Richelieu

Q1

Quarterly Report

Three-month period ended February 28, 2023

MESSAGE TO SHAREHOLDERS

Richelieu started the 2023 financial year with good results in the first quarter while completing four new acquisitions in Canada followed by another acquisition in the United States after the end of the quarter.

We achieved total sales of $403.0 million, up 4.8%, of which 1.8% came from internal growth and 3.0% from acquisitions. Sales in Canada remained relatively steady at $230.9 million, up 0.7% over the first quarter of 2022. In the U.S., where the 2022 acquisitions contributed well in the quarter, sales totalled US$127.7 million, up 4.7% (US$) over the corresponding quarter of 2022. It should be noted that the first three months of the year are historically the weakest.

For a proper comparison with the first quarter of 2022, it should be mentioned that the market environment resulting from the pandemic contributed to exceptional growth in our results, particularly in the first quarter of 2022. EBITDA for the first quarter of 2023 was $49.1 million, down 8.6% from the first quarter of 2022, and the EBITDA margin decreased to 12.2% from 14.0% in 2022. Net earnings attributable to shareholders were $22.4 million or $0.40 diluted per share. In addition to the comparative effect with 2022, the factors that affected these results were mainly the return of operating expenses closer to pre pandemic levels as well as costs related to external warehousing, due to temporary inventory increase, amortization, costs related to our U.S. expansion projects as well as the interest paid on the line of credit.

As of February 28, 2023, the financial situation remains solid with a working capital of $564.9 million (ratio of 2.6:1) and an average return on shareholders' equity of 21.0%.

EXPANSION INCLUDING FOUR ACQUISITIONS IN CANADA AND ONE ACQUISITION IN THE UNITED STATES

We completed four new acquisitions in Canada in January 2023: **Quincaillerie Rabel**, a distributor of specialty hardware with a distribution center in Terrebonne, Quebec; **Trans-World Distributing**, a distributor of industrial fasteners, with a distribution center in Dartmouth, Nova Scotia; and **Unigrav** and **Usimm**, two companies that offer custom products including a scanning center for the architectural and industrial markets, located in Drummondville and Montreal, respectively. Subsequent to the end of the quarter, we acquired **Maverick Hardware**, a specialty hardware distributor with a distribution center in Eugene, Oregon, reinforcing our presence in this market where we already have a distribution center in Portland. These five recent transactions add approximately $22 million in sales on an annual basis.

The expansion and modernization projects at our Atlanta, Nashville, Pompano, Seattle and newly opened Chicago centers serving the retail market are progressing well. Our Fort Myers center, where we moved our operations, is now operational as well as are our two new centers in Carlstadt, NJ and Minneapolis, MN. In the Calgary area, we will be consolidating two of our centers at the end of the year and installing a premier showroom while increasing our service capacity in Western Canada.

In the coming periods, while integrating our recent acquisitions, we will be actively pursuing our growth strategy focused on innovation, acquisitions and value-added multi-access service.

NEXT DIVIDEND PAYMENT

On April 6, 2023, the Board of Directors approved the payment of a quarterly dividend of $0.15 per share. This dividend will be paid on May 4, 2023, to shareholders of record as at April 20, 2023.

RICHELIEU HARDWARE LTD

Management's discussion and analysis
First quarter ended February 28, 2023

PRESENTATION BASIS

This management's discussion and analysis ("MD&A") relates to Richelieu Hardware Ltd.'s consolidated operating results and cash flows for the first quarter ended February 28, 2023, compared with the first quarter ended February 28, 2022, as well as to Richelieu Hardware Ltd.'s financial position as at February 28, 2023, compared with that of November 30, 2022. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes for the first quarter of 2023 as well as the Corporation's fiscal 2022 MD&A and audited consolidated financial statements available on the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Corporation's website at www.richelieu.com. In this MD&A, "Richelieu" or the "Corporation" refers to, as the case may be, Richelieu Hardware Ltd. and its subsidiaries and divisions, or one of its subsidiaries or divisions. Supplementary information, including certificates for the interim period ended February 28, 2023, signed by the Corporation's President and Chief Executive Officer and the Vice-President and Chief Financial Officer, is available on SEDAR. The information contained in this MD&A accounts for any major event that occurred prior to April 6, 2023, on which date the unaudited interim consolidated financial statements and interim MD&A were approved by the Corporation's Board of Directors. Unless otherwise indicated, the financial information presented below, including amounts shown in tables, is expressed in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements for the first quarter period ended February 28, 2023, have not been audited or reviewed by the Corporation's auditors.

NON-IFRS MEASURES

Richelieu uses earnings before interest, income taxes and amortization ("EBITDA") as we believe this measure enables management to assess the Corporation's operational performance. This measure is a widely accepted performance indicator of a corporation's ability to service and incur debt. However, EBITDA should not be considered by an investor as an alternative to operating income or net earnings attributable to shareholders of the Corporation, as an indicator of cash flows or as a measure of liquidity. Since EBITDA does not have a standardized meaning prescribed by IFRS, it may not be comparable to the EBITDA of other companies.

Richelieu also uses adjusted cash flows from operating activities and adjusted cash flows from operating activities per share. Adjusted cash flows from operating activities are based on net earnings plus the amortization of property, plant and equipment, intangible assets and right-of-use asset, deferred tax expense (or recovery), share-based compensation expense and financial costs. These additional measures do not consider the net change in non-cash working capital items in order to exclude seasonality effects and are used by management in its assessments of cash flows from long-term operations. Therefore, adjusted cash flows from operating activities may not be comparable to the cash flows from operating activities of other companies.

FORWARD-LOOKING STATEMENTS

Certain statements set forth in this MD&A, including statements relating to the expected adequacy of cash flows to cover contractual commitments, to maintain growth and to provide for financing and investing activities, growth outlook, Richelieu's competitive position in its industry, Richelieu's ability to weather the current economic context and access other external financing, the closing of new acquisitions, and other statements not pertaining to past events, constitute forward-looking statements. In some cases, these statements are identified by the use of terms such as "may", "could", "might", "intend" "should", "expect", "project", "plan", "believe", "estimate" or the negative form of these expressions or other comparable variants. These statements are based on the information available at the time they are written, on assumptions made by management and on the expectations of management, acting in good faith regarding future events, including on the assumption that economic conditions and exchange rates will not significantly deteriorate, the operating costs will not increase significantly, that supplies will be sufficient to fulfill Richelieu's needs, the availability of credit will remain stable during the year and no extraordinary events will require supplementary capital expenditures.

