

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ROTHMANS, BENSON & HEDGES INC.

Applicant

ELEVENTH REPORT OF THE MONITOR
SEPTEMBER 22, 2022

INTRODUCTION

1. On March 22, 2019, Rothmans, Benson & Hedges Inc. (“**RBH**”, the “**Company**” or the “**Applicant**”) applied for and obtained an initial order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act* (“**CCAA**”) that, amongst other things, (i) granted a stay of proceedings in favour of the Applicant and a limited stay of proceedings in favour of members of the PMI Group from certain proceedings and Other Pending Litigation, and (ii) appointed EYI as Monitor of the Applicant in this CCAA proceeding (the “**CCAA Proceeding**”).
2. On April 25, 2019, this Court issued a further amended and restated Initial Order (the “**Second Amended and Restated Initial Order**”) and amongst other things, extended a limited stay of proceedings to the Other Defendants.
3. Pursuant to an Order dated March 22, 2022, the Stay Period was extended to September 30, 2022.

PURPOSE

4. The purpose of this eleventh report of the Monitor (the “**Eleventh Report**”) is to provide information to this Court with respect to:
 - i) the status of the CCAA Proceeding;

- ii) the actual receipts and disbursements of the Applicant from February 28, 2022 to September 4, 2022 (the “**Reporting Period**”);
- iii) the Applicant’s updated cash flow forecast for the period from September 5, 2022 to April 2, 2023; and
- iv) the Applicant’s request for an order that the stay of proceedings be extended up to and including March 31, 2023.

TERMS OF REFERENCE

- 5. In preparing this Eleventh Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicant, the Affidavits (as defined below), and discussions with RBH management (collectively, the “**Information**”). Except as described in this Eleventh Report:
 - i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - ii) some of the information referred to in this Eleventh Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants of Canada Handbook, has not been performed.
- 6. Future oriented financial information referred to in this Eleventh Report was prepared based on the Company’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

7. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Eleventh Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Monitor.
8. RBH closed its Toronto head office on March 13, 2020 and implemented a work-from-home protocol in response to the COVID Pandemic. The Toronto head office has since been reopened, with the work-from-home option being available for employees. All of the Monitor’s communications with RBH continue to take place remotely.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
10. Capitalized terms used but not defined in this Eleventh Report are defined in the affidavit of Mindaugas Trumpaitis sworn September 20, 2022 in connection with the stay extension request and Peter Luongo’s prior affidavits filed in the CCAA Proceedings (collectively, the “**Affidavits**”), the Proposed Monitor’s Pre-filing Report dated March 22, 2019 and the Monitor’s prior reports (together, the “**Monitor’s Reports**”) and the Second Amended and Restated Initial Order.
11. Copies of the Monitor’s Reports, including a copy of this Eleventh Report, and all motion records and Orders in the CCAA Proceeding are available on the Monitor’s website at www.ey.com/ca/rbh. The Monitor has also established a toll-free phone number that is referenced on the Monitor’s website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceeding.

OVERVIEW OF THE APPLICANT

12. The Applicant is a private company with its head office in Toronto, Ontario. The ultimate parent of the Applicant is PMI. The Applicant’s two primary business segments include:
 - i) **Traditional Cigarette and Tobacco Product Business** – the Applicant is the second largest supplier of traditional tobacco products in the tax-paid Canadian market. It manufactures and sells cigarettes and fine-cut tobacco, and distributes pipe tobacco and cigar products; and

- ii) **Reduced Risk Product Business: IQOS and Vaping Products** – the Applicant sells and distributes IQOS and vaping products to consumers via 3rd party retail outlets, as well as via an online platform. IQOS is an electronic device that generates a nicotine-containing aerosol by heating tobacco products manufactured for use with the IQOS device.
13. The Applicant provides employment or consultant work to approximately 749 employees and 51 contractors in Canada.¹

