



PREMIUM BRANDS HOLDINGS CORPORATION

Interim Condensed Consolidated Financial Statements

Second Quarter 2020

Thirteen and Twenty-Six Weeks Ended June 27, 2020 and June 29, 2019
(Unaudited)

Premium Brands Holdings Corporation

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 "Continuous Disclosure Obligations", if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity's auditor.

August 5, 2020

Premium Brands Holdings Corporation

Consolidated Balance Sheets (in millions of Canadian dollars)

	Jun 27, 2020	Dec 28, 2019	Jun 29, 2019
Current assets:			
Cash and cash equivalents	14.6	18.4	12.0
Accounts receivable	373.6	346.5	354.6
Inventories	430.5	396.2	372.5
Prepaid expenses and other assets	17.5	19.4	16.7
	<u>836.2</u>	<u>780.5</u>	<u>755.8</u>
Capital assets	524.3	502.1	478.6
Right of use assets	316.2	300.4	266.7
Intangible assets	503.8	490.2	435.8
Goodwill	804.5	780.2	803.1
Investment in and advances to associates	75.2	64.6	29.4
Other assets	18.3	19.1	21.4
	<u>3,078.5</u>	<u>2,937.1</u>	<u>2,790.8</u>
Current liabilities:			
Cheques outstanding	13.2	16.4	14.6
Bank indebtedness	14.4	24.9	2.8
Dividends payable (note 6)	21.7	19.7	19.7
Accounts payable and accrued liabilities	331.1	285.0	261.4
Current portion of long-term debt (note 3)	7.9	7.7	8.5
Current portion of lease obligations	26.4	32.1	24.1
Current portion of provisions	15.9	8.5	9.1
Current portion of puttable interest in subsidiaries	53.3	58.2	53.8
	<u>483.9</u>	<u>452.5</u>	<u>394.0</u>
Long-term debt (note 3)	689.9	603.0	567.8
Lease obligations	328.1	303.2	274.9
Provisions	56.8	62.4	55.0
Puttable interest in subsidiaries	-	-	5.0
Deferred income taxes	75.5	76.8	69.4
Other liabilities	10.1	4.0	3.6
	<u>1,644.3</u>	<u>1,501.9</u>	<u>1,369.7</u>
Convertible unsecured subordinated debentures (note 4)	366.0	364.0	362.0
Equity attributable to shareholders:			
Retained earnings	2.2	19.9	17.0
Share capital (note 5)	1,034.2	1,023.6	1,021.0
Reserves	31.8	27.7	21.1
	<u>1,068.2</u>	<u>1,071.2</u>	<u>1,059.1</u>
	<u>3,078.5</u>	<u>2,937.1</u>	<u>2,790.8</u>

Subsequent events (note 11)

Approved by the Board of Directors

(signed) George Paleologou Director

(signed) Johnny Ciampi Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Jun 27, 2020	13 weeks ended Jun 29, 2019	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Revenue	976.6	945.4	1,911.6	1,722.0
Cost of goods sold	793.3	749.5	1,547.3	1,366.5
Gross profit before the below	183.3	195.9	364.3	355.5
Selling, general and administrative expenses before the below	116.2	107.6	232.9	206.9
	67.1	88.3	131.4	148.6
Plant start-up and restructuring costs	3.5	1.4	5.5	3.3
Depreciation of capital assets	16.6	14.5	32.5	28.8
Amortization of intangible assets	6.5	5.1	12.8	10.1
Amortization of right of use assets	7.9	6.8	15.6	13.5
Accretion of lease obligations	3.7	3.2	7.4	6.4
Interest and other financing costs (note 7)	11.0	14.7	22.5	29.6
Acquisition transaction costs	1.5	0.5	2.9	1.2
Change in value of puttable interest in subsidiaries	(4.3)	-	(4.3)	0.5
Accretion of provisions	1.9	1.5	3.6	2.4
Provisions not earned	-	-	(2.0)	-
Equity loss in investments in associates	1.3	0.4	1.8	0.9
Earnings before income taxes	17.5	40.2	33.1	51.9
Provision for income taxes (recovery)				
Current	8.2	7.8	12.3	10.5
Deferred	(4.2)	1.2	(4.9)	0.2
	4.0	9.0	7.4	10.7
Earnings	13.5	31.2	25.7	41.2
Earnings per share:				
Basic	0.36	0.89	0.69	1.20
Diluted	0.36	0.89	0.68	1.20
Weighted average shares outstanding (in millions):				
Basic	37.4	35.1	37.4	34.4
Diluted	37.5	35.2	37.5	34.5

