2022)[2] fiscal year of the Reitmans Group ended on October 30, 2021. Reitmans Group disclosed its quarterly statements on December 16, 2021, which are annexed to this report as Appendix B.

11. The Reitmans Group generated a profit during the third quarter of 2022, due to the easing of sanitary measures in the various provinces. An outline of the consolidated results of operations is as follows:

- The revenues from continuing operations totalled $178.2M as compared to $163.4M for the same period last year, an increase of $14.8M (or 9.1%).
- The gross margin on sales from continuing operations, as a percentage of revenues, was 56.9% compared to 49.9% for the same period last year.
- Selling and distribution expenses have decreased by approximately 11.8% while administrative expenses increased by approximately 8.8%, as compared with the amount reported for the same period last year.
- In view of the above, the Reitmans Group reported a net profit from continuing operations of $22.0M compared with a net loss of $15.0M for the same period last year.

COMPARISON OF ACTUAL AND PROJECTED CASH FLOW RESULTS

12. The Petitioner reports a favourable variance in net cash flow for the 14 weeks ended December 18th, 2021, of $33.3M. This variance is primarily attributable to better-than-expected sales (permanent difference of approximately $25.6M), a favorable variance in the receipt of the Canada emergency wage and rent subsidies of $2.1M and lower than projected disbursements (approximately $5.0M). The positive disbursement variance includes $6.6M related to capex (timing), $4.0M related to merchandise (primarily timing), offset by a negative variance of $6.0M related to sales taxes (permanent), $1.8M related to rent (timing), $1.3M related to payroll and DAS (permanent) and other positive and negative permanent and timing differences. An outline of the reasons for the more significant variances is attached to this Report as Appendix C.

CASH FLOW FORECAST

13. The Petitioner has prepared a statement of projected cash flow (the "Cash Flow Forecast"), on a weekly basis, for the 20-week period ending January 29, 2022 that was annexed to the Seventh Report of the Monitor, dated September 22, 2021. Management is of the view that the assumptions upon which the Cash Flow Forecast is based remain reasonable in the circumstances.

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[2] The Reitmans Group refers to the fiscal year based on the calendar year in which the year-end falls. As such, the financial year ended February 1, 2021, was considered by the Reitmans Group to be the 2021 financial year, while the current financial year, ending January 29, 2022, is referred to as the 2022 financial year.

SUMMARY OF CLAIMS RECEIVED UNDER THE COURT APPROVED CLAIMS PROCESS

14. As presented in the Ninth Monitor's Report, the Monitor has received 1,698 claims totalling $185.6M.

15. It should be noted that the Monitor has received 5 additional claims, totalling approximately $72K, since the issuance of the Court order authorizing the review of late claims dated November 26, 2021. A list of these additional late claims is attached to this Report as Appendix D. Based on the information the Monitor obtained from these creditors, it appears that the claimants filed their claims late primarily for the following reasons:

    - Logistical delays attributed to the pandemic;
    - Claims Packages and notifications that were lost in transit or misplaced or otherwise improperly processed;
    - A misunderstanding by the claimant regarding what needed to be done with the Claims Package received;
    - The Claimant became aware of the Claims Process Order after the Claims Bar Date, notwithstanding the newspaper publications.

16. The Monitor has no reason to question the motives of creditors in the delay to file claims, and the Monitor rather believes the delay is attributable to inadvertence, logistical problems arising from the pandemic, or, in a few cases, incomplete information. The Monitor further believes that at the current stage of the proceedings, there is no significant prejudice for the Petitioner or its creditors in allowing the receipt and processing of the late filed claims.

17. The Monitor was informed that the Petitioner will be seeking an order from the Court allowing the Monitor and the Petitioner to receive and process the late filed claims. The Monitor considers this request to be reasonable and supports same, noting that it would be cumbersome, inefficient and costly for each of the late claimants to individually request the authorization of the Court to file their respective late claims.

SUMMARY OF THE RESULTS OF THE MEETING OF CREDITORS

18. On December 13, 2021, the Monitor served its Ninth Monitor's Report on the Service List and it was sent either by e-mail or ordinary mail to the Affected Creditors. A copy of the Ninth Monitor's Report was posted on the Monitor's website on December 13, 2021 as well as a translated version in French on December 17, 2021. The Ninth Monitor's Report, among other things, provided:

    - An overview of the Plan developed by the Petitioner;
    - An illustrative analysis of the estimated liquidation value of the Petitioner in the event the Plan is not approved and implemented; and
    - The Monitor's comments and recommendation with respect to the Plan.

19. As described in the Plan, there is only one class of Affected Creditors for the purpose of voting on and receiving distributions pursuant to the Plan.

20. The summary of claims received under the court approved claims process is described in the Ninth Monitor's Report.

21. In accordance with the Meeting Order, the Creditors' Meeting was duly held on December 21, 2021 at 2:00 p.m.

Procedure at the Creditors' Meeting

22. In accordance with the Meeting Order, Martin Rosenthal, a representative of the Monitor, acted as the Chair of the Creditors' Meeting. Sandra Abitan of Osler, counsel to the Monitor, was appointed as Secretary and Martin Carrière, Andrade Morabito and Véronique Hébert, representatives of the Monitor, were appointed as the scrutineers (the "Scrutineers") of the Creditors' Meeting. A copy of the minutes of the Creditors' Meeting is attached in Appendix E, to this report.

23. In addition to the creditors described below, the Creditors' Meeting was attended by representatives of the Petitioner and representatives of the Petitioner's counsel as well as representatives of the Monitor and its counsel.

Creditors' Meeting

24. The Creditors' Meeting was attended by 102 Affected Creditors with voting claims (or their appointed representatives) by videoconference and 257 Affected Creditors with voting claims had given proxies to the Monitor (the "Voting Claims"). As a result, the Chair declared a quorum was present and that the Creditors' Meeting was properly constituted.

25. The Chair advised those in attendance that, in addition to the original plan that had been provided to each creditor by email or regular mail as part of the Meeting Materials, an Amended and Restated version of the Plan was circulated to the Service List on December 20, 2021 and posted earlier in the day on the Monitor's website. In addition to minor technical edits, the amendment was limited to the addition of paragraph 5.12, which reads as follows: "Post-filing Tax Obligations: For greater certainty, nothing in the Plan shall have the effect of discharging or releasing the Debtor or the Directors from a Tax Obligation based on the facts which occurred after the Determination Date." Those in attendance were advised that this amendment merely represents a clarification and does not change anything that was previously contemplated. The Chair provided information to the Affected Creditors, in French and in English, and answered all questions asked.