STATUS OF THE CCAA PROCEEDING

Update on Mediation

14. The Tobacco Applicants have continued to populate separate data rooms with financial information to continue advancing mediation discussions with key stakeholders. Stakeholder advisors have been admitted to the data rooms after execution of non-disclosure agreements. The Monitor continues to work with the Applicant to update the Applicant’s data room with financial and other information, as requested.
15. Since the last Monitor’s report, the Court-Appointed Mediator, with the assistance of the Tobacco Monitors, continues to conduct mediation meetings, facilitate the exchange of information, and engage in discussions with the Tobacco Applicants and the key stakeholders. The mediation negotiations are confidential; however, the parties continue to work to advance the mediation process with the goal to facilitate a global settlement of the Tobacco Claims.

Operational Update

16. Since the granting of the Initial Order, the Applicant, with the assistance of the Monitor, has been operating on a business as usual basis, subject to the Second Amended and Restated Initial Order, and continues to operate its cash flow positive Business for the benefit of all stakeholders.

¹ As of August 31, 2022

17. The Applicant, with the assistance of the Monitor, has responded to suppliers regarding the CCAA Proceeding as needed.
18. Pursuant to the Professional Fees Disclosure Order dated May 16, 2019, the Monitor continues to disclose, through its counsel, the Monitor's and its counsel's professional fees and disbursements and the Applicant's counsel's professional fees and disbursements to the requesting parties.
19. As further described in previous reports of the Monitor, the Applicant launched vaping products, VEEV and VEEBA, into a limited segment of the Canadian market during fall 2021 and summer 2022, respectively. The Applicant imports packaged vaping products from Europe and Asia for the Canadian duty-paid market. Actual cash flows and disbursements from VEEV, VEEBA and IQOS products are included in RBH's results, which are discussed in more detail below.
20. The Canadian Federal government announced in its 2022 budget that an excise duty on vaping products will be implemented effective October 1, 2022, which among other things, require RBH to post collateral, bonds and/or other security of up to \$5 million (the "**New Excise Duty Security**") as part of the application for the vaping excise tax license. On July 11, 2022, this Court issued the New Excise Duty Security Order authorizing the Applicant to post the New Excise Duty Security.
21. In July 2022 the Province of Nova Scotia requested the Applicant to post additional security in accordance with section 82 of the provincial *Revenue Act* (Nova Scotia) SNS 1995-96, c.17 on account of taxes in respect of vaping product sold in Nova Scotia. The Monitor understands the Applicant responded to the Province of Nova Scotia that such a request is not consistent with the terms of the Second Amended and Restated Initial Order, and therefore RBH has not posted the additional security requested by the Province of Nova Scotia.

ACTUAL RECEIPTS AND DISBURSEMENTS FOR THE PERIOD FEBRUARY 28, 2022 TO SEPTEMBER 4, 2022

22. For the period from February 28, 2022 to September 4, 2022, RBH had total receipts of approximately \$1,572.9 million and total disbursements of approximately \$1,350.5 million for net cash flow of approximately \$222.4 million.
23. Actual net cash flow was unfavourable to forecast by \$93.0 million. Significant items contributing to this overall unfavourable variance were as follows:
- i) a permanent unfavourable variance of approximately \$143.7 million in Collection of Accounts Receivable primarily as a result of lower than forecast sales during the Reporting Period;
 - ii) a permanent favourable variance of approximately \$13.2 million in Other Receipts primarily due to a combination of higher than forecast interest income of \$10.2 million, and higher than forecast compensation for Risk Reduced Products of approximately \$2.3 million during the Reporting Period;
 - iii) an unfavourable variance in Third Party Operating Costs of approximately \$5.5 million primarily on account of the earlier than forecast payment of certain expenditures related to the roll out of the vaping products to the Canadian market;
 - iv) a favourable variance of approximately \$11.0 million in Net Intercompany Disbursements primarily due to a favourable timing variance of approximately \$11.9 million for intercompany finished goods and leaf purchases during the Reporting Period. Payments are expected to be made in the next forecast period;
 - v) a favourable variance of approximately \$31.6 million in Taxes (Excise/Duty/GST/PTT) primarily due to the following variances:
 - a) a favourable permanent variance of approximately \$37.1 million primarily as a result of lower than forecast sales and production;