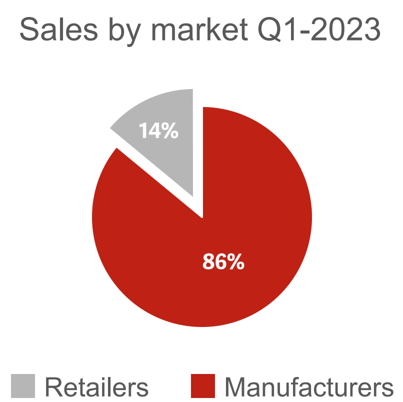
Although management believes these assumptions and expectations to be reasonable based on the information available at the time they are given, they could prove inaccurate. Forward-looking statements are also subject, by their very nature, to known and unknown risks and uncertainties set forth in the 2022 annual MD&A (see the "Risk Factors" section) available on SEDAR.

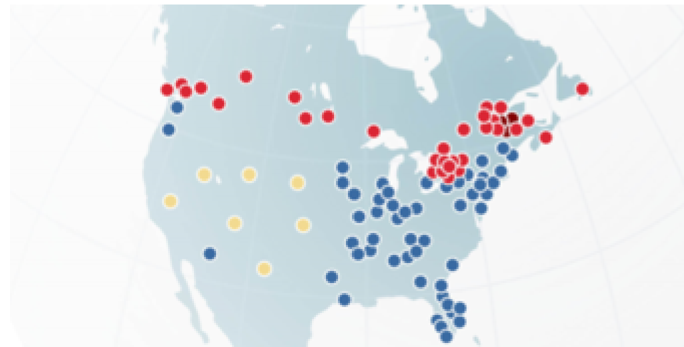
Richelieu's actual results could differ materially from those indicated in or underlying these forward-looking statements. The reader is therefore cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not reflect the potential impact of special items, any business combination or any other transaction that may be announced or occur subsequent to the date hereof. Richelieu undertakes no obligation to update or revise the forward-looking statements to account for new events or new circumstances, except as required by law.

GENERAL BUSINESS OVERVIEW AS AT FEBRUARY 28, 2023

Richelieu is a leading North American importer, manufacturer and distributor of specialty hardware and related products.

Richelieu offers customers a broad mix of products sourced from manufacturers worldwide. The solid relationships Richelieu has built with the world's leading suppliers enable it to provide customers with the latest innovative products tailored to their business needs. The residential and commercial renovation industry is one of the Corporation's principal sources of growth.





Richelieu's offer	112 interconnected centres
Over **130,000** different items	**50** DISTRIBUTION CENTRES IN CANADA
More than **110,000** active customers	**59** DISTRIBUTION CENTRES IN THE UNITED STATES
4,500,000 sq.ft. of storage	**3** MANUFACTURING PLANTS
	COVERAGE BY REPRESENTATIVES

Main product categories	
Furniture, glass and building decorative and functional hardware	Sliding door systems
	Decorative and functional panels
Lighting systems	High pressure laminates
Finishing and decoration products	Baluster and railings
Ergonomic workstations components	Floor protection products
Kitchen and closet storage solutions	Power tool accessories

Those products are targeted to an extensive customer base of **kitchen and bathroom cabinet, storage and closet, home furnishing and office furniture, door and window manufacturers, residential and commercial woodworkers, as well as hardware retailers including renovation superstores.**

This offering is completed by the Corporation's three manufacturing subsidiaries, Les Industries Cedan Inc., Menuiserie des Pins Ltée and USIMM/UNIGRAV, which manufacture a variety of veneer sheets and edge banding products, a broad selection of decorative mouldings and components for the window and door industry as well as custom products, including a 3D scanning center.

The Corporation employs over 3,000 people at its head office and throughout its network, close to half of whom work in marketing, sales and customer service. Nearly 50% of the Corporation's employees are Richelieu shareholders.

MAIN TRADEMARKS

Richelieu, Reliable Fasteners, Onward, Task, Pro-Tec, Liongrip, Neos Products Richelieu, Mekano, FormArt, Axial, Cedan, Mibro, Laknord, Sereni-T Series, Nystrom, EvolutionHD, Riveo, StrukArt, Brillanté, Wall-It, Feltac, Madico, Inter-Co Division, Richelieu Ergo, Super Slidex

MISSION AND STRATEGY

Richelieu's mission is to create shareholder value and contribute to its customers' growth and success, while favouring a business culture focused on quality of service and results, partnership and intrapreneurship.

To sustain its growth and remain the leader in its specialty market, the Corporation continues to implement the strategy that has proved beneficial to date, with a particular focus on:

- strengthening its product selection by continuously introducing each year diversified products that meet its market segment needs and position it as the specialist in functional and decorative hardware for manufacturers and retailers;
- further developing its current markets in Canada and the United States with the support of a specialized sales and marketing force capable of providing customers with personalized service, and
- pursuing its North America expansion by opening new distribution centers and through efficiently integrated, profitable acquisitions made at the right price, offering high growth potential and complementarity to its product mix and expertise.

Richelieu's solid and efficient organization, highly diversified product selection and long-term relationships with leading suppliers worldwide allows the Corporation to compete effectively in a fragmented market consisting mainly of a host of regional distributors offering a limited range of products.

FIRST QUARTER HIGHLIGHTS AND KEY FINANCIAL DATA

- **Sales** of $403.0M, up 4.8%; internal growth of 1.8% and 3.0% growth from acquisitions.
- In **Canada**, increase of 0.7% in sales; in the **U.S.**, increase of 4.7% ($US) which represents 42.7% of total sales.
- **EBITDA**[1] of $49.1M; EBITDA margin of 12.2%.
- **Net earnings** attributable to shareholders of $22.4M, or 0.40$ per diluted share.
- **Expansion**: 4 new acquisitions in Canada and 1 in the U.S. after the end of the quarter.

