

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

(unaudited)

	February 27, 2021	February 29, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 160,902	\$ 218,180
Accounts receivable, net	1,462,441	1,286,785
Inventories, net of LIFO reserve of \$485,859 and \$539,640	1,864,890	1,921,604
Prepaid expenses and other current assets	106,941	181,794
Current assets held for sale	-	92,278
Total current assets	3,595,174	3,700,641
Property, plant and equipment, net	1,080,499	1,215,838
Operating lease right-of-use assets	3,064,077	2,903,256
Goodwill	1,108,136	1,108,136
Other intangibles, net	340,519	359,491
Deferred tax assets	14,964	16,680
Other assets	132,035	148,327
Total assets	<u>\$ 9,335,404</u>	<u>\$ 9,452,369</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt and lease financing obligations	\$ 6,409	\$ 8,840
Accounts payable	1,437,421	1,484,081
Accrued salaries, wages and other current liabilities	642,364	746,318
Current portion of operating lease liabilities	516,752	490,161
Current liabilities held for sale	-	37,063
Total current liabilities	2,602,946	2,766,463
Long-term debt, less current maturities	3,063,087	3,077,268
Long-term operating lease liabilities	2,829,293	2,710,347
Lease financing obligations, less current maturities	16,711	19,326
Other noncurrent liabilities	208,213	204,438
Total liabilities	8,720,250	8,777,842
Commitments and contingencies	-	-
Stockholders' equity:		
Common stock	55,143	54,716
Additional paid-in capital	5,897,168	5,890,903
Accumulated deficit	(5,313,103)	(5,222,194)
Accumulated other comprehensive loss	(24,054)	(48,898)
Total stockholders' equity	615,154	674,527
Total liabilities and stockholders' equity	<u>\$ 9,335,404</u>	<u>\$ 9,452,369</u>

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(unaudited)

	Thirteen weeks ended February 27, 2021	Thirteen weeks ended February 29, 2020
Revenues	\$ 5,916,856	\$ 5,727,242
Costs and expenses:		
Cost of revenues	4,774,297	4,460,621
Selling, general and administrative expenses	1,187,541	1,154,300
Lease termination and impairment charges	35,669	40,728
Interest expense	49,999	53,429
(Gain) loss on sale of assets, net	(51,827)	9,896
Gain on Bartell acquisition	(47,705)	-
	<u>5,947,974</u>	<u>5,718,974</u>
(Loss) income from continuing operations before income taxes	(31,118)	8,268
Income tax (benefit) expense	<u>(12,623)</u>	<u>351,729</u>
Net loss from continuing operations	(18,495)	(343,461)
Net income from discontinued operations, net of tax	-	18,740
Net loss	<u>\$ (18,495)</u>	<u>\$ (324,721)</u>
Basic and diluted loss per share:		
Numerator for loss per share:		
Net loss from continuing operations attributable to common stockholders - basic and diluted	\$ (18,495)	\$ (343,461)
Net income from discontinued operations attributable to common stockholders - basic and diluted	-	18,740
Loss attributable to common stockholders - basic and diluted	<u>\$ (18,495)</u>	<u>\$ (324,721)</u>
Denominator:		
Basic and diluted weighted average shares	<u>53,812</u>	<u>53,434</u>
Basic and diluted loss per share		
Continuing operations	\$ (0.34)	\$ (6.43)
Discontinued operations	\$ -	\$ 0.35
Net basic and diluted loss per share	<u>\$ (0.34)</u>	<u>\$ (6.08)</u>

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(unaudited)

	Fifty-two weeks ended February 27, 2021	Fifty-two weeks ended February 29, 2020
Revenues	\$ 24,043,240	\$ 21,928,393
Costs and expenses:		
Cost of revenues	19,338,918	17,201,635
Selling, general and administrative expenses	4,657,185	4,587,336
Lease termination and impairment charges	58,403	42,843
Intangible asset impairment charges	29,852	-
Interest expense	201,388	229,657
Gain on debt modifications and retirements, net	(5,274)	(55,692)
(Gain) loss on sale of assets, net	(69,300)	4,226
Gain on Bartell acquisition	(47,705)	-
	<u>24,163,467</u>	<u>22,010,005</u>
Loss from continuing operations before income taxes	(120,227)	(81,612)
Income tax (benefit) expense	(20,157)	387,607
Net loss from continuing operations	(100,070)	(469,219)
Net income from discontinued operations, net of tax	9,161	17,045
Net loss	<u>\$ (90,909)</u>	<u>\$ (452,174)</u>
Basic and diluted loss per share:		
Numerator for loss per share:		
Net loss from continuing operations attributable to common stockholders - basic and diluted	\$ (100,070)	\$ (469,219)
Net income from discontinued operations attributable to common stockholders - basic and diluted	9,161	17,045
Loss attributable to common stockholders - basic and diluted	<u>\$ (90,909)</u>	<u>\$ (452,174)</u>
Denominator:		
Basic and diluted weighted average shares	<u>53,653</u>	<u>53,228</u>
Basic and diluted loss per share		
Continuing operations	\$ (1.87)	\$ (8.82)
Discontinued operations	\$ 0.18	\$ 0.32
Net basic and diluted loss per share	<u>\$ (1.69)</u>	<u>\$ (8.50)</u>