- b) a favourable permanent variance of approximately \$12.9 million on account of a tax refund related to the Applicant's destruction of certain tax-paid tobacco products. As these products were produced prior to the implementation of the *Tobacco Products Regulations (Plain and Standardized Appearance)*, these products did not meet the regulations and were unsold prior to their destruction;
 - c) an unfavourable permanent variance of approximately \$10.9 million primarily as a result of higher than forecast customs duties on higher than forecast imports of finished goods from RBH's Mexican affiliate;
 - d) an unfavourable permanent variance of \$5.0 million related to the posting of the New Excise Duty Security with the CRA as described in this Eleventh Report and the Tenth Report;
 - e) an unfavourable permanent variance of approximately \$3.9 million as a result of additional excise taxes incurred on finished goods on hand as a result of the tax increase during the Reporting Period; and
 - vi) a favourable permanent variance of approximately \$2.8 million in Restructuring Costs as professional fees were lower than originally forecast.
24. A summary of the Applicant's actual receipts and disbursements as compared to the projection set out in the Ninth Report for the period of February 28, 2022 to September 4, 2022, is attached as Appendix "A" to this Eleventh Report.

UPDATED CASH FLOW FORECAST

25. The Applicant, with the assistance of the Monitor, has prepared a cash flow forecast (the "**September 2022 Cash Flow Forecast**") for the thirty (30) week period from September 5, 2022 to April 2, 2023 (the "**Cash Flow Period**"). A copy of the September 2022 Cash Flow Forecast is attached as Appendix "**B**".
26. As at September 4, 2022, the Applicant had available cash and equivalents of approximately \$4.06 billion.

27. The September 2022 Cash Flow Forecast estimates the Applicant will have total receipts of approximately \$1.6 billion and total disbursements of approximately \$1.3 billion for net cash flow of approximately \$354.5 million during the Cash Flow Period.
28. The September 2022 Cash Flow Forecast has been prepared by the Applicant for the purpose of the CCAA Proceeding, using probable and hypothetical assumptions as set out below:
- i) Accounts receivable collections have been estimated by the Applicant based on revenue forecasts and historical customer collection experience prior to the COVID Pandemic;
 - ii) Pre-filing intercompany amounts owing are stayed;
 - iii) All post-filing goods and services from suppliers and service providers and all post-filing intercompany goods and services will be settled in the ordinary course;
 - iv) All outstanding and future wages, salaries, commissions, compensation, vacation pay, bonuses, incentive plan payments, employee and retiree pension and other benefits and related contributions and payments (including, without limitation, expenses related to employee and retiree medical, dental, disability, life insurance and similar benefit plans or arrangements, employee assistance programs and contributions to or any payments in respect of the Registered Pension Plans, the Non-Registered Pension Plans and the RRSP), reimbursement expenses, termination pay, salary continuance and severance pay, all of which is payable to or in respect of employees, independent contractors and other personnel, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements or with Monitor approval will be paid;
 - v) Restructuring Costs have been forecast based on anticipated run rates and includes an estimate of costs associated with the Court-Appointed Mediator and Representative Counsel. All outstanding fees and disbursements of the Assistants retained or employed by the Applicant will be paid;
 - vi) Any payment under or in respect of any Trade Program operated by the Applicant will be paid;