NETWORK DEVELOPMENT

During the first three months of 2023, Richelieu acquired the following companies:

Date	Company Name	Nature of operations	Locations
January 1, 2023	Unigrav Inc. and Usimm Inc.	2 companies offering custom products, including a 3D scanning center	Drummondville and Montreal, QC
January 4, 2023	Rabel Hardware Inc.	Specialized hardware distributor	Terrebonne, QC
January 6, 2023	Trans-World Distributing Ltd.	Distributor of industrial fasteners	Dartmouth, NS
April 3, 2023 *	Maverick Hardware	Hardware distributor	Eugene, OR

Sales of $2.8M have been generated by these acquisitions. Had those acquisitions been made on December 1, 2022, management believes that sales included in the consolidated statement of earnings would have totalled approximately $4.1M. The expansion and modernization projects undertaken by Richelieu at several of its U.S. centers are progressing on schedule, namely in Atlanta, Nashville, Pompano, Seattle and the new center in Chicago serving the U.S. retailers market. The Company moved its Fort Myers operations to a new center that is now operational as well as its two new centers located in Carlstadt, NJ and Minneapolis, MN. In the Calgary area, the Company will consolidate two of its centers at the end of the year and set up a premier showroom while increasing its service capacity in Western Canada.

* Refer to subsequent event section.

[1] This financial measure is not IFRS compliant. Refer to non-IFRS section.

Operating and cash flow information (unaudited)

Quarters ended February 28 (in millions of dollars, except margins and per share data)	2023 $	2022 $	Δ %
Sales	**403.0**	384.5	4.8
EBITDA [1]	**49.1**	53.7	(8.6)
EBITDA margin (%)	***12.2***	*14.0*	
Net earnings attributable to shareholders of the Corporation	**22.4**	30.1	(25.6)
• **basic per share ($)**	**0.40**	0.54	(25.9)
• **diluted per share ($)**	**0.40**	0.53	(24.5)
Adjusted cash flows from operating activities [1]	**38.3**	42.6	(10.1)
• **diluted per share ($)** [1]	**0.68**	0.75	(9.3)
Dividends paid per share ($)	**0.1500**	0.1300	15.4
Weighted average number of shares outstanding (diluted) (in thousands)	**56,147**	56,574	

Data on the financial situation

(in millions of dollars, except ratios)	As at February 28 $	November 30, 2022 $	Δ %
Total assets	**1,347.2**	1,283.9	4.9
Working capital	**564.9**	562.5	0.4
Current ratio	***2.6:1***	*2.6:1*	
Equity attributable to shareholders	**834.0**	817.2	2.1
Average return on equity (%)	***21.0***	*22.7*	
Book value per share ($)	**14.94**	14.65	2.0
Total debt	**6.4**	6.1	
Bank overdraft net of cash and cash equivalents	**137.7**	112.0	

CA$ / US$ EXCHANGE RATES

The following table presents the average exchange rates applicable to the quarters ended February 28, 2023 and 2022, as well as the closing rates on February 28, 2023 and November 30, 2022. The average rates are used to convert income and expenses from foreign establishments for the periods covered while other items in the statements of financial position and earnings of Canadian entities are translated at the exchange rates in effect at the date of transaction. The closing rates are used to convert the assets and liabilities of foreign operations and the monetary assets and liabilities of Canadian operations.

Average rate for the quarter ended February 28		Closing rate	
2023	2022	As at February 28, 2023	As at November 30, 2023
1.345	1.272	1.361	1.351

[1] These financial measures are not IFRS compliant. Refer to non-IFRS section.

ANALYSIS OF OPERATING RESULTS FOR THE FIRST QUARTER ENDED FEBRUARY 28, 2023, COMPARED WITH THE FIRST QUARTER ENDED FEBRUARY 28, 2022

(in millions of dollars, except per share data)	Quarter ended February 28		
	2023	2022	Δ %
Sales	**403.0**	384.5	4.8
Operating expenses excluding amortization	**353.9**	330.7	7.0
EBITDA	**49.1**	53.7	(8.6)
Amortization of property, plant and equipment and right-of-use assets	**11.4**	8.5	34.1
Amortization of intangible assets	**2.7**	2.5	8.0
Net financial costs and other	**3.8**	1.1	245.5
	17.9	12.1	47.9
Earnings before income taxes	**31.2**	41.6	(25.0)
Income taxes	**8.6**	11.3	(23.9)
Net earnings	**22.6**	30.3	(25.4)
Net earnings attributable to:			
Shareholders of the Corporation	**22.4**	30.1	(25.6)
Non-controlling interests	**0.2**	0.2	—
Net earnings per share attributable to shareholders of the Corporation			
Basic	**0.40**	0.54	(25.9)
Diluted	**0.40**	0.53	(24.5)

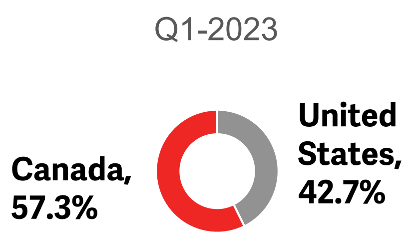
Sales

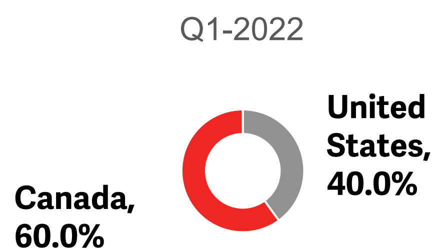
The following table provides a **sales** overview for the quarters ended February 28, 2023 and 2022 :

(in millions of dollars)	Quarters ended February 28		Δ %		
	2023	2022	Total	Internal	Acquisitions
Consolidated	**403.0**	384.5	4.8	1.8	3.0
Manufacturers	**344.0**	326.3	5.4	2.0	3.4
Retailers	**59.0**	58.2	1.4	1.2	0.2
Canada	**230.9**	229.4	0.7	(0.7)	1.4
Manufacturers	**185.5**	185.5	—	(1.8)	1.8
Retailers	**45.4**	43.9	3.4	3.4	—
United States	**172.1**	155.1	11.0		
In US$	**127.7**	122.0	4.7	(0.2)	4.9
Manufacturers	**117.6**	110.7	6.2	0.7	5.5
Retailers	**10.1**	11.3	(10.6)	(11.0)	0.4

For the first quarter ended February 28, 2023, consolidated sales were $403.0M, compared to $384.5M for the first quarter of 2022, an increase of $18.5M, or 4.8%. Internal growth was 1.8%. Acquisitions completed in the last 12 months contributed 3.0% to sales growth. In comparable currency to the first quarter of 2022, consolidated sales growth would have been 2.2% for the quarter ended February 28, 2023.

