

June 22, 2021

To: Creditors of Magasin Laura (P.V.) inc. / Laura's Shoppe (P.V.) Inc. ("Laura" or "we")

Dear Sir/Madam:

Proposed Plan of Compromise and Arrangement

As you are aware, on July 31, 2020, Laura commenced proceedings and obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA" and the "CCAA Proceedings") and, among other things, KPMG Inc. was appointed as monitor (the "Monitor").

Since the beginning of the CCAA Proceedings, we have worked tirelessly to restructure our affairs for the benefit of all stakeholders, including through the implementation of cost-reduction measures and negotiations with our key partners. We pursued our efforts in the face of the Covid-19 pandemic and are confident that the steps we have taken to restructure our business have best positioned us for the future.

With the assistance and support of the Monitor, Laura developed the enclosed Plan of Compromise and Arrangement (the "Plan"). Laura is pleased to present the Plan to its creditors. If approved by the creditors and sanctioned by the Court, the Plan will:

- Provide for the distribution of an aggregate amount of CAD\$750,000 to the Creditors;
- Effect a compromise, settlement and payment of proven claims in an efficient and cost-effective fashion;
- Ensure our continued operations; and
- Resolve our CCAA Proceedings with certainty and finality.

We firmly believe that the recoveries contemplated under the Plan are fair and reasonable in these challenging circumstances. Most importantly, the Plan provides Laura and its many stakeholders including employees, suppliers, customers and landlords with the continued opportunity to work and do business together.

The Meeting of Creditors to consider and vote on the Plan will be held virtually on **July 7, 2021 at 2:00 PM ET**, as more fully set forth in the Notice of Creditors' Meeting and Sanction Hearing enclosed herewith. If the Creditors approve the Plan at the Creditors' Meeting, we expect to apply to the Court on or about **July 14, 2021** for an order sanctioning the Plan. If the order is

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granted by the Court, we intend to remit the Distribution Amount, namely the amount of \$750,000 to the Monitor on or before August 31, 2021 for distribution to the Creditors as soon as possible.

We urge you to review the Plan and the Monitor's report in connection therewith. You will note that the Monitor recommends that Creditors vote in favour of the Plan. Please note that the deadline to provide your voting proxies to the Monitor is **July 5, 2021** at 5:00 PM (Montreal time).

Additional information is available on the website that is maintained by the Monitor in respect of these CCAA Proceedings at home.kpmg/ca/laura.

We thank you for your continued support, cooperation and confidence through our restructuring process.

Yours very truly,

Magasin Laura (P.V.) inc. / Laura's Shoppe (P.V.) Inc.

Per:



Name: Kalman Fisher

Title: President