- vii) Post-filing expenses and capital expenditures necessary for the preservation of the Property or the Business including, payments in respect of insurance (including directors' and officers' insurance), maintenance and security services, as well as, certain capital expenditures to replace or supplement the Property or that are otherwise a benefit to the business, will be paid;
 - viii) All statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province or other taxing authority that are required to be deducted from employee wages including, in respect of employee insurance, Canada Pension Plan, Quebec Pension Plan and income taxes will be remitted;
 - ix) Corporate income tax installments and payments are made in normal course;
 - x) All pre-filing and post-filing Sales & Excise Taxes accrued or collected in connection with the sale of goods and services by the Applicant will be remitted;
 - xi) Any payments in respect of the Quebec Class Actions and the Other Pending Litigation (which includes an action brought by the Ontario Flue-Cured Tobacco Growers' Marketing Board) are stayed;
 - xii) The on-going sourcing of a portion of finished goods from RBH's Mexico affiliate and the continuing launch of the vaping product have been included in the September 2022 Cash Flow Forecast; and
 - xiii) Certain amounts that have been re-timed from the Reporting Period and are now forecast to be disbursed during the Cash Flow Period.
29. The Monitor's review of the September 2022 Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Company. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the September 2022 Cash Flow Forecast. The Monitor also reviewed the support provided by the Company for the probable and hypothetical assumptions, and the preparation and presentation of the September 2022 Cash Flow Forecast.

30. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
- i) the probable and hypothetical assumptions are not consistent with the purpose of the September 2022 Cash Flow Forecast;
 - ii) as at the date of this Report, the probable and hypothetical assumptions developed by the Company are not suitably supported and consistent with the restructuring plans of the Applicant or do not provide a reasonable basis for the September 2022 Cash Flow Forecast, given the probable and hypothetical assumptions; or
 - iii) the September 2022 Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
31. As described in the Terms of Reference above, the September 2022 Cash Flow Forecast is based on assumptions regarding future events and actual results will vary from the information presented even if the probable and hypothetical assumptions occur, and such variations may be material. Accordingly, the Monitor expresses no assurance as to whether the September 2022 Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the September 2022 Cash Flow Forecast or relied upon by the Monitor in preparing this Eleventh Report.
32. The September 2022 Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

REQUEST FOR AN EXTENSION OF THE STAY PERIOD

33. The Stay Period is currently set to expire on September 30, 2022. The Applicant is seeking the extension of the Stay Period up to and including March 31, 2023 in order for the Applicant to continue to operate its Business and participate in the process established by the Court-Appointed Mediator to resolve the Global Damages Award and all Other Pending Litigation claims.

34. As described above, the Applicant's September 2022 Cash Flow Forecast projects the Applicant will have sufficient liquidity and generate positive cash flow during the Cash Flow Period.
35. It is the Monitor's view that the Applicant has acted in accordance with the Second Amended and Restated Initial Order and is working diligently and in good faith.

CONCLUSION AND RECOMMENDATION

36. For the reasons outlined in this Eleventh Report, the Monitor supports the relief sought by the Applicant in their motion and respectfully recommends that this Court grant an order extending the Stay Period for a period of up to and including March 31, 2023.

All of which is respectfully submitted this 22nd day of September, 2022.

ERNST & YOUNG INC.
In its capacity as Monitor of
Rothmans, Benson & Hedges Inc.

Per:



Murray A. McDonald
Chairman

Rothmans, Benson & Hedges Inc. - February 28, 2022 to September 4, 2022

Forecast Cash Flow - Variances

CAD (Millions)

	Forecast	Actuals	Variances
Start of period	28-Feb-22	28-Feb-22	28-Feb-22
End of period	04-Sep-22	04-Sep-22	04-Sep-22

1 . Receipts & Disbursements

Receipts

Collection of Accounts Receivable	1,670.9	1,527.2	(143.7)
Other Receipts	32.5	45.7	13.2