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Premium Brands Holdings Corporation

Consolidated Statements of Comprehensive Earnings

(in millions of Canadian dollars)

	13 weeks ended Jun 27, 2020	13 weeks ended Jun 29, 2019	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Earnings	13.5	31.2	25.7	41.2
Unrealized gain (loss) on interest rate swaps	0.1	-	(6.1)	-
Unrealized loss on foreign exchange currency contracts	(0.1)	-	-	-
Unrealized foreign exchange gain (loss) on investment in foreign operations	(7.8)	(5.9)	15.3	(11.4)
Other comprehensive earnings (loss)	(7.8)	(5.9)	9.2	(11.4)
Comprehensive earnings	5.7	25.3	34.9	29.8

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Jun 27, 2020	13 weeks ended Jun 29, 2019	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Cash flows from (used in) operating activities:				
Earnings	13.5	31.2	25.7	41.2
Items not involving cash:				
Depreciation of capital assets	16.6	14.5	32.5	28.8
Amortization of intangible assets	6.5	5.1	12.8	10.1
Amortization of right of use assets	7.9	6.8	15.6	13.5
Accretion of lease obligations	3.7	3.2	7.4	6.4
Change in value of puttable interest in subsidiaries	(4.3)	-	(4.3)	0.5
Equity loss in investments in associates	1.3	0.4	1.8	0.9
Non-cash financing costs	1.3	1.2	2.5	2.3
Accretion of provisions	1.9	1.5	3.6	2.4
Provisions not earned	-	-	(2.0)	-
Deferred income taxes (recovery)	(4.2)	1.2	(4.9)	0.2
Other	-	-	-	0.3
	44.2	65.1	90.7	106.6
Change in non-cash working capital	63.8	(30.1)	(3.4)	(66.3)
	108.0	35.0	87.3	40.3
Cash flows from (used in) financing activities:				
Long-term debt, net	(68.8)	(192.6)	56.8	(139.0)
Payments for lease obligations	(10.3)	(8.7)	(20.0)	(17.0)
Bank indebtedness and cheques outstanding	10.7	(39.9)	(13.7)	(40.5)
Common share issuance from private placement – net of issuance costs	-	250.9	-	250.9
Dividends paid to shareholders	(21.7)	(17.7)	(41.4)	(33.8)
	(90.1)	(8.0)	(18.3)	20.6
Cash flows from (used in) investing activities:				
Capital asset additions (note 8)	(19.5)	(24.0)	(48.8)	(38.7)
Business acquisitions (note 9)	(1.2)	(1.9)	(13.0)	(23.3)
Payments to shareholders of non-wholly owned subsidiaries	(0.6)	(1.1)	(0.6)	(2.3)
Payment for settlement of puttable interest of non-wholly owned subsidiary	-	(0.5)	-	(0.5)
Payment of provisions	-	-	(7.0)	(0.8)
Proceeds from sale-leaseback	6.4	-	6.4	-
Net change in share purchase loans and notes receivable	0.3	0.2	0.8	0.3
Investment in and advances to associates – net of distributions	0.1	(2.3)	(10.6)	(3.3)
Other	-	(0.1)	-	0.3
	(14.5)	(29.7)	(72.8)	(68.3)
Change in cash and cash equivalents	3.4	(2.7)	(3.8)	(7.4)
Cash and cash equivalents – beginning of period	11.2	14.7	18.4	19.4
Cash and cash equivalents – end of period	14.6	12.0	14.6	12.0
Interest and other financing costs paid	11.9	17.7	20.7	25.9
Income taxes paid	5.0	2.7	9.6	5.4

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Premium Brands Holdings Corporation