26. At the Creditors' Meeting, the Chair directed a vote on a resolution to approve the Plan.

27. As described in the Plan, all Affected Creditors with a claim in an amount of $20,000 or less qualified to be in the convenience class ("Convenience Class"). Pursuant to the Meeting Order, the Affected Creditors in the Convenience Class were deemed to vote in favour of the Plan. As of the date of the Creditors' Meeting, based on the Claims Process conducted, there were 1,016 Convenience Creditors with claims totalling $5.8M.

28. At the Creditors' Meeting, a total of 257 claims for an aggregate of $18.3M, for which a proxy was given to the Monitor, were voted in favour of the Plan.

29. In addition to the Voting Claims, the holder of one disputed claim totalling $40,000 voted in favour of the Plan at the Creditors' Meeting (the "Disputed Voting Claim"). The Disputed Voting Claim relates to litigation initiated before the Initial Order, which is subject to a stay of proceedings.

30. The table below sets out the vote of the Voting Claims and the Disputed Voting Claim at the Creditors' Meeting.

	Number	Value	% Number	% Value
In favour	1,481	$148.6M	98.80%	97.75%
Against	18	$3.4M	1.20%	2.25%
Total	1,499	$152.0M	100%	100%

In conclusion, a total of 1,481 claims for an aggregate of $148.6M, voted in favour of the Plan. This represents 98.80% in number and 97.75% in value of Voting Claims.

31. In accordance with the CCAA, the Plan meets the required majorities for its approval ("Required Majority") at a majority in number of Affected Creditors representing at least two thirds in value of the Voting Claims of Affected Creditors, who are entitled to vote at the Creditors' Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy at the applicable meeting or, in the case of the Convenience Class creditors, who are deemed to have voted in favor.

32. Accordingly, the Plan was approved by the Required Majority at the Creditors' Meeting.

The Sanction Order

33. As described in detail in the Ninth Report of the Monitor, the purpose of the Plan is to allow for the continuation of the business and operations of the Petitioner and:

- Continue the uninterrupted employment of its 5,200 employees working across the stores, distribution centre and head office;

- Maintain the leases for the 413 stores across Canada, under its three banners: Reitmans, RW&CO and Penningtons, representing aggregate projected rent over the next 12-month period of approximately $67.0M;

- Maintain long-term business relationships with its current suppliers. A bankruptcy would result in significant losses for the Petitioner's current suppliers, over the next few years. The Petitioner is projecting approximately $330.4M of purchases in the next 12-month period alone;

- Effect the following payments, namely:

  - Payment in full of 1,016 Affected Claims (representing 59.8% of all Affected Claims).

  - Payment of a dividend between 60% and 100% in respect of 1,440 Affected Claims (representing 84.8% of all Affected Claims).

34. The Monitor is of the view that the Plan generally benefits the Petitioner's creditors and stakeholders, as it will allow for the continued operation of the business with the resulting benefits noted above, and it will allow the Convenience Class creditors, which represent the majority of the Affected Creditors, to receive a greater recovery than they would have in the context of a bankruptcy of the Petitioner. In addition, the Plan will allow the Affected Creditors to receive a material recovery significantly faster than in the context of a bankruptcy of the Petitioner and avoids the uncertainties and risks associated with a liquidation of the Petitioner's assets.

35. The implementation of the Plan is conditional upon the fulfilment of all of the conditions precedent set forth below (the "Plan Implementation Conditions") by the date specified therefor, except to the extent that the Petitioner, at its sole discretion, extends the time period for the fulfilment thereof:

- The Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors' Meeting, which condition has now been met;

- The Sanction Order shall have been granted by the Court by January 20, 2022 and shall have become a final order;

- The Interim Facility shall have been repaid in full by the Petitioner and the Interim Facility charge shall have been terminated and discharged; and

- The conditions precedent set forth in the Exit Financing Credit Agreement shall have been met to the satisfaction of BMO.

36. Upon satisfaction of the Plan Implementation Conditions, the Petitioner shall provide the Monitor written notice confirming same.

37. The Monitor recommended the Plan to the Affected Creditors and confirmed its view expressed in the Ninth Report of the Monitor that the Plan is fair and reasonable.

Monitor's Conclusions in Respect of the CCAA Plan

38. As set out above, the Monitor confirms that the Plan has been approved by the Required Majority of Affected Creditors, as required by the Meeting Order and the Plan and in conformity with the provisions of the CCAA.

39. The Monitor is of the view that:

- the activities of Petitioner have been in compliance with the provisions of the CCAA and the Orders of the Court granted in these CCAA proceedings;
- The Petitioner has acted and continues to act in good faith and with due diligence; and
- the Plan, including the releases provided for therein, is fair and reasonable.

UPCOMING RESTRUCTURING MEASURES

40. The Monitor currently anticipates that the implementation of the Plan would follow the timeline set out below:

    i. Within 30 days following the Plan Implementation Date, the Petitioner shall send the Distribution Pool to the Monitor; and

    ii. The Monitor shall use commercially reasonable efforts to distribute the Distribution Pool to the Affected Creditors within 60 days from the receipt of the Distribution Pool.

OVERALL COMMENTS AND CONCLUSIONS

41. Based on the work performed to date, the Monitor has no reason to question the Petitioner's diligence, good faith and proper intentions in pursuing these restructuring proceedings.

42. The Monitor considers that the restructuring efforts implemented by the Petitioner in the proceedings herein are reasonable.

43. The Monitor supports the relief sought by the Petitioner and recommends that the Sanction Order be made:

    i. approving and sanctioning the Plan;

    ii. approving the 10 Monitor's reports filed to the Court and the conduct and activities of the Monitor as set forth therein;

All of which is respectfully submitted this 27th day of December 2021.

