

Press Release

New Look Vision Group Inc. Reports Results for the First Quarter of Fiscal 2020 and Provides Actions in Response to COVID-19 and New Financing Arrangements

Montréal, Québec, May 12, 2020: New Look Vision Group Inc. ("**New Look Vision**" or the "**Company**") (TSX: BCI), a leader in the Canadian retail optical industry with 393 stores across Canada and Florida, reported financial results today for the 13 week period ended March 28, 2020 ("Q1 2020") and provided actions in response to COVID-19 and new financing arrangements. This press release should be read in conjunction with the Company's management discussion and analysis (the "MD&A") and interim consolidated financial statements for the first quarter of 2020, which are available on the Company's website at www.newlookvision.ca/investors and have been posted on SEDAR at www.sedar.com.

Q1 2020 financial and operational highlights

It should be noted that the Company has adopted IFRS 16 Leases effective Q1 2020. The Company has applied a modified retrospective approach; the operating results of previous fiscal periods have not been restated. Occupancy costs previously recorded as operating expenses are now recorded through depreciation of rights-of-use assets and interest expenses on lease liabilities.

Q1 2020 highlights, which were impacted by COVID-19 in March, are as follows:

- Revenues decreased by 4.8% to \$68.0 million, resulting from COVID-19 temporary store closures, as well as scheduled store closures offset by revenue from newly acquired stores.
- Comparable store sales orders^(a) were down by 14.3%, compared to last year (but up 2.1% at the end of February 2020, pre-COVID-19).
- Adjusted EBITDA attributed to shareholders^(a) reached \$15.4 million, an increase of \$3.5 million or 29.6% over last year and increased 28.9% on a per diluted share basis to \$0.98, which is mainly explained by the impact of IFRS 16.
- Net loss attributed to shareholders was \$0.3 million, a decrease of 115.3% over last year, mainly driven by the temporary closure of the majority of the Company's stores during the last two weeks of March and the impact of IFRS 16.
- Adjusted net earnings attributed to shareholders^(a) decreased by 63.4% to \$1.4 million or \$0.09 on a per diluted share basis, which is mainly explained by the temporary closure of the majority of the Company's stores during the last two weeks of March and the impact of IFRS 16.
- Cash flows related to operating activities reached \$13.5 million, an increase of \$0.9 million or 7.4% over last year and increased 7.5% on a per diluted share basis to \$0.86, which is mainly explained by the impact of IFRS 16.
- Since the previous quarter total debt has increased by \$35.4 million mainly as a result of business acquisitions.
- The Company completed the acquisition of the Edward Beiner Group with stores in Florida, and also acquired additional locations in Canada.
- The Board of Directors suspended the regular quarterly dividend and the corresponding dividend reinvestment plan until further notice, effective March 19, 2020.

Actions in response to COVID-19

New Look Vision responded swiftly to the crisis along three principles: participation, protection and responsibility.

1. Participation in stemming the pandemic spread by closing a large number of locations early on (stores, offices, factories and distribution centers).
2. Protection for our employees with a supplemental pay program for those placed on temporary leave. Protection of our financial autonomy with immediate cash burn optimization (expense freeze, capex postponement, dividend suspension, executive pay reduction) and expansion of our available funding from both our lenders. As a result, the Company is confident that it has the necessary financial resource to sustain the prolonged store shut down.
3. Responsibility, as eye care professionals, to keep open a minimum number of stores to serve those in urgent need of eye care and eyewear. The Company launched the Guardian Angel program on March 25th giving hospital personnel the opportunity to replace broken eyewear quickly. Our central lens processing facility retooled to produce safety eyewear for use in health care facilities.

Throughout the shutdown, teams working on strategic initiatives, both internal and external, have carried on.

The gradual store reopening started on May 4th in line with local and professional regulations. Ahead of reopening stores, the Company issued stringent health and safety procedures, undertook extensive training in the form of in-store rehearsals and is providing each location with prescribed personal protection equipment.

New Look Vision continues to diligently control its cost structure while actively monitoring market conditions.

New Financing Arrangements

Subsequent to the end of Q1 2020, the Company has successfully secured an additional \$33.9 million in financing for working capital purposes and for continued acquisitions. In addition, the Company is in advanced negotiations to obtain \$40 million of unsecured debt from a development capital fund.