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(unaudited)

	Thirteen weeks ended February 27, 2021	Thirteen weeks ended February 29, 2020
OPERATING ACTIVITIES:		
Net loss	\$ (18,495)	\$ (324,721)
Net income from discontinued operations, net of tax	-	18,740
Net loss from continuing operations	\$ (18,495)	\$ (343,461)
Adjustments to reconcile to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	77,568	79,300
Lease termination and impairment charges	35,669	40,728
LIFO credit	(21,389)	(72,357)
(Gain) loss on sale of assets, net	(51,827)	9,896
Gain on Bartell acquisition	(47,705)	-
Stock-based compensation expense	4,326	2,489
Changes in deferred taxes	(10,633)	358,925
Changes in operating assets and liabilities:		
Accounts receivable	325,374	387,065
Inventories	196,795	107,798
Accounts payable	(36,832)	(53,817)
Operating lease right-of-use assets and operating lease liabilities	(2,725)	(8,691)
Other assets	5,710	4,364
Other liabilities	(96,814)	(95,057)
Net cash provided by operating activities of continuing operations	359,022	417,182
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(67,752)	(42,570)
Intangible assets acquired	(1,097)	(9,246)
Acquisition of business, net of cash acquired	(86,230)	-
Proceeds from dispositions of assets and investments	2,358	3,687
Proceeds from sale-leaseback transactions	88,880	4,879
Net cash used in investing activities of continuing operations	(63,841)	(43,250)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	-	600,000
Net payments to revolver	(141,000)	(485,000)
Principal payments on long-term debt	(1,161)	(601,401)
Change in zero balance cash accounts	(42,008)	24,420
Net proceeds from the issuance of common stock	53	-
Payments for taxes related to net share settlement of equity awards	(921)	(348)
Deferred financing costs paid	(55)	(5,466)
Net cash used in financing activities of continuing operations	(185,092)	(467,795)
Cash flows from discontinued operations:		
Operating activities of discontinued operations	-	(16,688)
Investing activities of discontinued operations	-	39,233
Net cash provided by discontinued operations	-	22,545
Increase (decrease) in cash and cash equivalents	110,089	(71,318)
Cash and cash equivalents, beginning of period	50,813	289,498
Cash and cash equivalents, end of period	\$ 160,902	\$ 218,180

RITE AID CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(unaudited)

	Fifty-two weeks ended February 27, 2021	Fifty-two weeks ended February 29, 2020
OPERATING ACTIVITIES:		
Net loss	\$ (90,909)	\$ (452,174)
Net income from discontinued operations, net of tax	9,161	17,045
Net loss from continuing operations	\$ (100,070)	\$ (469,219)
Adjustments to reconcile to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	327,124	328,277
Lease termination and impairment charges	58,403	42,843
Intangible asset impairment charges	29,852	-
LIFO credit	(51,692)	(64,804)
(Gain) loss on sale of assets, net	(69,300)	4,226
Gain on Bartell acquisition	(47,705)	-
Stock-based compensation expense	13,003	16,087
Gain on debt modifications and retirements, net	(5,274)	(55,692)
Changes in deferred taxes	(10,633)	385,904
Changes in operating assets and liabilities:		
Accounts receivable	(182,404)	486,563
Inventories	177,263	15,141
Accounts payable	(35,372)	(92,062)
Operating lease right-of-use assets and operating lease liabilities	(28,044)	14,112
Other assets	80,975	(38,351)
Other liabilities	(50,947)	(62,168)
Net cash provided by operating activities of continuing operations	105,179	510,857
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(195,141)	(171,705)
Intangible assets acquired	(29,800)	(42,681)
Acquisition of business, net of cash acquired	(86,230)	-
Proceeds from insured loss	12,500	-
Proceeds from dispositions of assets and investments	11,444	59,658
Proceeds from sale-leaseback transactions	177,892	4,879
Net cash used in investing activities of continuing operations	(109,335)	(149,849)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	849,918	600,000
Net proceeds from (payments to) revolver	200,000	(225,000)
Principal payments on long-term debt	(1,058,537)	(706,103)
Change in zero balance cash accounts	(36,463)	12,671
Net proceeds from the issuance of common stock	53	-
Payments for taxes related to net share settlement of equity awards	(3,086)	(1,921)
Financing fees paid for early debt redemption	(2,399)	(518)
Deferred financing costs paid	(14,729)	(5,781)
Net cash used in financing activities of continuing operations	(65,243)	(326,652)
Cash flows from discontinued operations:		
Operating activities of discontinued operations	(82,189)	(23,836)
Investing activities of discontinued operations	94,310	63,307
Net cash provided by discontinued operations	12,121	39,471
(Decrease) increase in cash and cash equivalents	(57,278)	73,827
Cash and cash equivalents, beginning of period	218,180	144,353
Cash and cash equivalents, end of period	\$ 160,902	\$ 218,180