Breakdown of sales by major markets (in Canadian dollars)





Operating expenses excluding amortization

For the three months ended February 28, 2023, operating expenses excluding amortization totaled $353.9M, or 87.8% of sales, compared to $330.7M, or 86.0% of sales, for the corresponding period in fiscal 2022. The increase reflects in part the sales growth and a return to operating expenses closer to pre pandemic levels, in addition to costs related to external warehousing, resulting from the temporary inventory increase, as well as the effect of the rise in the value of the U.S. currency in relation to the Canadian currency on the conversion of the operating expenses of the independent subsidiary located in the United States.

Earnings before income taxes, interest and amortization (EBITDA)

EBITDA for 2023 first quarter was $49.1M, down $4.6M or 8.6% from the corresponding quarter of 2022, mainly as a result of higher operating expenses. Gross margin remained stable. As a result, the EBITDA margin was 12.2%, compared with 14.0% for the corresponding quarter of 2022.

Amortization, net financial costs and other

Amortization expense for the first quarter of 2023 amounted to $14.1M, up $3.1M over the corresponding period of 2022, as a result of the increase in amortizable intangibles as well as in right-of-use assets relating mainly to recent business acquisitions as well as to expansion projects carried out during the previous periods. Net financial costs and other were $3.8M for the three months of 2023 compared to $1.1M, a variation of $2.7M resulting mainly from the use of lines of credit to finance acquisitions, expansion projects and the temporary increase in inventories.

Income taxes

Income tax expense was $8.6M, representing an effective tax rate of 27.5%, in Q1 2023, compared to an expense of $11.3M, representing a rate of 27.2%, in Q1 2022.

Net earnings and comprehensive income

Net earnings for Q1 were $22.6M, down 25.4% from the prior year. Including non-controlling interests, net earnings attributable to the Corporation's shareholders were $22.4M, down 25.6% from the Q1 2022. Net earnings per share were $0.40 basic and diluted, compared to $0.54 basic and $0.53 diluted for Q1 2022, down 25.9% and 24.5% respectively.

Comprehensive income amounted to $24.6M, reflecting a positive adjustment of $2.0M on translation of the financial statements of the subsidiary in the United States, compared to $28.8M for the same period in 2022, which reflected a negative adjustment of $1.5M on translation of the financial statements of the subsidiary in the United States.

Quarterly data

(in millions of dollars, except per share data)				
2023	Q1	Q2	Q3	Q4
Sales	**403.0**			
EBITDA	**49.1**			
Net earnings attributable to shareholders of the Corporation	**22.4**			
• basic per share ($)	**0.40**			
• diluted per share ($)	**0.40**			
2022	Q1	Q2	Q3	Q4
Sales	384.5	487.9	472.9	457.5
EBITDA	53.7	77.9	79.2	76.7
Net earnings attributable to shareholders of the Corporation	30.1	47.0	46.4	44.9
• basic per share ($)	0.54	0.84	0.83	0.80
• diluted per share ($)	0.53	0.83	0.82	0.80
2021	Q1	Q2	Q3	Q4
Sales	297.6	371.4	373.3	398.2
EBITDA	38.2	61.0	63.9	71.3
Net earnings attributable to shareholders of the Corporation	21.0	37.4	38.7	44.6
• basic per share ($)	0.38	0.67	0.69	0.80
• diluted per share ($)	0.37	0.66	0.69	0.79

Quarterly variations in earnings - The first quarter closing at the end of February is generally the year's weakest for Richelieu in light of fewer number of business days due to the end-of-year holiday period and the wintertime slowdown in renovation and construction work. The third quarter ending August 31 also includes fewer business days due to the summer holidays, which can be reflected in the period's financial results. The second and fourth quarters respectively ending May 31 and November 30 generally represent the year's most active periods.

Analysis of principal cash flows for the first quarter ended February 28, 2023

(in millions of dollars)	Quarters ended February 28	
	2023	2022
Cash flows provided by (used in):		
Operating activities	**16.5**	(37.5)
Financing activities	**(19.7)**	(8.3)
Investing activities	**(22.3)**	(46.2)
Effect of exchange rate changes on cash and cash equivalents	**(0.2)**	(0.3)
Net change in cash and cash equivalents (bank overdraft)	**(25.7)**	(92.2)
Cash and cash equivalents (bank overdraft), beginning of period	**(112.0)**	58.7
Cash and cash equivalents (bank overdraft), end of period	**(137.7)**	(33.5)

Reconciliation of cash flow from operating activities to adjusted cash flow from operating activities :

(in millions of dollars)	Quarters ended February 28	
	2023	2022
Cash flow from operating activities	**16.5**	(37.5)
Net change in non-cash working capital balances	**21.8**	80.1
Adjusted cash flows from operating activities	**38.3**	42.6

Operating activities

First quarter cash flow from operating activities, before net change in non-cash working capital balances, was $38.3M or $0.68 per diluted share compared to $42.6M or $0.75 per diluted share for the first quarter of 2022. This 9.3% decrease primarily reflects the decrease in net earnings. The net change in non-cash working capital items used cash flows of $21.8M, mainly reflecting the decrease in accounts payable, taxes payable and other items, while accounts receivable represented a cash inflow of $8.4M. As a result, operating activities represented a cash inflow of $16.5M, compared to a cash outflow of $37.5M in Q1 2022.

Financing activities

Financing activities in Q1 required a cash outflow of $19.7M compared to $8.3M in Q1 2022. During the quarter, the Corporation paid $7.1M in lease obligations and $8.4M in dividends to shareholders and repaid $4.5M in long-term debt, compared to a lease obligation payment of $5.7M and a dividend payment of $7.3M in Q1 2022. The Corporation also repurchased $0.8M of common shares during Q1 2023.

Investing activities

Investing activities amounted to $22.3M, including $15.8M for the four business acquisitions made during Q1, and $6.5M mainly for the purchase of equipment to maintain and improve operational efficiency as well as investments in infrastructure for distribution center expansion projects.

Sources of financing

As at February 28, 2023, the bank overdraft, net of cash and cash equivalents, was $137.7M, compared to $112.0M as at November 30, 2022. The Corporation had a **working capital** of $564.9M, a ratio of 2.6:1, compared to $562.5M (ratio of 2.6:1) as at November 30, 2022.

Richelieu believes it has the capital resources to fulfill its ongoing commitments and obligations and to assume the funding requirements needed for its growth and the financing and investing activities between now and the end of 2023. The Corporation continues to benefit from an authorized line of credit of $150M [$150M as at November 30, 2022] as well as a line of credit of US$56M [US$56M as at November 30, 2022] renewable annually and bearing interest at bank's prime and BSBY rate plus 1.05%, respectively. In addition, Richelieu considers it could access to other outside financing if necessary.