President & CEO's comments

Antoine Amiel, the President and CEO of New Look Vision, stated that: "*The strong organic growth momentum from the fourth quarter of 2019 carried into 2020 until the impact of COVID-19 hit company wide full force in March. New Look Vision has responded swiftly to the crisis. Utmost on our minds has been the safety and well being of our employees, associates and clients. Many measures have been taken to secure the future of the business through and beyond the crisis, including significant new additional financing arrangements. I want to specifically thank all of our employees and associates across the country who have worked so hard and showed such dedication in these unusual times. We are well positioned to withstand the current disruption given New Look Vision's efficient operations, historical profitability and strong balance sheet, and be in a position, as conditions improve, to successfully pursue our growth strategy in Canada and the United States in 2020 and beyond.*"

Status of Dividend

The Board of Directors suspended the regular quarterly dividend and the corresponding dividend reinvestment plan until further notice, effective March 19, 2020.

The decision to declare a dividend is made quarterly when the financial statements for a quarter or a financial year are made available to the Board of Directors. Although there is no guarantee that a dividend will be declared in the future, New Look Vision and its predecessor, Benvest New Look Income Fund, have regularly paid a dividend or distribution since 2005 through 2019.

As at April 30, 2020, New Look Vision had 15,660,199 Class A common shares issued and outstanding.

Attachments

- Table A - Highlights
- Table B - Impact of IFRS 16
- Table C - Consolidated statement of earnings and comprehensive income
- Table D - Reconciliation of net (loss)/earnings to adjusted EBITDA and adjusted EBITDA attributed to shareholders
- Table E - Reconciliation of net (loss)/earnings attributed to shareholders to adjusted net earnings attributed to shareholders
- Table F - Reconciliation of free cash flow and adjusted cash flows related to operating activities

a) *EBITDA, adjusted EBITDA, adjusted EBITDA attributed to shareholders, adjusted net earnings, free cash flow, adjusted cash flows related to operating activities and comparable store sales orders are not recognized measures under IFRS and may not be comparable to similar measures used by other entities.*



About New Look Vision Group Inc. New Look Vision is a leader in the eye care industry in Canada with a network of 393 stores operating mainly under the New Look Eyewear, Vogue Optical, Greiche & Scaff, Iris, and Edward Beiner banners (in the US) and laboratory facilities using state-of-the-art technologies. Tax information regarding payments to shareholders is available at www.newlookvision.ca in the Investors section.

All statements other than statements of historical fact contained in this press release are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, projected costs and plans and objectives of, or involving New Look Vision. Readers can identify many of these statements by looking for words such as “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “plans”, “may”, “would” or similar words or the negative thereof. Forward-looking statements are subject to risks, uncertainties and assumptions. Although management of New Look Vision believes that the plans, intentions or expectations represented in such forward-looking statements are reasonable, there can be no assurance that they will prove to be correct. Some of the factors which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: pending and proposed legislative or regulatory developments, competition from established competitors and new market entrants, technological change, interest rate fluctuations, general economic conditions, acceptance and demand for new products and services, and fluctuations in operating results, as well as other risks included in New Look Vision’s current Annual Information Form (AIF) which can be found at www.sedar.com. The forward-looking statements included in this press release are made as of the date hereof, and New Look Vision undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as provided by law.

For additional information please see our website at www.newlookvision.ca. For enquiries, please contact Lise Melanson (514) 877-4119.

NEW LOOK VISION GROUP INC.
Highlights
for the periods ended March 28, 2020 and March 30, 2019