Total Receipts

1,703.4	1,572.9	(130.5)
---------	---------	---------

Disbursements

Payroll (Gross) and Benefits	59.8	61.5	(1.7)
Pension and PRB Contributions	5.6	4.7	0.9
Third Party Operating Costs	99.6	105.1	(5.5)
Leaf Purchases	14.7	14.6	0.1
Net Intercompany Disbursements	94.8	83.8	11.0
Capex	0.5	1.0	(0.5)
Corporate Income Taxes	155.2	156.4	(1.2)
Taxes (Excise / Duty / GST / PTT)	952.4	920.8	31.6
Restructuring Costs	5.4	2.6	2.8

Total Disbursements

1,388.0	1,350.5	37.5
---------	---------	------

Net Cash Flow

315.4	222.4	(93.0)
-------	-------	--------

Opening Available Cash Balance

3,833.0	3,833.0	-
---------	---------	---

Closing Available Cash Balance

4,148.4	4,055.4	(93.0)
---------	---------	--------

Restricted Cash	31.1	31.1	(0.0)
-----------------	------	------	-------

Quebec Security Deposit	226.0	226.0	-
-------------------------	-------	-------	---

Total Cash + Restricted Cash

4,405.5	4,312.4	(93.0)
---------	---------	--------

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow							
millions, CAD	5-Sep-22	12-Sep-22	19-Sep-22	26-Sep-22	3-Oct-22	10-Oct-22	17-Oct-22
	11-Sep-22	18-Sep-22	25-Sep-22	2-Oct-22	9-Oct-22	16-Oct-22	23-Oct-22
Receipts							
Collection of Accounts Receivable	53.5	55.7	55.7	44.5	57.7	46.2	57.7
Other Receipts	1.8	5.5	0.0	0.1	0.3	18.8	0.0
Total Receipts	55.3	61.2	55.7	44.6	58.0	65.0	57.7
Disbursements							
Payroll (Gross) and Benefits	(0.5)	(2.1)	(2.1)	(2.0)	(2.0)	(2.1)	(2.1)
Pension and PRB Contributions	(0.3)	(0.1)	(0.1)	(0.3)	(0.3)	(0.1)	(0.1)
Third Party Operating Costs	(4.1)	(2.5)	(2.5)	(2.1)	(4.6)	(3.8)	(4.6)
Leaf Purchases	-	-	-	-	(0.2)	(0.2)	(0.2)
Net Intercompany Disbursements	(3.1)	(9.1)	0.1	(5.2)	-	(9.1)	(0.7)
Capex	-	-	-	-	-	-	-
Corporate Income Taxes	(0.3)	-	-	-	(20.3)	-	-
Taxes (Excise / Duty / GST / PTT)	-	(21.9)	(9.9)	(2.9)	(103.6)	(19.2)	(9.1)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Disbursements	(8.5)	(35.9)	(14.7)	(12.7)	(131.2)	(34.7)	(17.0)
Net Cash Flow	46.8	25.3	41.0	31.9	(73.2)	30.3	40.7
Opening Available Cash Balance	4,055.4	4,102.2	4,127.5	4,168.5	4,200.4	4,127.2	4,157.5
Closing Available Cash Balance	4,102.2	4,127.5	4,168.5	4,200.4	4,127.2	4,157.5	4,198.2
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	4,359.3	4,384.6	4,425.6	4,457.5	4,384.3	4,414.6	4,455.3