ANALYSIS OF FINANCIAL POSITION

(in millions of dollars)	As at February 28, 2023	As at November 30, 2023
Current assets	**927.2**	910.8
Non-current assets	**420.0**	373.1
Total	**1,347.2**	1,283.9
Current liabilities	**362.3**	348.2
Non-current liabilities	**148.1**	115.8
Equity attributable to shareholders of the Corporation	**834.0**	817.2
Non-controlling interests	**2.7**	2.7
Total	**1,347.2**	1,283.9

Assets

Total assets were $1.35B as at February 28, 2023, compared to $1.28B as at November 30, 2022, an increase of 4.9%. Current assets increased by 1.8% or $16.4M from November 30, 2022. Non-current assets increased by 12.6% mainly due to the addition of right-of-use assets related to business acquisitions and expansion projects.

Liabilities

Current liabilities totaled $362.3M as at February 28, 2023, an increase of 4% compared to $348.2M as at November 30, 2022. Non-current liabilities totaled $148.1M as at February 28, 2023 compared to $115.8M as at November 30, 2022. The rise mainly reflects an increase in lease obligations. Long-term debt, including the current portion, was $6.4M as at February 28, 2023 and primarily represents balances payable on acquisitions.

Shareholders' equity

The Corporation's shareholders' equity was $834.0M as at February 28, 2023, compared to $817.2M as at November 30, 2022, an increase of $16.8M mainly due to an increase of $13.3M in retained earnings and $1.6M in capital stock and contributed surplus, while accumulated other comprehensive income increased by $2.0M. As at February 28, 2023, the book value per share was $14.94, up 2.0% from November 30, 2022.

Share capital and stock options

As at February 28, 2023, the Corporation's share capital consisted of 55,813,115 common shares [55,784,790 shares as at November 30, 2022]. For the three-month period ended February 28, 2023, the weighted average number of diluted shares outstanding was 56,147,410 [56,574,430 in 2022]. In addition, 1,937,175 stock options were outstanding as at February 28, 2023 [November 30, 2022 - 1,679,000].

The following table presents the changes in outstanding share capital and stock options for the three-month period ended February 28, 2023:

Number of shares		Number of options	
Outstanding, as at November 30, 2022	55,784,790	**Outstanding, as at November 30, 2022**	1,679,000
Issued	48,325	**Granted**	(48,325)
Repurchased	(20,000)	**Exercised**	306,500
Outstanding, as at February 28, 2023	55,813,115	**Outstanding, as at February 28, 2023**	1,937,175

SUBSEQUENT EVENT

On April 3, 2023, the Corporation acquired the principal net assets of Maverick Hardware, a distributor of specialized hardware operating a distribution centre in Eugene, OR.

FINANCIAL INSTRUMENTS

Richelieu periodically enters into forward exchange contracts to fully or partially hedge the effects of foreign currency fluctuations related to foreign-currency denominated payables or to hedge forecasted purchase transactions. The Corporation has a policy of not entering into derivatives for speculative or negotiation purposes and to enter into these contracts only with major financial institutions. Richelieu also uses equity swaps to reduce the effect of fluctuations in its share price on net earnings in connection with its deferred share unit plan.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As indicated in the 2022 annual MD&A, available on SEDAR, management has designed and evaluated internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") to provide reasonable assurance that the Corporation's financial reporting is reliable and that its publicly disclosed financial statements are prepared in accordance with IFRS. The President and Chief Executive Officer and the Vice-President and Chief Financial Officer have assessed, within the meaning of *National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings*, the design and the effectiveness of internal controls over financial reporting as at November 30, 2022. In light of this assessment, they concluded that the design and the effectiveness of internal controls over financial reporting ("ICFR and DC&P") were effective. During the quarter ended February 28, 2023, management ensured that there were no material changes in the Corporation's procedures that were reasonably likely to have a material impact on its internal control over financial reporting. No such changes were identified.

Due to their intrinsic limits, internal controls over financial reporting only provide reasonable assurance and may not prevent or detect misstatements. In addition, projections of an assessment of effectiveness in future periods carry the risk that controls will become inappropriate as a result of changes in conditions or if the degree of conformity with standards and methods should deteriorate.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's interim consolidated financial statements for the quarter ended February 28, 2023, have been prepared by management in accordance with IFRS.

The interim consolidated financial statements were prepared in accordance with the accounting policies that the Corporation applied when preparing its consolidated financial statements as at November 30, 2022 and for the year then ended, which require management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and appearing in the accompanying notes, which could be modified. The estimates are based on management's knowledge of current events, on the measures the Corporation could take in the future and on other factors deemed relevant and reasonable.

Risk factors are described in the "Risk Factors" section of Richelieu's 2022 annual report and MD&A, available on SEDAR and on the Corporation's website at www.richelieu.com.

SUPPLEMENTARY INFORMATION

Further information about Richelieu, including its latest Annual Information Form, is available on SEDAR at www.sedar.com and on the Corporation's website at www.richelieu.com.

President and Chief Executive Officer	Vice-President and Chief Financial Officer
Richard Lord	**Antoine Auclair**

April 6, 2023

Interim Consolidated Financial Statements

Richelieu Hardware Ltd.

For the three-month period ended February 28, 2023

[Unaudited]

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[In thousands of dollars] [Unaudited]	Notes	As at February 28, 2023 $	As at November 30, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		**28,778**	21,220
Accounts receivable		**217,256**	222,238
Income taxes receivable		**2,211**	—
Inventories		**667,517**	660,242
Prepaid expenses		**11,439**	7,071
		927,201	910,771
Non-current assets			
Property, plant and equipment		**58,021**	54,832
Intangible assets		**72,228**	66,603
Right-of-use assets		**146,829**	116,204
Goodwill		**134,341**	127,457
Deferred taxes		**8,543**	7,998
		1,347,163	1,283,865
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdraft		**166,467**	133,208
Accounts payable and accrued liabilities		**158,161**	169,913
Income taxes payable		**—**	10,749
Current portion of long-term debt		**4,270**	5,208
Current portion of lease obligations		**33,432**	29,145
		362,330	348,223
Non-current liabilities			
Long-term debt		**2,152**	859
Lease obligations		**123,966**	95,705
Deferred taxes		**12,032**	10,052
Other liabilities		**9,951**	9,204
		510,431	464,043
Equity			
Share capital	3	**63,055**	61,829
Contributed surplus		**8,757**	8,400
Retained earnings		**732,449**	719,185
Accumulated other comprehensive income	4	**29,722**	27,743
Equity attributable to shareholders of the Corporation		**833,983**	817,157
Non-controlling interests		**2,749**	2,665
		836,732	819,822
		1,347,163	1,283,865

See accompanying notes to the interim consolidated financial statements.