ERNST & YOUNG INC.
Licensed Insolvency Trustee
In its capacity as the Monitor
in the matter of the proposed plan of compromise or
arrangement of Reitmans (Canada) Limited

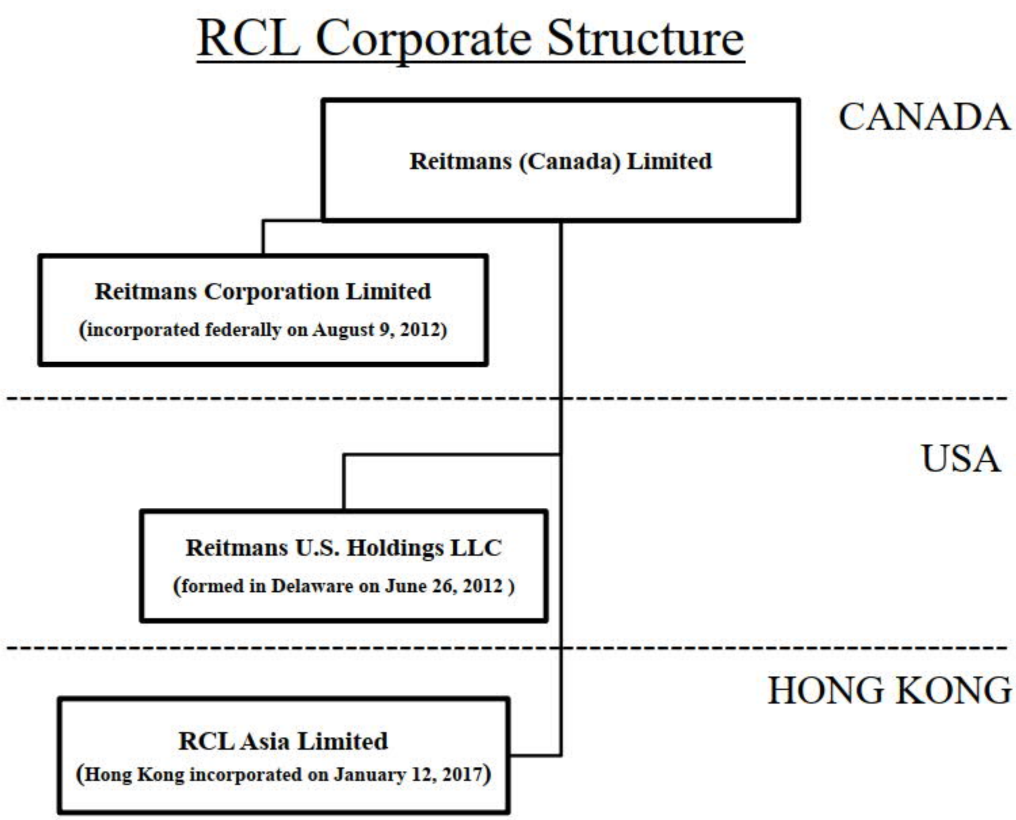
Signed Martin Rosenthal

Martin P. Rosenthal, CPA, CA, CIRP, LIT
Senior Vice-President

Martin Carrière, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix A

Appendix A



RCL Corporate Structure
CANADA
Reitmans (Canada) Limited
Reitmans Corporation Limited
(incorporated federally on August 9, 2012)
USA
Reitmans U.S. Holdings LLC
(formed in Delaware on June 26, 2012)
HONG KONG
RCL Asia Limited
(Hong Kong incorporated on January 12, 2017)

Appendix B

Reitmans (Canada) Limited announces its results for the 13 and 39 weeks ended October 30, 2021

MONTREAL, Dec. 16, 2021 /CNW/ - The Company's results for the 13 weeks ended October 30, 2021 ("third quarter of 2022") and the results for the 39 weeks ended October 30, 2021 ("year to date fiscal 2022") and the respective comparative periods of the 13 weeks ended October 31, 2020 ("third quarter of 2021") and the 39 weeks ended October 31, 2020 ("year to date fiscal 2021") separately present continuing and discontinuing operations as described below under "Discontinued Operations".

13 weeks ended October 30, 2021

Sales for the third quarter of 2022 increased by $14.8 million, or 9.1%, to $178.2 million, primarily due to an increase in store traffic and number of transactions, as customers transitioned back to a "brick and mortar" shopping experience.

Gross profit for the third quarter of 2022 increased $19.8 million to $101.4 million as compared with $81.6 million for the third quarter of 2021. Gross profit as a percentage of sales for the third quarter of 2022 increased to 56.9% from 49.9% for the third 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 third 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 third quarter of 2022 were earnings of $21.6 million as compared with a loss of $13.5 million for the third quarter of 2021. The increase in earnings of $35.1 million is primarily attributable to the increase in gross profit of $19.8 million from higher sales and lower promotional activity and a decrease in overall operating costs of $15.3 million. The decrease in overall operating costs is primarily attributable to improved lease arrangements, fewer stores, lower depreciation and amortization of $2.1 million, lower impairment charges of $4.6 million, a decrease in restructuring costs of $1.9 million and a decrease in overall freight costs of $1.1 million as customers transitioned back to a in-store shopping experience, partially offset by a decrease of $ 5.1 million in financial support from both the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs, higher store personnel wages and higher digital media spend during the third quarter of 2022.

Net earnings from continuing operations for the third quarter of 2022 was $22.0 million ($0.45 basic and diluted earnings per share) as compared with a $14.9 million net loss ($0.31 basic and diluted loss per share) for the third quarter of 2021. The increase in net earnings from continuing operations of $36.9 million is primarily attributable to the increase in gross profit, a decrease in overall operating costs, an increase in tax recovery and a decrease in net finance costs.

Adjusted EBITDA[1] from continuing operations for the third quarter of 2022 was $33.5 million as compared with $6.4 million for the third quarter of 2021. The increase of $27.1 million is attributable to the increase of $19.8 million in gross profit, a decrease in operating costs (excluding restructuring costs recovery, depreciation, amortization and impairment of non-financial assets) of $6.7 million and an increase of $0.6 million in foreign exchange gain.

The Company, as part of its restructuring plan, closed the Thyme Maternity and Addition Elle banners during the fiscal year ended January 30, 2021 (see section entitled "Discontinued

Operations"). Net earnings from discontinued operations for the third quarter of 2022 was $4.8 million as compared to net earnings from discontinued operations of $0.4 million for the third quarter of 2021. As the discontinued banners were no longer in operation during the third quarter of 2022, the net earnings of $4.8 million was due to an adjustment to the provision for disclaimed leases reflecting the most recent settlement discussions with certain landlords and the total liabilities subject to compromise under the Plan of Arrangement (see section entitled "COVID-19 and Other Key Company Updates").