In thousands of Canadian dollars, except per share amounts

	2020	2020 (excl. IFRS 16)	2019
Revenues	\$68,034	\$68,034	\$71,466
<i>Variance %</i>	(4.8%)	(4.8%)	
Variance in comparable store sales orders^{(a)(b)}	2.1%	2.1%	2.6%
Adjusted EBITDA attributed to shareholders^(b)	\$15,403	\$9,950	\$11,882
<i>Variance %</i>	29.6%	(16.3%)	
<i>% of revenues</i>	22.6%	14.6%	16.6%
Per share (diluted)	\$0.98	\$0.64	\$0.76
<i>Variance %</i>	28.9%	(15.8%)	
Net (loss)/earnings attributed to shareholders	(\$317)	\$184	\$2,070
<i>Variance %</i>	(115.3%)	(91.1%)	
<i>% of revenues</i>	(0.5%)	0.3%	2.9%
Net (loss)/earnings per share			
Per share (diluted)	(\$0.02)	\$0.01	\$0.13
<i>Variance %</i>	(115.4%)	(92.3%)	
Adjusted net earnings attributed to shareholders^(b)	\$1,433	\$1,934	\$3,918
<i>Variance %</i>	(63.4%)	(50.6%)	
<i>% of revenues</i>	2.1%	2.8%	5.5%
Per share (diluted)	\$0.09	\$0.12	\$0.25
<i>Variance %</i>	(64.0%)	(52.0%)	
Cash flows related to operating activities	\$13,477	\$8,024	\$12,543
<i>Variance %</i>	7.4%	(36.0%)	
Per share (diluted)	\$0.86	\$0.51	\$0.80
<i>Variance %</i>	7.5%	(36.3%)	
Free cash flow^{(b)(c)}	\$9,922	\$4,469	\$10,267
<i>Variance %</i>	(3.4%)	(56.5%)	
Per share (diluted)	\$0.63	\$0.29	\$0.66
<i>Variance %</i>	(4.5%)	(56.1%)	
Total debt	\$186,401	\$186,401	\$149,668
Net debt / Adjusted EBITDA attributed to shareholders^{(b)(d)}	2.96	3.25	2.63
Cash dividend per share^(e)	—	—	\$0.15
Number of stores^(f)	393	393	373

- a) Comparable stores are stores which have been operating for at least 12 months, up to the end of February 2020, pre-COVID-19. Comparable store sales orders up to the end of Q1 2020 were down 14.3%, compared to last year. Revenues are recognized at time of delivery of goods to customers, however management measures the comparable store performance on the basis of sales orders, whether delivered or not.
- b) Adjusted EBITDA attributed to shareholders, adjusted net earnings attributed to shareholders, free cash flow and comparable store sales orders are not recognized measures under IFRS and may not be comparable to similar measures used by other entities. Refer to the sections EBITDA and adjusted EBITDA, net (loss)/earnings and adjusted net earnings, operating activities and free cash flow for the definitions and reconciliations.
- c) Free cash flow is defined as cash flows related to operating activities, less acquisitions of property, plant and equipment.
- d) Net debt is defined as total debt less cash. Adjusted EBITDA attributed to shareholders represents the amount over the last four rolling quarters.
- e) The amounts of dividends shown in the table above refer to amounts declared in the periods.
- f) The increase in the number of stores in the last twelve months reflects the acquisition of 25 stores net of five planned closures.

NEW LOOK VISION GROUP INC.
Impact of IFRS 16
for the periods ended March 28, 2020 and March 30, 2019

In thousands of Canadian dollars, except per share amounts

The Company has adopted IFRS 16 Leases effective Q1 2020. This standard replaces IAS 17 Leases. The Company has applied a modified retrospective approach; the operating results of previous fiscal periods have not been restated. The adoption of this standard has impacted the Company's financial results in the first quarter of 2020. Certain occupancy-related expenses previously recorded under the caption other operating expenses are now recorded as depreciation and interest expense.

This change has resulted in a reduction to Other operating expenses with a corresponding increase in EBITDA in the quarter. Depreciation and financial expenses have increased as a result of the application of the standard.

The impact of IFRS 16 on the key metrics in the first quarter ended March 28, 2020 is summarized in the table below:

	2020	Impact of IFRS 16	2020 (excl. IFRS 16)	2019	Change (excl. IFRS 16)
	\$	\$		\$	\$
Adjusted EBITDA attributed to shareholders ^(a)	\$15,403	\$5,453	\$9,950	\$11,882	(\$1,932)
% of revenues	22.6%	8.0%	14.6%	16.6%	(2.0%)
Per share (diluted)	\$0.98	\$0.35	\$0.64	\$0.76	(\$0.12)
Net (loss)/earnings attributed to shareholders	(\$317)	(\$501)	\$184	\$2,070	(\$1,886)
% of revenues	(0.5%)	(0.7%)	0.3%	2.9%	(2.6%)
Per share (diluted)	(\$0.02)	(\$0.03)	\$0.01	\$0.13	(\$0.12)
Adjusted net earnings attributed to shareholders ^(a)	\$1,433	(\$501)	\$1,934	\$3,918	(\$1,984)
% of revenues	2.1%	(0.7%)	2.8%	5.5%	(2.7%)
Per share (diluted)	\$0.09	(\$0.03)	\$0.12	\$0.25	(\$0.13)
Cash flows related to operating activities	\$13,477	\$5,453	\$8,024	\$12,543	(\$4,519)
Per share (diluted)	\$0.86	\$0.35	\$0.51	\$0.80	(\$0.29)
Free cash flow ^(a)	\$9,922	\$5,453	\$4,469	\$10,267	(\$5,798)
Per share (diluted)	\$0.63	\$0.35	\$0.29	\$0.66	(\$0.37)