Consolidated Statements of Changes in Shareholders' Equity

(in millions of Canadian dollars)

	Retained earnings (deficit)	Share capital	Reserves	Share- holders' equity
Balance as at December 29, 2018	32.4	753.9	37.6	823.9
Common shares issued	-	268.0	-	268.0
Earnings for the period attributable to shareholders	41.2	-	-	41.2
Dividends declared	(37.4)	-	-	(37.4)
Effect of share based compensation plans	-	(0.9)	(5.1)	(6.0)
Foreign currency translation adjustment	-	-	(11.4)	(11.4)
Adjustments for IFRS 16	(19.2)	-	-	(19.2)
Balance as at June 29, 2019	17.0	1,021.0	21.1	1,059.1
Balance as at December 28, 2019	19.9	1,023.6	27.7	1,071.2
Common shares issued (note 5)	-	9.2	-	9.2
Earnings for the period attributable to shareholders	25.7	-	-	25.7
Dividends declared (note 6)	(43.4)	-	-	(43.4)
Effect of share based compensation plans	-	1.4	(5.1)	(3.7)
Unrealized loss on interest rate swaps	-	-	(6.1)	(6.1)
Foreign currency translation adjustment	-	-	15.3	15.3
Balance as at June 27, 2020	2.2	1,034.2	31.8	1,068.2

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Premium Brands Holdings Corporation

Notes to the Interim Condensed Consolidated Financial Statements

For the 13-Week and 26-Week Periods Ended June 27, 2020 and June 29, 2019

(Tabular amounts in millions of Canadian dollars except per share amounts and percentages)

1. Corporate information

Premium Brands Holdings Corporation (the Company) is incorporated under the Canada Business Corporations Act. Through its subsidiaries, the Company owns a broad range of specialty food manufacturing and premium food distribution and wholesale businesses with operations across Canada, the United States and Italy.

Due to the seasonal nature of the Company's business, the results of operations for any interim period are not necessarily indicative of the results to be expected for other interim periods or the full year. In general, the first quarter is the Company's weakest, and the second and third quarters are its strongest.

In March 2020, the World Health Organization declared a global pandemic related to a novel strain of coronavirus ("COVID-19"). The Company has taken swift actions to mitigate the effects of COVID-19, and it continues to monitor the situation closely as it evolves. As at August 5, 2020, COVID-19 remains a developing situation and the full scope of the economic impact and other consequential changes to the Company cannot be quantified with certainty and, accordingly, it continues to be assessed as a non-adjusting subsequent event. While the duration and potential impacts of the pandemic are unknown, the Company will continue to take further actions, as necessary, in response to COVID-19 that are in its best interests.

The Company's Board of Directors approved these interim condensed consolidated financial statements on August 5, 2020.

2. Significant accounting policies

Basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB). Accordingly, they do not include all of the financial statement disclosures required by International Financial Reporting Standards (IFRS) for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements and notes for the fiscal year ended December 28, 2019, which were prepared in accordance with IFRS, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available at www.sedar.com. These interim condensed consolidated financial statements follow the same accounting policies and methods of computation as used in the Company's 2019 annual consolidated financial statements.

3. Long-term debt

	Jun 27, 2020	Dec 28, 2019	Jun 29, 2019
Unsecured revolving term loan maturing in September 2023 with no required principal payments until maturity. The loan bears interest at a rate that is calculated quarterly based on the Company's ratio of senior debt to cash flow and can fluctuate from nil to 1.25 percentage points over the bank prime rate or 1.00 to 2.25 percentage points over the banker's acceptance rate	642.2	553.9	520.1
Secured term loan maturing in August 2021. The loan bears interest at a rate that is 0.75 percentage points over the bank prime rate or 1.75 percentage points over the banker's acceptance rate	24.8	24.8	25.0
US\$6.1 million secured Industrial Development Revenue Bond (IRB) with no principal payments until maturity in July 2036. The bond bears interest at the weekly variable rate for such bonds, which averaged 1.06% for the first two quarters of 2020	8.4	8.0	8.0
Unsecured promissory notes, bearing interest between nil to 6% with maturity dates to July 2025	22.3	24.5	23.0
Other term loans	3.0	2.9	3.4
	<u>700.7</u>	<u>614.1</u>	<u>579.5</u>
Financing costs	(2.9)	(3.4)	(3.2)
Current portion	<u>(7.9)</u>	<u>(7.7)</u>	<u>(8.5)</u>
	<u>689.9</u>	<u>603.0</u>	<u>567.8</u>