39 weeks ended October 30, 2021

Sales for year to date fiscal 2022 increased by $83.0 million, or 21.4%, to $471.7 million, primarily due to the Company's store network operating capacity being closed for far fewer total number of days while under partial lockdowns during the year to date fiscal 2022 as compared to a phased store re-opening from full lockdowns during the year to date 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 the year to date fiscal 2022 increased $75.6 million, or 41.7%, to $257.0 million as compared with $181.4 million for the year to date fiscal 2021. Gross profit as a percentage of sales for the year to date fiscal 2022 increased to 54.5% from 46.7% for the year to date fiscal 2021. The increase both in gross profit and as a percentage of sales is primarily attributable to lower markdowns and promotional activity in the year to date 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 the year to date fiscal 2022 were earnings of $47.0 million as compared with a loss of $96.2 million for the year to date fiscal 2021. The increase in earnings of $143.2 million is primarily attributable to the increase in gross profit of $75.6 million from higher sales and lower promotional activity and a decrease in overall operating costs of $67.6 million. The decrease in overall operating costs is primarily attributable to a decrease in restructuring costs of $37.8 million, fewer stores, improved lease arrangements, lower depreciation and amortization of $14.0 million, a decrease in impairment charges of $13.4 million and a decrease in overall freight costs of $2.5 million as customers transitioned back to a in-store shopping experience, partially offset by a decrease of $8.2 million in financial support from both the CEWS and CERS programs, higher store personnel wages as the Company's stores were closed for fewer days and higher digital media spend during the year to date fiscal 2022.

Net earnings from continuing operations for the year to date fiscal 2022 was $45.9 million ($0.94 basic and diluted earnings per share) as compared with a net loss of $89.1 million ($1.82 basic and diluted loss per share) for the year to date fiscal 2021. The increase in net earnings from continued operations of $135.0 million is primarily attributable to 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 EBITDA[1] from continuing operations for the year to date fiscal 2022 was $71.4 million as compared to $3.8 million for the year to date fiscal 2021. The increase of $67.6 million is attributable to the increase of $75.6 million in gross profit, a decrease in operating costs (excluding restructuring costs, depreciation, amortization and impairment of non-financial assets) of $2.4 million, partially offset by a decrease of $10.4 million in foreign exchange gain.

The Company, as part of its restructuring plan, closed the Thyme Maternity and Addition Elle banners during the fiscal year ended January 30, 2021. Net earnings from discontinued operations for the year to date fiscal 2022 was $15.0 million as compared to a net loss from discontinued operations of $72.2 million for the year to date fiscal 2021. As the discontinued banners were no longer in operation during the year to date fiscal 2022, the net earnings of $15.0 million was due to an adjustment to the provision for disclaimed leases reflecting the most recent settlement discussions with certain landlords and the total liabilities subject to compromise under the Plan of Arrangement.

COVID-19 and Other Key Company Updates

The COVID-19 pandemic continues to have a significant impact on the Company's results. At the beginning of fiscal 2022, the Company had 240 out of its 415 stores (58%) 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 impacted by the "third wave" governmental lockdowns had reopened. During the third quarter of 2022, similar to the third quarter of 2021, there were no store closures in the Company's retail store network as a consequence of governmental lockdown directives. During the year to date 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 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 third quarter of 2022 and year to date fiscal 2022 was minimal in relation to freight costs.

During the year to date 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 the federal CEWS and CERS programs. 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 the speed of COVID-19 vaccination rollouts in Canada, 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 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 change in demand behavior since COVID-19 started. Current financial information may not necessarily be indicative of future operating results.

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 five extensions of the Order, with the most recent extension obtained until January 28, 2022. 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"). In August 2020, the Company had secured interim financing ("DIP Loan") up to a maximum amount of $60.0 million, including facilities available for securing letters of credit of up to $5.0 million, with a Canadian financial institution. On May 25, 2021, the Company obtained the Court's approval to reduce the DIP Loan facility from $60.0 million to $30.0 million. As of October 30, 2021, the Company had not drawn funds from the DIP Loan facility. With the uncertainties surrounding the impact of COVID-19 and its variants going forward, the Company cannot guarantee that the DIP Loan will not be utilized in the future. The Company continues to make progress in the CCAA process with the assistance of the Monitor. On November 23, 2021, the Company entered into a binding commitment letter with respect to a senior secured asset-based revolving facility of up to $115.0 million with a Canadian financial institution. The committed facility shall be used to finance any amounts payable by the Company under the Plan of Arrangement, to replace the DIP Loan facility and to finance the ongoing operations of the Company. On November 26, 2021, the Company obtained authorization from the Court to file its Plan of Arrangement and to call a creditors' meeting to be held on December 21, 2021. The Plan provides that the Company will distribute an aggregate amount of approximately $95.0 million to its creditors in full and final settlement of all claims affected by the Plan. All documents relating to the CCAA process, including the Plan of Arrangement, are available at www.ey.com/ca/Reitmans. The Company expects to continue to make announcements as further material progress is made.

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 30, 2021 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 its variants and the impact on the financial results and financial condition of the Company in future periods. The Company will take into consideration the most recent developments and impacts of the pandemic, including updated assessments of future cash flows and any additional impacts resulting from COVID-19 will be reflected in the financial results of the current fiscal year, if applicable.

Discontinued Operations

As part of its restructuring plan, the Company closed the Thyme Maternity and Addition Elle banners during the year ended January 30, 2021 and, as a result, these 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 (loss) 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 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 October 30, 2021, the Company operated 413 stores consisting of 242 Reitmans, 93 Penningtons and 78 RW&CO. As noted above, all Addition Elle and Thyme Maternity stores have been closed in connection with the restructuring plan.

[1]Non-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 (loss) before income tax expense/recovery, interest income, interest expense, depreciation, amortization, impairment of non-financial assets and restructuring costs. With 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 from continuing operations. 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 interest income and expense 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 costs and discontinued operations presents the results of the on-going business. 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 or to pick up in store, 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. 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 "COVID-19 and Other Key Company Updates", at various times throughout the year to date fiscal 2022, the Company was required to temporary close some of its retail stores as a consequence of governmental lockdown directives. 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 2022. 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 earnings (loss) from continuing operations to Adjusted EBITDA from continuing operations:

	For the third quarter of		Year to date fiscal	
	2022	**2021**	**2022**	**2021**
Net earnings (loss) from continuing operations	**$ 22.0**	$ (14.9)	**$ 45.9**	$ (89.1)
Depreciation and amortization	**11.6**	13.7	**36.3**	50.3[1]
(Reversal of) impairment of non-financial assets	**(0.1)**	4.5	**(0.6)**	12.8
Interest income	**(0.1)**	(0.1)	**(0.2)**	(0.4)
Interest expense on lease liabilities	**1.0**	1.4	**3.1**	4.4
Income tax (recovery) expense	**(0.6)**	0.2	**(0.4)**	0.7
Restructuring costs (gains), net	**(0.3)**	1.6[2]	**(12.7)**	25.1[2]
Adjusted EBITDA from continuing operations	**$ 33.5**	$ 6.4	**$ 71.4**	$ 3.8
Adjusted EBITDA from continuing operations as % of Sales	**18.8%**	3.9%	**15.1%**	1.0%

[1] The comparative figure has been increased by $11.5 million for the year to date fiscal 2021 to properly record depreciation and amortization expense between continuing and discontinued operations. See Note 4 of the unaudited condensed consolidated interim financial statements for the year to date fiscal 2022.