a) Adjusted EBITDA attributed to shareholders, adjusted net earnings attributed to shareholders, and free cash flow are not recognized measures under IFRS and may not be comparable to similar measures used by other entities. Refer to tables D, E and F for the definitions and reconciliations.

NEW LOOK VISION GROUP INC.
Consolidated Statement of Earnings and Comprehensive Income
for the years ended March 28, 2020 and March 30, 2019

In thousands of Canadian dollars, except per share amounts

	2020	2019
	\$	\$
Revenues	68,034	71,466
Materials consumed	15,638	15,652
Employee remuneration expenses	23,617	24,773
Other operating expenses	14,300	20,500
Earnings before depreciation, amortization, loss on disposal, financial expenses, and income from investments in joint ventures and associates	14,479	10,541
Depreciation, amortization and loss on disposal	9,313	4,420
Financial expenses, net of interest revenue	5,629	3,238
Earnings (loss) before income from investments in joint ventures and associates and income taxes	(463)	2,883
Income from investments in joint ventures and associates	185	329
Earnings (loss) before income taxes	(278)	3,212
Income taxes		
Current	972	1,055
Deferred	(978)	(28)
Total income taxes	(6)	1,027
Net earnings (loss) and comprehensive income	(272)	2,185
Net earnings (loss) and comprehensive income attributed to:		
Non-controlling interest	45	115
Shareholders of New Look Vision	(317)	2,070
	(272)	2,185
Net earnings (loss) per share		
Basic	(0.02)	0.13
Diluted	(0.02)	0.13

NEW LOOK VISION GROUP INC.
Reconciliation of Net (Loss)/Earnings to Adjusted EBITDA and Adjusted EBITDA Attributed to Shareholders
for the periods ended March 28, 2020 and March 30, 2019

In thousands of Canadian dollars, except per share amounts

	2020	2020 (excl. IFRS 16)	2019
	\$	\$	\$
Net (loss)/earnings	(272)	229	2,185
Depreciation, amortization and loss on disposal	9,313	4,603	4,420
Financial expenses, net of interest revenue	5,629	4,195	3,238
Income taxes	(6)	184	1,027
EBITDA^(a)	14,664	9,211	10,870
Equity-based compensation ^(b)	168	168	206
Acquisition-related costs ^(c)	432	432	388
Other non-comparable items ^(d)	170	170	141
Adjusted EBITDA^(a)	15,434	9,981	11,605
<i>Variance in \$</i>	3,829	(1,624)	
<i>Variance in %</i>	33.0%	(14.0)%	
<i>% of revenues</i>	22.7%	14.7 %	16.2%
Per share (basic)	0.99	0.64	0.74
Per share (diluted)	0.99	0.64	0.74

The following table represents the adjusted EBITDA available to New Look Vision shareholders, which takes into consideration the investments in joint ventures and associates.

	2020	2020 (excl. IFRS 16)	2019
	\$	\$	\$
Adjusted EBITDA ^(a)	15,434	9,981	11,605
Income from investments in joint ventures and associates	(185)	(185)	(329)
EBITDA from investments in joint ventures and associates	397	397	858
EBITDA attributed to non-controlling interest	(243)	(243)	(252)
Adjusted EBITDA attributed to shareholders^(a)	15,403	9,950	11,882

- a) EBITDA, adjusted EBITDA and adjusted EBITDA attributed to shareholders are not recognized measures under IFRS and may not be comparable to similar measures used by other entities. New Look Vision believes that EBITDA, adjusted EBITDA and adjusted EBITDA attributed to shareholders are useful financial metrics as they assist in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA, adjusted EBITDA and adjusted EBITDA attributed to shareholders should not be considered as an alternative to net earnings or cash flows as determined under IFRS.
- b) Equity-based compensation represents the fair value of New Look Vision stock options vested in the period.
- c) Acquisition-related costs are composed of wages and professional fees specifically incurred in the business acquisition process, whether an acquisition is completed or not.
- d) Other non-comparable items include one-time expenses (income) connected with personnel costs related to acquisition, restructuring and transition related matters.