Premium Brands Holdings Corporation

Notes to the Interim Condensed Consolidated Financial Statements

For the 13-Week and 26-Week Periods Ended June 27, 2020 and June 29, 2019

(Tabular amounts in millions of Canadian dollars except per share amounts and percentages)

4. Convertible unsecured subordinated debentures

	4.65% Debentures (2016)	4.60% Debentures	4.65% Debentures (2018)	Total
Maturity Date	Apr 30, 2021	Dec 31, 2023	Apr 30, 2025	
Balance as of December 28, 2019	85.5	110.7	167.8	364.0
Accretion	0.5	0.5	1.0	2.0
Balance as at June 27, 2020	86.0	111.2	168.8	366.0
Face value as at June 27, 2020	86.1	113.0	172.5	371.6

5. Share Capital

	Common shares (millions)	Share Capital
Balance as of December 28, 2019	37.3	1,023.6
Common shares issued as a result of business acquisitions (note 9)	0.1	9.2
Effect of share based compensation plan	0.0	1.4
Balance as at June 27, 2020	37.4	1,034.2

6. Dividends

During the twenty-six weeks ended June 27, 2020 the Company declared dividends to shareholders of \$43.4 million or \$1.155 per share. The record date of these dividends was as follows:

Record date	Amount	Per share
March 31, 2020	21.7	\$0.5775
June 30, 2020	21.7	\$0.5775
	43.4	\$1.1550

7. Interest and other financing costs

	13 weeks ended Jun 27, 2020	13 weeks ended Jun 29, 2019	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Interest on convertible debentures	4.3	4.3	8.6	8.6
Interest on long-term debt	5.2	8.5	10.8	17.4
Interest on bank indebtedness	0.2	0.7	0.6	1.3
Accretion of convertible debentures	1.0	0.9	2.0	1.8
Amortization of deferred financing costs	0.3	0.3	0.5	0.5
	11.0	14.7	22.5	29.6

Premium Brands Holdings Corporation

Notes to the Interim Condensed Consolidated Financial Statements

For the 13-Week and 26-Week Periods Ended June 27, 2020 and June 29, 2019

(Tabular amounts in millions of Canadian dollars except per share amounts and percentages)