[2] In order to conform to the year to date fiscal 2022 presentation, comparative figures have been decreased by $2.2 million for the third quarter of 2021 and the year to date fiscal 2021 due to a reclassification of rent and occupancy costs recovered on lease re-negotiations to restructuring costs (gains), net. See Note 11 of the unaudited condensed consolidated interim financial statements for the year to date 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 the third quarter of 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 the third quarter of 2022 are available online at www.sedar.com.

Montreal, December 16, 2021

Stephen F. Reitman
President and Chief Executive Officer
Telephone: (514) 384-1140
Corporate Website: www.reitmanscanadalimited.com

REITMANS (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 30, 2021	**October 31, 2020**	**October 30, 2021**	**October 31, 2020**
Sales	**$ 178,184**	$ 163,362	**$ 471,732**	$ 388,675
Cost of goods sold	**76,839**	81,819	**214,774**	207,316
Gross profit	**101,345**	81,543	**256,958**	181,359
Selling and distribution expenses	**71,187**	80,679	**196,950**	214,755
Administrative expenses	**9,005**	8,280	**26,362**	24,891
(Reversal of) impairment of non-financial assets	**(121)**	4,528	**(628)**	12,771
Restructuring costs (gains), net	**(307)**	1,592	**(12,726)**	25,137
Results from operating activities	**21,581**	(13,536)	**47,000**	(96,195)
Finance income	**723**	201	**1,576**	12,112
Finance costs	**889**	1,406	**3,056**	4,373
Earnings (loss) before income taxes	**21,415**	(14,741)	**45,520**	(88,456)
Income tax (recovery) expense	**(574)**	217	**(388)**	660
Net earnings (loss) from continuing operations	**21,989**	(14,958)	**45,908**	(89,116)
Earnings (loss) from discontinued operations, net of tax	**4,839**	383	**15,032**	(72,181)

Net earnings (loss)	**$ 26,828**	$ (14,575)	**$ 60,940**	$ (161,297)
Earnings (loss) per share :				
Basic	**$ 0.55**	$ (0.30)	**$ 1.25**	$ (3.30)
Diluted	**0.55**	(0.30)	**1.25**	(3.30)
Earnings (loss) per share from continuing operations :				
Basic	**$ 0.45**	$ (0.31)	**$ 0.94**	$ (1.82)
Diluted	**0.45**	(0.31)	**0.94**	(1.82)

REITMANS (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 30, 2021	**October 31, 2020**	**October 30, 2021**	**October 31, 2020**
Net earnings (loss)	**$ 26,828**	$ (14,575)	**$ 60,940**	$ (161,297)
Other comprehensive income (loss)				
Items that are or may be reclassified subsequently to net earnings:				
Cash flow hedges (net of tax of $273 for the 39 weeks ended October 31, 2020)	**-**	-	**-**	(754)
Foreign currency translation differences	**29**	28	**152**	(53)
Total other comprehensive income (loss)	**29**	28	**152**	(807)
Total comprehensive income (loss)	**$ 26,857**	$ (14,547)	**$ 61,092**	$ (162,104)

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

	October 30, 2021	**October 31, 2020**	**January 30, 2021**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**$ 87,427**	$ 82,717	$ 77,915
Trade and other receivables	**6,138**	6,018	10,668
Inventories	**133,533**	111,853	96,122
Prepaid expenses	**36,709**	30,074	32,100
Total Current Assets	**263,807**	230,662	216,805
NON-CURRENT ASSETS			
Property and equipment	**62,694**	70,680	66,112
Intangible assets	**7,460**	11,714	10,331
Right-of-use assets	**39,449**	121,441	103,831
Deferred income taxes	**151**	-	151
Total Non-Current Assets	**109,754**	203,835	180,425
TOTAL ASSETS	**$ 373,561**	$ 434,497	$ 397,230
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	**$ 40,731**	$ 45,663	$ 31,522
Deferred revenue	**10,526**	10,010	12,462
Income taxes payable	**664**	2,418	1,169
Current portion of lease liabilities	**22,427**	38,764	35,303
Liabilities subject to compromise	**185,565**	203,332	204,083
Total Current Liabilities	**259,913**	300,187	284,539
NON-CURRENT LIABILITIES			
Lease liabilities	**27,228**	98,963	87,914
Pension liability	**3,643**	3,627	3,092
Total Non-Current Liabilities	**30,871**	102,590	91,006
SHAREHOLDERS' EQUITY			
Share capital	**27,406**	27,406	27,406
Contributed surplus	**10,295**	10,290	10,295
Retained earnings (deficit)	**45,778**	(4,942)	(15,162)
Accumulated other comprehensive loss	**(702)**	(1,034)	(854)
Total Shareholders' Equity	**82,777**	31,720	21,685

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 373,561**	$ 434,497	$ 397,230

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 January 31, 2021	**$ 27,406**	**$ 10,295**	**$ (15,162)**	**$ (854)**	**$ 21,685**
Net earnings	**-**	**-**	**60,940**	**-**	**60,940**
Total other comprehensive income	**-**	**-**	**-**	**152**	**152**
Total comprehensive income for the period	**-**	**-**	**60,940**	**152**	**61,092**
Balance as at October 30, 2021	**$ 27,406**	**$ 10,295**	**$ 45,778**	**$ (702)**	**$ 82,777**
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