NEW LOOK VISION GROUP INC.
Reconciliation of Net (Loss)/Earnings Attributed to Shareholders to Adjusted Net Earnings Attributed to Shareholders
for the periods ended March 28, 2020 and March 30, 2019

In thousands of Canadian dollars, except per share amounts

	2020 \$	2020 (excl. IFRS 16) \$	2019 \$
Net (loss)/earnings attributed to shareholders	(317)	184	2,070
Amortization of acquired intangibles	1,648	1,648	1,602
Acquisition-related costs	432	432	388
Equity-based compensation	168	168	206
Other non-comparable items	170	170	141
Related income taxes	(668)	(668)	(489)
Adjusted net earnings attributed to shareholders^(a)	1,433	1,934	3,918
<i>Variance in \$</i>	<i>(2,485)</i>	<i>(1,984)</i>	
<i>Variance in %</i>	<i>(63.4)%</i>	<i>(50.6)%</i>	
<i>% of revenues</i>	<i>2.1 %</i>	<i>2.8 %</i>	<i>5.5%</i>
Per share amount			
Basic	0.09	0.12	0.25
Diluted	0.09	0.12	0.25

a) Adjusted net earnings attributed to shareholders are not a recognized measure under IFRS and may not be comparable to similar measures used by other entities. New Look Vision believes that this disclosure provides useful information as it allows the comparison of net results excluding amortization of acquired intangibles, acquisition-related costs, equity-based compensation, and other non-comparable items which may vary significantly from quarter to quarter. Investors should be cautioned that adjusted net earnings should not be considered as an alternative to net earnings as determined under IFRS.

NEW LOOK VISION GROUP INC.
Reconciliation of Free Cash Flow and Adjusted Cash Flows Related to Operating Activities
for the periods ended March 28, 2020 and March 30, 2019

In thousands of Canadian dollars, except per share amounts

	2020	2020 (excl. IFRS 16)	2019
	\$	\$	\$
Earnings/(loss) before income taxes	(278)	413	3,212
Adjustments:			
Depreciation, amortization and loss on disposal	9,313	4,603	4,420
Equity-based compensation	168	168	206
Financial expenses	5,772	4,338	3,316
Interest revenue	(143)	(143)	(78)
Other	(712)	(712)	(69)
Income from investments in joint ventures and associates	(185)	(185)	(329)
Income taxes paid	(1,173)	(1,173)	(1,679)
Cash flows related to operating activities, before changes in working capital items	12,762	7,309	8,999
Changes in working capital items	715	715	3,544
Cash flows related to operating activities	13,477	8,024	12,543

Free cash flow

	2020	2020 (excl. IFRS 16)	2019
	\$	\$	\$
Cash flows related to operating activities	13,477	8,024	12,543
Acquisitions of property, plant and equipment	(3,555)	(3,555)	(2,276)
Free cash flow^(a)	9,922	4,469	10,267

a) Free cash flow is not a recognized measure under IFRS and may not be comparable to similar measures used by other entities. New Look Vision believes that this disclosure provides useful information as it provides insight on operating cash flows available after considering necessary capital investments. Investors should be cautioned that free cash flow should not be considered as an alternative to cash flows related to operating activities as determined under IFRS.

Adjusted cash flows related to operating activities

	2020	2020 (excl. IFRS 16)	2019
	\$	\$	\$
Cash flows related to operating activities	13,477	8,024	12,543
Income taxes paid	(1,173)	(1,173)	1,679
Changes in working capital items	(715)	(715)	(3,544)
Acquisition-related costs	432	432	388
Other non-comparable items	170	170	141
Adjusted cash flows related to operating activities^(a)	12,191	6,738	11,207

a) Adjusted cash flows related to operating activities are not a recognized measure under IFRS and may not be comparable to similar measures used by other entities. New Look Vision believes that this disclosure provides useful information as it allows the comparison of net operating cash flows excluding income taxes paid, changes in working capital items, acquisition-related costs and other non-comparable items, which may vary significantly from quarter to quarter. Certain occupancy-related expenses previously recorded in the cash flows related to operating activities are now presented in the cash flows related to financing activities. Investors should be cautioned that adjusted cash flows related to operating activities should not be considered as an alternative to cash flows related to operating activities as determined under IFRS.