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow							
millions, CAD	24-Oct-22	31-Oct-22	7-Nov-22	14-Nov-22	21-Nov-22	28-Nov-22	5-Dec-22
	30-Oct-22	6-Nov-22	13-Nov-22	20-Nov-22	27-Nov-22	4-Dec-22	11-Dec-22
Receipts							
Collection of Accounts Receivable	57.7	53.1	41.6	51.9	51.9	60.2	72.7
Other Receipts	0.0	7.5	0.1	2.3	0.0	0.6	8.2
Total Receipts	57.7	60.6	41.7	54.2	51.9	60.8	80.9
Disbursements							
Payroll (Gross) and Benefits	(0.4)	(3.5)	(0.5)	(2.9)	(1.3)	(3.5)	(0.5)
Pension and PRB Contributions	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Third Party Operating Costs	(4.6)	(4.8)	(4.0)	(4.9)	(4.9)	(4.9)	(5.0)
Leaf Purchases	(0.2)	-	-	-	-	-	-
Net Intercompany Disbursements	(9.4)	-	-	(7.7)	(9.5)	(0.1)	(0.1)
Capex	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.4)
Corporate Income Taxes	-	(20.1)	-	-	-	(20.1)	-
Taxes (Excise / Duty / GST / PTT)	(3.2)	(97.0)	(12.0)	(15.3)	(0.3)	(95.1)	(11.3)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Disbursements	(18.3)	(126.1)	(17.0)	(31.3)	(16.5)	(124.4)	(17.8)
Net Cash Flow	39.4	(65.5)	24.7	22.9	35.4	(63.6)	63.1
Opening Available Cash Balance	4,198.2	4,237.6	4,172.1	4,196.8	4,219.7	4,255.1	4,191.5
Closing Available Cash Balance	4,237.6	4,172.1	4,196.8	4,219.7	4,255.1	4,191.5	4,254.6
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	4,494.7	4,429.2	4,453.9	4,476.8	4,512.2	4,448.6	4,511.7

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow							
millions, CAD	12-Dec-22	19-Dec-22	26-Dec-22	2-Jan-23	9-Jan-23	16-Jan-23	23-Jan-23
	18-Dec-22	25-Dec-22	1-Jan-23	8-Jan-23	15-Jan-23	22-Jan-23	29-Jan-23
Receipts							
Collection of Accounts Receivable	72.7	72.7	43.6	27.0	33.8	33.8	33.8
Other Receipts	2.3	0.0	0.7	0.3	18.4	3.0	0.3
Total Receipts	75.0	72.7	44.3	27.3	52.2	36.8	34.1
Disbursements							
Payroll (Gross) and Benefits	(2.9)	(1.3)	(2.2)	(2.1)	(4.3)	(2.3)	(1.8)
Pension and PRB Contributions	(0.1)	(0.1)	(0.3)	(0.4)	(0.1)	(0.1)	(0.1)
Third Party Operating Costs	(5.0)	(5.9)	(2.3)	(2.9)	(3.5)	(3.5)	(3.5)
Leaf Purchases	-	-	-	(1.1)	(1.1)	(1.1)	(1.1)
Net Intercompany Disbursements	(16.0)	0.1	-	-	(6.7)	(0.5)	(3.4)
Capex	(0.4)	(0.4)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)
Corporate Income Taxes	-	-	-	(10.8)	-	-	-
Taxes (Excise / Duty / GST / PTT)	(6.7)	(8.4)	(2.7)	(77.3)	(25.4)	(12.9)	(3.7)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Disbursements	(31.3)	(16.2)	(8.1)	(94.9)	(41.4)	(20.7)	(13.9)
Net Cash Flow	43.7	56.5	36.2	(67.6)	10.8	16.1	20.2
Opening Available Cash Balance	4,254.6	4,298.3	4,354.8	4,391.0	4,323.4	4,334.2	4,350.3
Closing Available Cash Balance	4,298.3	4,354.8	4,391.0	4,323.4	4,334.2	4,350.3	4,370.5
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	4,555.4	4,611.9	4,648.1	4,580.5	4,591.3	4,607.4	4,627.6