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 30, 2021	**October 31, 2020**	**October 30, 2021**	**October 31, 2020**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net earnings (loss)	**$ 26,828**	$ (14,575)	**$ 60,940**	$ (161,297)
Adjustments for:				
Depreciation and amortization	**11,614**	14,829	**36,262**	47,323
(Reversal of) impairment of non-financial assets	**(121)**	5,230	**(628)**	34,789
Share-based compensation costs	**-**	2	**-**	7
Net change in transfer of realized gain on cash flow hedges to inventory	**-**	-	**-**	(250)
Foreign exchange (gain) loss	**334**	(2,086)	**1,789**	(1,281)
Gain on lease re-measurements due to restructuring	**(71)**	(3,130)	**(5,073)**	(6,011)
Interest on lease liabilities	**889**	1,408	**3,056**	4,831
Interest income	**(94)**	(146)	**(230)**	(372)
Income tax (recovery) expense	**(574)**	217	**(388)**	740
	38,805	1,749	**95,728**	(81,521)
Changes in:				
Trade and other receivables	**(832)**	6,949	**4,521**	153
Inventories	**(23,733)**	(3,924)	**(37,411)**	35,575
Prepaid expenses and deposits	**907**	(8,212)	**(4,609)**	(20,633)
Trade and other payables	**3,038**	10,829	**9,058**	(64,344)
Liabilities subject to compromise	**(7,113)**	8,065	**(17,467)**	193,644
Pension liability	**183**	185	**550**	(20,586)
Deferred revenue	**(763)**	(2,422)	**(1,936)**	(5,032)
Cash from operating activities	**10,492**	13,219	**48,434**	37,256
Interest received	**106**	154	**239**	514
Income taxes received	**-**	771	**-**	883
Income taxes paid	**-**	(198)	**(1,168)**	(2,139)
Net cash flows from operating activities	**10,598**	13,946	**47,505**	36,514
CASH FLOWS USED IN INVESTING ACTIVITIES				
Additions to property and equipment and intangible assets, net	**(4,032)**	(1,407)	**(6,882)**	(4,794)
Cash flows used in investing activities	**(4,032)**	(1,407)	**(6,882)**	(4,794)
CASH FLOWS USED IN FINANCING ACTIVITIES				
Payment of lease liabilities	**(9,190)**	(11,510)	**(29,455)**	(39,951)
Cash flows used in financing activities	**(9,190)**	(11,510)	**(29,455)**	(39,951)

FOREIGN EXCHANGE (LOSS) GAIN ON CASH HELD IN FOREIGN CURRENCY	**(291)**	2,343	**(1,656)**	1,538
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(2,915)**	3,372	**9,512**	(6,693)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	**90,342**	79,345	**77,915**	89,410
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	**$ 87,427**	$ 82,717	**$ 87,427**	$ 82,717

SOURCE Reitmans (Canada) Limited

View original content: http://www.newswire.ca/en/releases/archive/December2021/16/c5139.html

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Appendix C

Reitmans (Canada) Limited
Comparison of actual vs. projected weekly cash flow results
For the 14 weeks ended December 18, 2021

Appendix C

Unaudited (in '000s CAD)

Week starting Week ending	2021-09-12 2021-12-18 Cumulative actual	2021-09-12 2021-12-18 Cumulative forecasted	Difference $	 %	
Inflows					
Sales	267 434	243 121	24 313	10%	note 1
Purchases paid with gift cards	(3 407)	(4 754)	1 347	-28%	
Other revenue	97	-	97	100%	
Gov. Wage & Rent Subsidies	2 991	922	2 069	224%	note 2
Total inflows	267 115	239 289	27 826	12%	
Outflows					
Merchandise	(109 027)	(112 979)	3 952	3%	note 3
Rent	(20 973)	(19 188)	(1 785)	-9%	
Payroll and DAS	(41 012)	(39 708)	(1 304)	-3%	note 4
Sales tax	(15 266)	(9 266)	(6 000)	-65%	note 5
CapEx	(5 087)	(11 659)	6 572	56%	note 6
Advertising	(10 884)	(10 539)	(345)	-3%	
Software	(4 197)	(5 422)	1 225	23%	note 7
Consulting	(1 555)	(1 242)	(313)	-25%	
Administrative	(4 185)	(4 750)	565	12%	
Utilities and telecom	(1 878)	(2 320)	442	19%	
R&M and supplies	(4 100)	(4 212)	112	3%	
Merchant fees	(2 751)	(2 595)	(156)	-6%	
Restructuring professional fees	(1 343)	(1 419)	76	5%	
Financing fees	(253)	(90)	(163)	-181%	
Contingency	-	(2 100)	2 100	100%	note 8
Total Outflows	(222 511)	(227 489)	4 978	2%	
FX impact on opening cash balance	523	-	523	100%	
Net Cash Flow	45 127	11 800	33 327	282%	
Beginning Cash Balance - Operations	63 194	63 194	-	- %	
Net Cash Flow	45 127	11 800	33 327	282%	
Ending Cash Balance - Operations	108 321	74 994	33 327	44%	
Restricted cash	2 756	2 756	-	0%	
Total Ending Cash Balance	111 077	77 750	33 327	43%	

Reitmans (Canada) Limited

Appendix C

Comparison of actual vs. projected weekly cash flow results
For the 14 weeks ended December 18, 2021

Notes	Line item	Comments
1	Sales	The positive variance of approximately $24.3M for the 14 weeks ended December 18, is a permanent variance resulting from increased online traffic created by successful marketing campaigns.
2	Government Wage & Rent Subsidies	The cumulative positive variance of $2.1M is a permanent variance resulting from the extension of the CEWS program.
3	Merchandise	The cumulative positive variance of $4.0M is a mix of timing and permanent differences. The assumptions for merchandise purchases are based on the date RCL takes possession of inventory in China (shipping date). Therefore, there may be timing differences from one week to another based on the actual shipping date.
4	Payroll and DAS	The cumulative negative variance of $1.3M is a result of increased activity in stores and warehouses.
5	Sales taxes	The cumulative negative variance of $6.0M is a result of the actual sales surpassing budget and actual taxable expenses being slightly lower than budgeted.
6	CapEx	The positive variance of $6.6M is caused by project start delays and construction and sourcing delays.
7	Software	The positive variance of $1.2M is a permanent difference resulting from the deferral of certain actions.
8	Contingency	The provision for contingency was not used.