8. Segmented information

	13 weeks ended Jun 27, 2020	13 weeks ended Jun 29, 2019	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Revenue:				
Specialty Foods	647.8	653.7	1,278.8	1,190.6
Premium Food Distribution	328.8	291.7	632.8	531.4
	<u>976.6</u>	<u>945.4</u>	<u>1,911.6</u>	<u>1,722.0</u>
Gross profit before depreciation, amortization, and plant start-up and restructuring costs:				
Specialty Foods	128.5	150.5	267.7	275.5
Premium Food Distribution	54.8	45.4	96.6	80.0
	<u>183.3</u>	<u>195.9</u>	<u>364.3</u>	<u>355.5</u>
Selling, general and administrative expenses before depreciation, amortization, and plant start-up and restructuring costs:				
Specialty Foods	79.7	77.4	159.3	148.7
Premium Food Distribution	32.1	26.5	64.6	50.4
Corporate	4.4	3.7	9.0	7.8
	<u>116.2</u>	<u>107.6</u>	<u>232.9</u>	<u>206.9</u>
Segment earnings (loss) before depreciation, amortization, accretion and plant start-up and restructuring costs:				
Specialty Foods	48.8	73.1	108.4	126.8
Premium Food Distribution	22.7	18.9	32.0	29.6
Corporate	(4.4)	(3.7)	(9.0)	(7.8)
	<u>67.1</u>	<u>88.3</u>	<u>131.4</u>	<u>148.6</u>
Plant start-up and restructuring costs:				
Specialty Foods	2.8	0.7	3.4	1.4
Premium Food Distribution	0.4	0.7	1.8	1.9
Corporate	0.3	-	0.3	-
	<u>3.5</u>	<u>1.4</u>	<u>5.5</u>	<u>3.3</u>
Depreciation of capital assets and amortization of intangible assets:				
Specialty Foods	17.8	15.7	35.1	31.0
Premium Food Distribution	4.8	3.6	9.5	7.2
Corporate	0.5	0.3	0.7	0.7
	<u>23.1</u>	<u>19.6</u>	<u>45.3</u>	<u>38.9</u>
Amortization of right of use assets:				
Specialty Foods	4.9	4.6	9.7	9.2
Premium Food Distribution	2.8	2.0	5.6	4.0
Corporate	0.2	0.2	0.3	0.3
	<u>7.9</u>	<u>6.8</u>	<u>15.6</u>	<u>13.5</u>
Accretion of lease liabilities				
Specialty Foods	2.0	2.0	4.0	4.1
Premium Food Distribution	1.6	1.1	3.2	2.1
Corporate	0.1	0.1	0.2	0.2
	<u>3.7</u>	<u>3.2</u>	<u>7.4</u>	<u>6.4</u>
Segment operating earnings (loss):				
Specialty Foods	21.3	50.1	56.2	81.1
Premium Food Distribution	13.1	11.5	11.9	14.4
Corporate	(5.5)	(4.3)	(10.5)	(9.0)
	<u>28.9</u>	<u>57.3</u>	<u>57.6</u>	<u>86.5</u>

Premium Brands Holdings Corporation

Notes to the Interim Condensed Consolidated Financial Statements

For the 13-Week and 26-Week Periods Ended June 27, 2020 and June 29, 2019

(Tabular amounts in millions of Canadian dollars except per share amounts and percentages)

	13 weeks ended Jun 27, 2020	13 weeks ended Jun 29, 2019	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Segment operating earnings	28.9	57.3	57.6	86.5
Interest and other financing costs	11.0	14.7	22.5	29.6
Acquisition transaction costs	1.5	0.5	2.9	1.2
Change in value of puttable interest in subsidiaries	(4.3)	-	(4.3)	0.5
Accretion of provisions	1.9	1.5	3.6	2.4
Provisions not earned	-	-	(2.0)	-
Equity loss in investments in associates	1.3	0.4	1.8	0.9
Provision for income taxes	4.0	9.0	7.4	10.7
Earnings	13.5	31.2	25.7	41.2

	26 weeks ended Jun 27, 2020	26 weeks ended Jun 29, 2019
Capital asset additions:		
Specialty Foods	44.5	26.3
Premium Food Distribution	3.5	11.2
Corporate	0.8	1.2
	48.8	38.7
Revenue:		
Canada	1,210.1	1,087.8
United States	701.5	634.2
	1,911.6	1,722.0

	Jun 27, 2020	Dec 28, 2019	Jun 29, 2019
Total assets:			
Specialty Foods	2,021.9	1,905.4	1,941.8
Premium Food Distribution	931.6	915.4	766.9
Corporate	125.0	116.3	82.1
	3,078.5	2,937.1	2,790.8

9. Business acquisitions

During the twenty-six weeks ended June 27, 2020, the Company invested \$24.3 million in the acquisition of the following businesses:

Business	Primary Business Activity	Investment	Purchase Date
Inform Brokerage Inc.	Specialty food brokerage and distribution	100%	Dec 31, 2019
Bavarian Meats	Protein production	100%	Mar 3, 2020

Premium Brands Holdings Corporation

Notes to the Interim Condensed Consolidated Financial Statements

For the 13-Week and 26-Week Periods Ended June 27, 2020 and June 29, 2019

(Tabular amounts in millions of Canadian dollars except per share amounts and percentages)

The following table summarizes the preliminary estimates of the fair values of the assets acquired and consideration paid for acquisitions completed during the twenty-six weeks ended June 27, 2020:

Net assets acquired:	
Net working capital	2.7
Capital assets	0.6
Intangible assets – brand name	2.0
Intangible assets – customer relationships	9.1
Goodwill	12.2
Right of use assets	1.0
Lease obligations	(1.0)
Deferred income taxes	(2.3)
	<hr/>
	24.3
Investment:	
Cash (net of cash acquired)	13.0
Common shares	9.2
Unsecured promissory note	1.5
Provision for contingent consideration	0.6
	<hr/>
	24.3

10. Financial instruments

Foreign currency risk

To reduce the risk associated with purchases denominated in currencies other than the Canadian dollar, the Company, from time to time, enters into foreign currency contracts. The Company does not hold foreign currency contracts for speculative purposes.

As at June 27 2020, the Company had outstanding foreign currency contracts for: (i) the purchase of US\$22.7 million at rates between C\$1.3082 – C\$1.4157, and (ii) the sale of US\$13.0 million at rates between C\$1.3150 – C\$1.3651, and (iii) the purchase of EUR €1.3 million at rates between C\$1.4456 – C\$1.5331. As at June 27, 2020, the foreign exchange impact recognized in other comprehensive income on these contracts was nil.

Based on the outstanding contracts as at June 27, 2020 for the net buy of U.S. dollars, a change of \$0.01 in the value of the U.S. dollar relative to the Canadian dollar would result in an unrealized gain (if the U.S. dollar strengthens) or an unrealized loss (if the U.S. dollar weakens) of approximately \$0.1 million in other comprehensive income.

Interest rate risk

All of the Company's bank indebtedness and approximately 96% of its long-term debt bear interest at floating rates. The Company manages some of its interest rate exposure by entering into, from time to time, interest rate swap contracts.

In June 2019, the Company entered into interest rate swap contracts (the Swaps) fixing the rate of interest on US\$200.0 million of its long-term debt at an effective interest rate of 1.685% plus 1.00 to 2.25 depending on its ratio of debt to cash flow, until July 2022. As at June 27, 2020, the fair market value loss recognized in other comprehensive income on these contracts was \$6.1 million.

As at June 27, 2020, a change of 0.25 basis points in the effective interest rate for the remaining term of the Swaps would result in an unrealized gain (if interest rates increase) or an unrealized loss (if interest rates decrease) of approximately \$1.0 million.

Premium Brands Holdings Corporation

Notes to the Interim Condensed Consolidated Financial Statements

For the 13-Week and 26-Week Periods Ended June 27, 2020 and June 29, 2019

(Tabular amounts in millions of Canadian dollars except per share amounts and percentages)

11. Subsequent events

Subsequent to June 27, 2020, the Company completed the following investing and financing activities:

- (i) In July 2020, the Company paid \$21.5 million in cash and issued \$4.3 million in common shares for an aggregate total of \$25.8 million to certain minority shareholders pursuant to the exercise of puttable interest options. As a result of these puttable interest options being exercised, the Company increased its ownership interest of Yorkshire Valley Farms Ltd. from 62.6% to 100% and Interprovincial Meat Sales Limited from 80.0% to 94.0%.
- (ii) On July 16, 2020, the Company completed a public offering of its common shares (the "Share Offering") for 1,599,650 common shares of the Company at a price of \$86.30, resulting in net proceeds of \$132.1 million, after underwriting fees of \$5.5 million and transaction costs of \$0.4 million.
- (iii) Concurrent with the completion of the Share Offering, the Company completed a private placement (the "Private Placement") of 400,200 common shares of the Company at a price of \$86.30 with Canada Pension Plan Investment Board, resulting in net proceeds of \$33.1 million, after transaction costs of \$1.5 million.
- (iv) Concurrent with the Share Offering and Private Placement, the Company issued \$150.0 million of convertible unsecured subordinated debentures (the "Debentures") resulting in net proceeds of \$143.5 million, after underwriting fees of \$6.0 million and transaction costs of \$0.5 million. The Debentures bear interest at an annual rate of 4.20% payable semi-annually on March 31 and September 30 of each year commencing March 31, 2021, have a maturity date of September 30, 2027, and are convertible, at the holder's option, into common shares of the Company at a price of \$142.40 per share.