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Forecast Cash Flow							
millions, CAD	30-Jan-23	6-Feb-23	13-Feb-23	20-Feb-23	27-Feb-23	6-Mar-23	13-Mar-23
	5-Feb-23	12-Feb-23	19-Feb-23	26-Feb-23	5-Mar-23	12-Mar-23	19-Mar-23
Receipts							
Collection of Accounts Receivable	42.9	48.9	48.9	39.1	49.7	50.2	50.2
Other Receipts	0.9	13.0	2.3	0.0	1.4	8.4	2.3
Total Receipts	43.8	61.9	51.2	39.1	51.1	58.6	52.5
Disbursements							
Payroll (Gross) and Benefits	(4.3)	(0.5)	(2.7)	(1.4)	(9.2)	(0.5)	(2.8)
Pension and PRB Contributions	(0.4)	(0.5)	(0.2)	(0.2)	(0.3)	(0.3)	(0.1)
Third Party Operating Costs	(3.8)	(4.3)	(4.3)	(3.5)	(4.5)	(4.2)	(4.2)
Leaf Purchases	(1.1)	(1.1)	(1.1)	(1.1)	(0.9)	(0.9)	(0.9)
Net Intercompany Disbursements	-	-	(8.6)	(6.3)	-	-	(8.9)
Capex	(0.2)	(0.2)	(0.2)	(0.2)	-	-	-
Corporate Income Taxes	(19.9)	-	-	-	(19.9)	-	-
Taxes (Excise / Duty / GST / PTT)	(50.5)	(7.1)	(9.7)	(0.2)	(76.3)	(9.1)	(5.3)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Disbursements	(80.4)	(13.9)	(27.0)	(13.1)	(111.3)	(15.2)	(22.4)
Net Cash Flow	(36.6)	48.0	24.2	26.0	(60.2)	43.4	30.1
Opening Available Cash Balance	4,370.5	4,333.9	4,381.9	4,406.1	4,432.1	4,371.9	4,415.3
Closing Available Cash Balance	4,333.9	4,381.9	4,406.1	4,432.1	4,371.9	4,415.3	4,445.4
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	4,591.0	4,639.0	4,663.2	4,689.2	4,629.0	4,672.4	4,702.5

Rothmans, Benson & Hedges Inc.	Forecast	Forecast	Total
Forecast Cash Flow			
millions, CAD	20-Mar-23	27-Mar-23	5-Sep-22
	26-Mar-23	2-Apr-23	2-Apr-23
Receipts			
Collection of Accounts Receivable	50.2	50.2	1,507.8
Other Receipts	0.0	1.7	100.2
Total Receipts	50.2	51.9	1,608.0
Disbursements			
Payroll (Gross) and Benefits	(1.4)	(1.8)	(67.0)
Pension and PRB Contributions	(0.1)	(0.3)	(6.4)
Third Party Operating Costs	(4.2)	(4.9)	(121.8)
Leaf Purchases	(0.9)	(0.9)	(14.1)
Net Intercompany Disbursements	0.1	(4.2)	(108.3)
Capex	-	-	(3.8)
Corporate Income Taxes	-	(19.9)	(131.3)
Taxes (Excise / Duty / GST / PTT)	(7.0)	(91.7)	(794.8)
Restructuring Costs	(0.2)	(0.2)	(6.0)
Total Disbursements	(13.7)	(123.9)	(1,253.5)
Net Cash Flow	36.5	(72.0)	354.5
Opening Available Cash Balance	4,445.4	4,481.9	4,055.4
Closing Available Cash Balance	4,481.9	4,409.9	4,409.9
Restricted Cash	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0
Total Available, Restricted Cash & Quebec Security Deposit	4,739.0	4,667.0	4,667.0

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ROTHMANS, BENSON & HEDGES INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

ELEVENTH REPORT OF ERNST & YOUNG INC.

Cassels Brock & Blackwell LLP

2100 SCOTIA PLAZA
40 KING STREET WEST
TORONTO, ON M5H 3C2

R. Shayne Kukulowicz

Tel: 416-860-6463

Email: skukulowicz@casselsbrock.com

Jane Dietrich

Tel: 416-860-5223

Email: jdietrich@casselsbrock.com

Joseph Bellissimo

Tel: 416-860-6572

Email: jbellissimo@casselsbrock.com

Monique Sassi

Tel: 416-860-6886

Email: msassi@casselsbrock.com

Lawyers for the Monitor