Appendix D

REITMANS (CANADA) LIMITED

APPENDIX D - LIST OF LATE CLAIMS

As at December 24, 2021

APPENDIX D

Creditor name	Claim received after November 26, 2021 Court Order	Date claim was received by the Monitor
9294-9379 Quebec Inc. (MKL Design)	$ 47,150.06	12/13/2021
Yangzhou Silk Road Foreign	$ 8,252.44	12/7/2021
Bulle bijouterie pour mamans Inc.	$ 7,070.97	12/17/2021
Oshawa Power	$ 4,630.74	12/16/2021
MDA Environnement	$ 4,627.72	12/14/2021
Total	$ 71,731.94	

Appendix E

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CANADA
PROVINCE OF QUÉBEC

DISTRICT OF MONTRÉAL
No.: 500-11-058299-203

SUPERIOR COURT
(Commercial Division)
Designated tribunal under
the *Companies' Creditors Arrangement Act*

IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT OF:

Reitmans (Canada) Limited

Debtor

Ernst & Young Inc.

Monitor

MINUTES OF THE CREDITORS' MEETING OF THE AFFECTED CREDITORS

Date: December 21, 2021 at 2:00 p.m. (Eastern Time)

Location: Mircrosoft Teams Meeting

Chairman: Martin Rosenthal, CPA, CA, CIRP, LIT

ATTENDANCE:

Monitor and Monitor Counsel

Martin Rosenthal, CPA, CA, CIRP, LIT	Chairman of the meeting, Ernst & Young Inc.
Sandra Abitan	Secretary of the meeting, Osler
Julien Morissette	Osler
Martin Carrière CPA, CA, CIRP, LIT	Ernst & Young Inc.
Andrade Morabito CPA Auditeur	Ernst & Young Inc.
Véronique Hébert, CPA	Ernst & Young Inc.
Alexandre Ferland CPA Auditeur	Ernst & Young Inc.

Debtor and Debtor Counsel

Richard Wait	Reitmans (Canada) Limited
Denis Ferland	Davies
Christian Lachance	Davies
Gabriel Lavery Lepage	Davies

Creditors

Refer to Appendix **A**

Other

Noah Zucker	Norton Rose

CALL TO ORDER

Mr. Martin Rosenthal, the Monitor's representative, acts as the chairman of the meeting (the "**Chair**") and Mtre. Sandra Abitan acts as secretary of the meeting. The meeting commenced at 2:15 pm, after creditors present had been admitted in the Microsoft Teams Meeting.

The Chair indicated that the meeting would be conducted in English and French. Although the minutes are in English, the meeting was conducted in both languages.

The purpose of the meeting is to consider and vote on a resolution to accept the Amended and Restated Plan of Compromise and Arrangement of Reitmans (Canada) Limited ("**Reitmans**") dated December 20, 2021 (the "**Plan**").

QUORUM

The Chair noted the presence of the required quorum and declares the meeting duly convened.

OVERVIEW OF THE PLAN AND QUESTION PERIOD

The Chair presented brief background on Reitmans' CCAA Proceedings and an overview of the Plan, which was made available to the creditors in advance of the meeting. The Chair also described the alternative to the Plan and the Monitor's recommendation.

The Chair explained the preconditions to the Plan implementation and the procedure in respect of the vote.

The Chair explained the applicable procedure for submitting questions and asked the creditors to submit any questions they may have for the Monitor or the Debtor.

Martin Carrière, from Ernst & Young Inc. assisted during the question period and presented the creditors' questions posted in the conversation pane to the Chair, which questions were then addressed by the Chair.

A summary of the responses provided to the various questions is provided below. Questions were answered in the language in which they were received and, in certain cases, in both English and French.

- Claims in the amount of $20,000 or less will be paid in full.

- Tax questions can be addressed directly with the Monitor after the meeting.

- The amount of $95M was determined by the Debtor, in consultation with its advisors, to be appropriate, reasonable and affordable for the Debtor. The Plan is far more favourable for the vast majority of creditors as there are various other benefits (including material amounts paid to landlords as rent and to suppliers for continued supply going forward) y.

- The Plan will be approved if a majority in number representing66 2/3% in value vote in favour.

- The conditions precedent to Plan implementation include court sanction and closing of the BMO credit facility. The Chair does not foresee any material obstacles to Plan implementation and receipt of the funds by the Monitor in late January with a distribution to the creditors as soon as possible thereafter.

- It is not necessary to vote again if the creditor has submitted its vote or proxy, unless the creditor would like to change its vote.

- With respect to questions relating to shareholder recovery, the Plan conforms with Canadian law and precedents. The Monitor is of the view that the Plan is fair and reasonable in the circumstances.

- Réponse en français sur les délais de paiements (French translation provided to question regarding timing of payments).

- The Plan structure was determined by the Debtor who prioritized providing the creditors with a prompt and material distribution, with the majority of the creditors being paid in full. There is no requirement to structure a Plan one way or another.

- L'évolution de la pandémie n'aura pas d'impact sur le plan, que l'entreprise veut compléter pour sortir du processus le plus rapidement possible, même si l'environnement n'est pas idéal et même si certains mois seront meilleurs que d'autres, en revanche si le plan n'était pas accepté, il y aurait de l'incertitude et potentiellement un effet négatif additionnel en raison de la pandémie.

- Creditors may contact the Monitor individually to discuss questions on employment insurance and other individual questions, which are better answered offline. (Même réponse donnée en français.)

VOTE ON THE RESOLUTION TO APPROVE THE PLAN

The Chair read the resolution and invited creditors to cast their votes or, for any creditors who have already submitted their vote, to change their vote if they so desire.

The Chair suspended the meeting in order to proceed with the compilation of the votes, which consist of proxy and voting forms received by the Monitor prior to the meeting, and of votes received at the meeting.

Pause to allow the creditors to vote, from 3:27 p.m. to 3:57 p.m.

After the meeting resumed, the Chair communicated the results of the vote on the Plan which is described in the table below:

	Number	**Value**	**% Number**	**% Value**
In favour	1,481	$148.6M	98.80%	97.75%
Against	18	$3.4M	1.20%	2.25%
Total	**1,499**	**$152.0M**	**100%**	**100%**

The Chair declared that the Plan has been approved by the required majority of creditors.

ADJOURNMENT OF THE MEETING

There being no further items on the agenda, the meeting was adjourned at 4:00 p.m.