On behalf of the Board of Directors :

Richard Lord
Director

Luc Martin
Director

CONSOLIDATED STATEMENTS OF EARNINGS

For the three-month periods ended February 28 [In thousands of dollars, except earnings per share]
[Unaudited]

	Notes	**2023** **$**	2022 $
Sales		**403,030**	384,466
Operating expenses excluding amortization	5	**353,932**	330,738
Earnings before amortization, financial costs and income taxes		**49,098**	53,728
Amortization of property, plant and equipment and right-of-use assets		**11,373**	8,535
Amortization of intangible assets		**2,737**	2,517
Net financial costs and other		**3,831**	1,082
		17,941	12,134
Earnings before income taxes		**31,157**	41,594
Income taxes		**8,575**	11,294
Net earnings		**22,582**	30,300
Net earnings attributable to:			
Shareholders of the Corporation		**22,383**	30,098
Non-controlling interests		**199**	202
		22,582	30,300
Net earnings per share attributable to shareholders of the Corporation			
Basic		**0.40**	0.54
Diluted		**0.40**	0.53

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended February 28 [In thousands of dollars]
[Unaudited]

	Notes	**2023** **$**	2022 $
Net earnings		**22,582**	30,300
Other comprehensive income (loss) that will be reclassified to net earnings			
Exchange differences on translation of foreign operations	4	**1,979**	(1,520)
Comprehensive income		**24,561**	28,780
Comprehensive income attributable to:			
Shareholders of the Corporation		**24,362**	28,578
Non-controlling interests		**199**	202
		24,561	28,780

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended February 28 [In thousands of dollars]
[Unaudited]

	Attributable to shareholders of the Corporation						
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Notes	3			4			
Balance as at November 30, 2021	54,610	7,046	590,522	14,264	666,442	2,495	668,937
Net earnings	—	—	30,098	—	30,098	202	30,300
Other comprehensive loss	—	—		(1,520)	(1,520)	—	(1,520)
Comprehensive income (loss)	—	—	30,098	(1,520)	28,578	202	28,780
Stock options exercised	6,996	(1,190)	—	—	5,806	—	5,806
Share-based compensation expense	—	450	—	—	450	—	450
Dividends *[note8]*	—	—	(7,278)	—	(7,278)	—	(7,278)
Other liabilities	—	—	—	—	—	(117)	(117)
	6,996	(740)	(7,278)	—	(1,022)	(117)	(1,139)
Balance as at February 28, 2022	61,606	6,306	613,342	12,744	693,998	2,580	696,578
Balance as at November 30, 2022	**61,829**	**8,400**	**719,185**	**27,743**	**817,157**	**2,665**	**819,822**
Net earnings	**—**	**—**	**22,383**	**—**	**22,383**	**199**	**22,582**
Other comprehensive income	**—**	**—**	**—**	**1,979**	**1,979**	**—**	**1,979**
Comprehensive income	**—**	**—**	**22,383**	**1,979**	**24,362**	**199**	**24,561**
Shares repurchased	**(22)**	**—**	**(751)**	**—**	**(773)**	**—**	**(773)**
Stock options exercised	**1,248**	**(233)**	**—**	**—**	**1,015**	**—**	**1,015**
Share-based compensation expense	**—**	**590**	**—**	**—**	**590**	**—**	**590**
Dividends *[note 8]*	**—**	**—**	**(8,368)**	**—**	**(8,368)**	**—**	**(8,368)**
Other liabilities	**—**	**—**	**—**	**—**	**—**	**(115)**	**(115)**
	1,226	**357**	**(9,119)**	**—**	**(7,536)**	**(115)**	**(7,651)**
Balance as at February 28, 2023	**63,055**	**8,757**	**732,449**	**29,722**	**833,983**	**2,749**	**836,732**

See accompanying notes to the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended February 28 [In thousands of dollars]
[Unaudited]

	Notes	**2023** **$**	2022 $
OPERATING ACTIVITIES			
Net earnings		**22,582**	30,300
Items not affecting cash			
Amortization of property, plant and equipment and right-of-use assets		**11,373**	8,535
Amortization of intangible assets		**2,737**	2,517
Deferred taxes		**(495)**	(126)
Share-based compensation expense	3	**590**	450
Financial costs		**1,500**	874
		38,287	42,550
Net change in non-cash working capital balances		**(21,835)**	(80,077)
		16,452	(37,527)
FINANCING ACTIVITIES			
Repayment of long-term debt		**(4,484)**	(1,079)
Dividends paid to shareholders of the Corporation	8	**(8,368)**	(7,278)
Payment of lease obligations		**(7,088)**	(5,742)
Common shares issued		**1,015**	5,806
Common shares repurchased for cancellation		**(773)**	—
		(19,698)	(8,293)
INVESTING ACTIVITIES			
Business acquisitions	2	**(15,792)**	(42,350)
Additions to property, plant and equipment and intangible assets		**(6,460)**	(3,800)
		(22,252)	(46,150)
Effect of exchange rate changes on cash and cash equivalents		**(203)**	(271)
Net change in cash and cash equivalents (bank overdraft)		**(25,701)**	(92,241)
Cash and cash equivalents (bank overdraft), beginning of period		**(111,988)**	58,707
Cash and cash equivalents (bank overdraft), end of period		**(137,689)**	(33,534)
Supplementary information			
Income taxes paid		**22,069**	22,014
Net interest paid		**3,831**	1,082

See accompanying notes to the interim consolidated financial statements.

February 28, 2023 and February 28, 2022 (Amounts are in thousands of dollars, except per-share amounts or otherwise indicated)

NATURE OF BUSINESS

Richelieu Hardware Ltd. [the "Corporation"] is incorporated under the laws of Quebec, Canada. The Corporation is a distributor, importer, and manufacturer of specialty hardware and complementary products. Its products target an extensive customer base of kitchen and bathroom cabinet, storage and closet, home furnishing and office furniture manufacturers, door and window, residential and commercial woodworkers and hardware retailers including renovation superstores. The Corporation's head office is located at 7900 Henri-Bourassa Blvd. West, Montreal, Quebec, Canada, H4S 1V4.

1. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Corporation's interim consolidated financial statements, presented in Canadian dollars, have been prepared by management in accordance with International Financial Reporting Standards ["IFRS"], and more specifically with IAS34, *Interim Financial Reporting.*

The interim consolidated financial statements were prepared in accordance with the accounting policies that the Corporation applied when preparing the annual consolidated financial statements as at November 30, 2022 and for the year then ended, and their preparation requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Corporation may undertake in the future and other factors deemed relevant and reasonable. In management's opinion, these interim consolidated financial statements reflect all the adjustments required for a fair presentation. These adjustments consist only of normal recurring adjustments. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year as the operating level of the Corporation is subject to seasonal fluctuations. These interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and the accompanying notes included in the Corporation's annual report for the fiscal year ended November 30, 2022.

2. BUSINESS ACQUISITIONS

2023

Effective January 1, 2023, the Company acquired all issued and outstanding share capital of Unigrav Inc. and Usimm Inc., two companies offering custom products, including a 3D scanning service, for the architectural and industrial market, respectively located in Drummondville and Montreal, QC.

Effective January 4, 2023, the Corporation acquired all issued and outstanding share capital of Quincaillerie Rabel Inc., a specialty hardware distributor operating one distribution centre in Terrebonne, QC.

Effective January 6, 2023, the Corporation acquired all issued and outstanding share capital of Trans-World Distributing Ltd., a distributor of industrial fasteners for the industrial market operating one distribution centre in Dartmouth, NS.

Sales of $2.8 million have been generated by these acquisitions. Had those acquisitions been made on December 1, 2022, management believes that sales included in the consolidated statement of earnings would have totalled approximately $4.1 million.

2022

On September 2, 2022, the Corporation closed a transaction pertaining to the acquisition of all issued and outstanding share capital of Quincaillerie Deno, a distributor of specialized hardware products operating one distribution centre located in Anjou, QC.

Effective December 31, 2021, the Corporation acquired the principal net assets of Compi Distributors, a distributor of specialized hardware operating four distribution centres in St. Louis, MO, Kansas City, MO, Ozark, MO and Springfield, IL.

Effective December 31, 2021, the Corporation acquired the principal net assets of HGH Hardware Supply, a distributor of specialized hardware operating four distribution centres, one in Birmingham, AL, one in Nashville, TN and two in Atlanta, GA.

Effective December 31, 2021, the Corporation acquired the principal net assets of National Builders Hardware, a distributor of specialized hardware operating one distribution centre in Portland, OR.

Summary of acquisitions

The preliminary purchase price allocations, at the transaction dates, are summarized as follows:

	2023
	$
Current assets acquired	**9,064**
Property, plant and equipment and right-of-use assets	**1,774**
Intangible assets	**7,654**
Goodwill	**6,658**
	25,150
Current liabilities assumed	**(1,146)**
Non current liabilities assumed	**(1,602)**
Deferred tax liabilities	**(1,980)**
Non controlling interests	**(625)**
Net assets acquired	**19,797**
Consideration	
Cash, net of cash acquired	**15,792**
Consideration payable	**4,005**
	19,797

Preliminary purchase price allocations are subject to fair value adjustments to assets, liabilities and goodwill until the estimation process is complete. The final purchase price allocation should be completed as soon as management has gathered all the information available and deemed necessary to finalize the calculation, in particular for intangible assets, no later than 12 months after the acquisition date.

3. SHARE CAPITAL

Authorized

Unlimited number of:

Common shares, participating, entitling the holder to one vote per share.

Non-voting first and second ranking preferred shares issuable in series, the characteristics of which are to be determined by the Board of Directors.

Changes in common shares are summarized as follows:

In thousands	Number of shares	$
Outstanding, as at November 30, 2021	55,842	54,610
Issued	271	7,580
Repurchased	(327)	(361)
Outstanding, as at November 30, 2022	**55,786**	**61,829**
Issued	**48**	**1,248**
Repurchased	**(20)**	**(22)**
Outstanding, as at February 28, 2023	**55,814**	**63,055**

During the three-month period ended February 28, 2023, the Corporation issued 48,325 common shares [in fiscal year 2022 - 271,000] at an average exercise price of $21.00 per share [in fiscal year 2022 - $23.19] pursuant to the exercise of stock options under the stock option plan. In addition, the Corporation, repurchased 20,000 common shares for cancellation for a consideration of $773 [327,329 common shares for a consideration of $12,289 in fiscal 2022], which resulted in a premium on the redemption in the amount of $751 recognized as a reduction of retained earnings [premium of $11,928 in fiscal 2022].

Stock option plan

Changes in stock options are summarized as follows:

	Number of options *(in thousands)*	Weighted average exercise price $
Outstanding, as at November 30, 2021	1,691	27.14
Granted	276	43.57
Exercised	(271)	23.19
Cancelled	(16)	34.03
Outstanding, as at November 30, 2022	**1,680**	**30.50**
Granted	**307**	**37.39**
Exercised	**(48)**	**21.00**
Outstanding, as at February 28, 2023	**1,939**	**30.79**

Stock options granted during the three-month period ended February 28, 2023 have an average fair value of $9.18 per option [FY2022 - $12.37] as determined using the Black & Scholes option pricing model with an expected dividend yield of 1.4% [2022 - 1.2%], expected volatility of 24.3% [2022 - 23.1%], a risk free interest rate of 2.75% [2022 - 1.84%] and an expected life of 6.5 years [2022 - 6.2 years]. For the three-month period ended February 28, 2023, the compensation expense related to stock options amounted to $590 [2022 - $450] and is recognized under *Operating expenses excluding amortization*. As at February 28, 2023, the exercise price of stock options outstanding varied between $14.5 and $43.57 [between $12.71 and $43.57 as at November 30, 2022].

Deferred Share Unit Plan (DSU)

The liability resulting from the DSU plan of $6,482 [November 30, 2022 - $8,940] is recognized under the *Accounts payable and accrued liabilities*. As at February 28, 2023, the fair value of the swaps amounted to an asset of $506 [November 30, 2022 - asset of $618] and is recognized under *Accounts receivable*. The Corporation classified the fair value measurement in Level 2, as it is derived from observable market data. Compensation expense for the DSUs for the three-month period ended February 28, 2023, amounted to $25 [2022 - $200] and is recognized under *Operating expenses excluding amortization*.

Share Purchase Plan

Compensation expense related to the share purchase plan amounted to $290 for the three-month period ended February 28, 2023 [2022 - $274] and is recognized under *Operating expenses excluding amortization*.