Martin Rosenthal CPA, CA, CIRP, LIT Chairman of the meeting	Sandra Abitan Secretary of the meeting

Appendix: Appendix A – List of creditors attending the creditors' meeting
Appendix B – Resolution

Appendix A

Reitmans (Canada) Limited
List of creditors attending the creditors meeting

Creditor name	Name of representative
Coddy Global Ltd.	Aiden Nelms
Desrochers, Alexandra	Alexandra Desrochers
Sokolovskaya, Alexandra	Alexandra Sokolovskaya
Distribution HMH Inc.	Alexandrine Foulon
Allen Rubin	Allen Rubin
Energy Network Services Inc.	Andrew Valentini
Cudmore, Ann	Ann Cudmore
Annabelle Deschenes	Annabelle Deschenes
Leadeo Annie Gauthier Inc.	Annie Gauthier
Annie Shaar	Annie Shaar
Lague, Annie-Claude	Annie-Claude Lague
Simco Pak Inc	Benjamin Simco
Dynamix Medias Inc.	Betty Gurvits
MightyHive, Inc.	Branimir Milovanovic
Bri Foster	Bri Foster
Jiangsu Sainty Techowear Co.Ltd.	Brittany Moore
AX Property Management L.P.	Bruce Geiger & Mark Siry
RAND ACCESSORIES	Bryan Oberg
Salomon, Dorothy	Caralee Salomon
Foglia, Carmie	Carmie Foglia
Caroline Phaneuf Communications	Caroline Phaneuf
Cathy Cockerton	Cathy Cockerton
Makow, Celeste	Celeste Makow
Chereen Sabiston	Chereen Sabiston
SKECHERS USA CANADA INC..	Christine Smith
Postes Canada	Christopher Watchorn
CMS Payments Intelligence Inc	Crystal Whitfield
James, Daphne	Daphne James
Turgeon, Delphine	Delphine Turgeon
MacLeod, Donna	Donna MacLeod
Talentex Limited	Emile Catimel-Marchand
Martino, Enrica	Enrica Martino
BTB Méga Centre Rive-Sud Inc.	Ève Charbonneau
Binetti, Giuseppina	Giuseppina Binetti
Marriott Courtyard	Hansen Rone
Hezar, Heidi	Hedie Hezar
Fiederer, Henry	Henry Fiederer
Louarn, Isabelle	Isabelle Louarn
Brasil, Jennifer	Jennifer Brasil
Da Costa, Jennifer	Jennifer Da Costa
Multiple landlords	Jessica Wuthmann
Noakes, Jo-Anne	Jo-Anne Noakes
GDI Services (Québec) SEC	Jocelyn Trottier
Solid Gem Properties Ltd.	John Casuga
FLS TRANSPORTATION SERVICES LIMITED	John Franklin
Bowick, Jolene	Jolene Bowick
Danis, Josee	Josee Danis

Diaz, Karin	Karin Diaz
WESTERN GLOVE WORKS..	Kim Boyes
Plazacorp Property Holdings Inc.	Kimberly Strange
Rafferty, Krystal	Krystal Rafferty
Garner, Laura	Laura Garner
Fazio, Linda	Linda Fazio
Silletta, Lisa	Lisa Silletta
Tisi, Lora	Lora Tisi
Centura	Louise Alain
Daudier, Lourdes	Lourdes Daudier
Dion, Magali	Magali Dion
Wong, Man Yan Christine	Man Yan Christine Wong
Bligouras, Maria	Maria Bligouras
Conseils Informatiques M.C.C. Inc.	Mario C Charest
Crombie Development Limited	Michael Citak
Larochelle Groupe Conseil Inc	Michel O. Côté
HAWK Painting & Construction Ltd	Michelle Nadasdi
Flores, Miguel	Miguel Flores
Minchillo, Nadia	Nadia Minchillo
Goel, Nimisha	Nimisha Goel
1445006 Alberta Ltd.	Philip Wallner
Dituri, Pina	Pina Dituri
Kumari, Pushpam	Pushpam Kumari
Petrova, Ralitsa	Ralitsa Petrova
Groupe Marcelle	Ravin Dabeea
Sierra Springs Shopping Centre Ltd.	Reta Labiuk
Rivard, Maite	Rivard, Maite
Feliciani, Romy	Romy Feliciani
Zarra, Rosa	Elvio Pizzola
Collin, Roxane	Roxan Collin
Rayata Accessories	Ryan Martin
Babar, Sana	Sana Babar
BTB Méga Centre Rive-Sud Inc.	Sébastien Beaulieu
Webley, Shawn	Shawn Webley
Gardium Sécurité Inc.	Simon Laflamme
Sztrajt, Simone	Simone Sztrajt
INTEXTEIS BCN,S.L.	Sonia Ermacora
Panza, Sonia	Sonia Panza
Champagne, Sophie	Sophie Champagne
Silletta, Stefania	Stefania Silletta
Tartaglia, Stefanie-Ann	Stefanie-Ann Tartaglia
Stephanie Perrier	Stephanie Perrier
Nardone, Tania	Tania Nardone
Messore, Tanya	Tanya Messore
Salesforce.com Canada Corporation	Thomas M.Gaa
Sims, Tiffany	Tiffany Sims
Pather Plastics Canada Inc.	Tracy Pather
Canuel, Valérie	Valérie Canuel
Valérie Fournier	Valérie Fournier
Labrador City Shopping Centre Ltd.	Vanessa Sotos

Bo, Zhiwen	Zhiwen Bo
Godin, Isabelle	Isabelle Godin
Ontrea Inc.	Alexandre Forest
SKECHERS USA CANADA INC..	David Beecroft
Durand, Cindy	Cindy Durand

Appendix B

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-058299-203

S U P E R I O R   C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36)

IN THE MATTER OF THE PLAN OF ARRANGEMENT OF:

REITMANS (CANADA) LIMITED

Debtor / Petitioner

-and-

ERNST & YOUNG INC.

Monitor

RESOLUTION OF AFFECTED CREDITORS AT THE CREDITORS' MEETING

BE IT RESOLVED THAT:

1. the Amended and Restated Plan of Arrangement dated December 20, 2021 filed by the Petitioner under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as may be further amended, restated or supplemented from time to time in accordance with its terms (the "**Plan**"), which Plan has been presented to this Creditors' Meeting, be and is hereby accepted, approved and authorized;

2. any director or officer of the Petitioner is hereby authorized, empowered and instructed, acting for, and in the name of the Petitioner, to execute and deliver, or cause to be executed and delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such directors or officers of such documents, agreements or instruments or the doing of any such act or thing.

3. notwithstanding that this Resolution has been passed and the Plan has been approved by the Affected Creditors and the Court, the directors of the Petitioner are authorized and empowered to amend the Plan or not proceed to implement the Plan subject to and in accordance with the terms thereof.