Net earnings per share

Net earnings per share, basic and diluted, was calculated based on the following number of shares:

(in thousands)	**2023**	2022
Weighted average number of shares outstanding - Basic	**55,780**	55,914
Dilutive effect under stock option plan	**367**	660
Weighted average number of shares outstanding - Diluted	**56,147**	56,574

For the three-month period ended February 28, 2023, the calculation of the diluted earnings per share does not take into account the weighted average of 271,000 stock options since their exercise price is higher than the average share price for the period and would have an anti-dilutive effect. [None in 2022].

4. ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income includes the following items and its changes are detailed as follows:

	2023 $	2022 $
Balance at the beginning of the period	**27,743**	14,264
Exchange differences on translation of foreign operations	**1,979**	(1,520)
Balance at the end of the period	**29,722**	12,744

5. FINANCIAL INSTRUMENTS AND OTHER INFORMATION

Fair value

The carrying value of long-term debt approximates its fair value because of the short maturity of amounts payable. The Corporation classified the fair value measurement in Level 2, as it is derived from observable market data.

February 28, 2023 and February 28, 2022 (Amounts are in thousands of dollars, except per-share amounts or otherwise indicated)

As at February 28, 2023, the fair value of the foreign exchange forward contracts amounted to a liability of approximately $4 [an asset of $193 as at November 30, 2022] representing the approximate amount the Corporation would have paid on settlement of these contracts at spot rates. The Corporation classified the fair value measurement in Level 2, as it is derived from observable market data.

Credit risk

The Corporation sells its products to numerous customers in Canada and in the United States. Credit risk refers to the possibility that customers will be unable to assume their liabilities toward the Corporation. The average collection period for accounts receivable, as at February 28, 2023 is acceptable given the industry in which the Corporation operates.

The Corporation performs ongoing credit evaluation of customers and generally does not require collateral. The allowance for doubtful accounts increased by $519 during the three-month period ended February 28, 2023 to a total of $7,968 as at February 28, 2023 [November 30, 2022 - $7,449].

Market risk

The Corporation's foreign currency exposure arises from purchases and sales transacted mainly in US dollars and in euros. Operating expenses included, for the three-month period ended February 28, 2023, an exchange gain of $1,034 [2022 - exchange gain of $1,040].

The Corporation's policy is to maintain the purchase costs and selling prices of its commercial activities by mitigating its exposure through the use of derivative financial instruments. To protect its operations from exposure to exchange rate fluctuations, foreign exchange forward contracts are used. Significant exchange risks are covered by centralized cash flow management. Exchange rate risks are managed in accordance with the Corporation's policy on exchange risk management. The goal of this policy is to protect the Corporation's operating results by reducing exposure to exchange rate fluctuations. The Corporation's policy does not allow speculative trades.

As at February 28, 2023, a decrease of 5% in the Canadian dollar against the US dollar and the euro on translation of monetary assets and liabilities, all other variables remaining the same, would have increased consolidated net earnings by $1,352 [$1,768 as at February 28, 2022] and would have increased other comprehensive income by $9,734 [$9,082 as at February 28, 2022]. The exchange rate sensitivity is calculated by aggregating the net foreign exchange rate exposure of the Corporation's financial instruments as at February 28, 2023.

Liquidity risk

The Corporation manages its risk of not being able to settle its financial liabilities when required by taking into account its operational needs and by using different financing tools, as required. In recent years, the Corporation has financed its growth, its acquisitions, and its payout to shareholders using mainly cash generated by operating activities.

The Corporation benefits from an authorized line of credit of $150 million [$150 million as at November 30, 2022] as well as a line of credit of US$56 million [US$56 million as at November 30, 2022]. The restrictive conditions and covenants remain unchanged.

Operating expenses excluding amortization

	2023	2022
	$	$
Inventories from distribution, imports and manufacturing activities recognized as an expense	**297,085**	282,217
Salaries and related charges	**53,470**	46,099
Other charges	**3,377**	2,422
	353,932	330,738

For the three-month period ended February 28, 2023, an expense of $1,510 [2022 - $1,273] for inventory obsolescence is included in Inventories from distribution, imports and manufacturing activities recognized as an expense.

6. CAPITAL MANAGEMENT

The Corporation's objectives are:

- Maintain a low debt ratio to preserve the capacity to pursue its growth both internally and through acquisitions;
- Provide an adequate return to shareholders.

The Corporation manages and makes adjustments to its capital structure in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust its capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. As at February 28, 2023, the Corporation achieved the following results regarding its capital management objectives:

- Debt/equity ratio: 0.8% [0.7% as at November 30, 2022] [Long-term debt/Equity]
- Average return on shareholders' equity of 21.0% over the last 12 months [22.7% for the year ended November 30, 2022]

The Corporation's capital management objectives remained unchanged from the previous fiscal year.

7. GEOGRAPHIC INFORMATION

During the three-month period ended February 28, 2023, nearly 57% of sales were made in Canada [2022 - 60%]. The Corporation's sales in foreign countries, almost all in the United States, amounted to $172,124 [2022 - $155,018] in Canadian dollars and to $127,666 [2022 - $122,013] in US dollars.

As at February 28, 2023, of the total amount of property, plant and equipment, $22,759 [November 30, 2022 - $19,635] were located in the United States. In addition, intangible assets located in the United States amounted to $29,180 [November 30, 2022 - $30,037] and goodwill to $30,416 [November 30, 2022 - $30,190] in Canadian dollars and to $21,442 [November 30, 2022 - $22,236] and to $22,350 [November 30, 2022 - $22,350] in US dollars. Of the total amount of right-of-use assets, $95,713 [November 30, 2022 - $74,495] were located in the United States.

8. DIVIDENDS PAID TO SHAREHOLDERS OF THE CORPORATION

For the three-month period ended February 28, 2023, the Corporation paid dividends of $8,368 to holders of common shares [2022 - $7,278], representing a quarterly dividend of $0.1500 per common share [quarterly dividend of $0.1300 per share in 2022].

9. APPROVAL OF FINANCIAL STATEMENTS

The interim consolidated financial statements for the three-month period ended February 28, 2023 (including the comparative figures) were approved for issue by the Board of Directors on April 6, 2023.

10. SUBSEQUENT EVENT

On April 3, 2023, the Corporation acquired the principal net assets of Maverick Hardware, a distributor of specialized hardware operating a distribution centre in Eugene, OR.