RITE AID CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL SEGMENT OPERATING INFORMATION
(Dollars in thousands)
(unaudited)

	Thirteen weeks ended February 27, 2021	Thirteen weeks ended February 29, 2020
Retail Pharmacy Segment		
Revenues from continuing operations (a)	\$ 4,114,485	\$ 3,993,328
Cost of revenues from continuing operations (a)	3,081,851	2,852,283
Gross profit from continuing operations	1,032,634	1,141,045
LIFO credit from continuing operations	(21,389)	(72,357)
FIFO gross profit from continuing operations	1,011,245	1,068,688
Adjusted EBITDA gross profit from continuing operations	1,009,004	1,070,890
Gross profit as a percentage of revenues - continuing operations	25.10%	28.57%
LIFO credit as a percentage of revenues - continuing operations	-0.52%	-1.81%
FIFO gross profit as a percentage of revenues - continuing operations	24.58%	26.76%
Adjusted EBITDA gross profit as a percentage of revenues - continuing operations	24.52%	26.82%
Selling, general and administrative expenses from continuing operations	1,093,074	1,060,472
Adjusted EBITDA selling, general and administrative expenses from continuing operations	1,002,987	985,715
Selling, general and administrative expenses as a percentage of revenues - continuing operations	26.57%	26.56%
Adjusted EBITDA selling, general and administrative expenses as a percentage of revenues - continuing operations	24.38%	24.68%
Cash interest expense	46,671	49,607
Non-cash interest expense	3,328	3,822
Total interest expense	49,999	53,429
Interest expense - continuing operations	49,999	53,429
Interest expense - discontinued operations	-	-
Adjusted EBITDA - continuing operations	6,017	85,175
Adjusted EBITDA as a percentage of revenues - continuing operations	0.15%	2.13%
Pharmacy Services Segment		
Revenues (a)	\$ 1,870,111	\$ 1,801,090
Cost of revenues (a)	1,760,186	1,675,514
Gross profit	109,925	125,576
Gross profit as a percentage of revenues	5.88%	6.97%
Adjusted EBITDA	35,248	50,409
Adjusted EBITDA as a percentage of revenues	1.88%	2.80%

(a) - Revenues and cost of revenues include \$67,740 and \$67,176 of inter-segment activity for the thirteen weeks ended February 27, 2021 and February 29, 2020, respectively, that is eliminated in consolidation.

RITE AID CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL SEGMENT OPERATING INFORMATION
(Dollars in thousands)
(unaudited)

	Fifty-two weeks ended February 27, 2021	Fifty-two weeks ended February 29, 2020
Retail Pharmacy Segment		
Revenues from continuing operations (a)	\$ 16,365,260	\$ 15,616,186
Cost of revenues from continuing operations (a)	12,109,469	11,341,350
Gross profit from continuing operations	4,255,791	4,274,836
LIFO credit from continuing operations	(51,692)	(64,804)
FIFO gross profit from continuing operations	4,204,099	4,210,032
Adjusted EBITDA gross profit from continuing operations	4,236,200	4,221,933
Gross profit as a percentage of revenues - continuing operations	26.01%	27.37%
LIFO credit as a percentage of revenues - continuing operations	-0.32%	-0.41%
FIFO gross profit as a percentage of revenues - continuing operations	25.69%	26.96%
Adjusted EBITDA gross profit as a percentage of revenues - continuing operations	25.89%	27.04%
Selling, general and administrative expenses from continuing operations	4,299,152	4,220,851
Adjusted EBITDA selling, general and administrative expenses from continuing operations	3,956,304	3,851,498
Selling, general and administrative expenses as a percentage of revenues - continuing operations	26.27%	27.03%
Adjusted EBITDA selling, general and administrative expenses as a percentage of revenues - continuing operations	24.18%	24.66%
Cash interest expense	188,306	214,589
Non-cash interest expense	13,082	15,068
Total interest expense	201,388	229,657
Interest expense - continuing operations	201,388	229,657
Interest expense - discontinued operations	-	-
Adjusted EBITDA - continuing operations	279,896	370,435
Adjusted EBITDA as a percentage of revenues - continuing operations	1.71%	2.37%
Pharmacy Services Segment		
Revenues (a)	\$ 7,970,137	\$ 6,559,560
Cost of revenues (a)	7,521,606	6,107,638
Gross profit	448,531	451,922
Gross profit as a percentage of revenues	5.63%	6.89%
Adjusted EBITDA	157,769	167,776
Adjusted EBITDA as a percentage of revenues	1.98%	2.56%

(a) - Revenues and cost of revenues include \$292,157 and \$247,353 of inter-segment activity for the fifty-two weeks ended February 27, 2021 and February 29, 2020, respectively, that is eliminated in consolidation.

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA
(In thousands)
(unaudited)

	Thirteen weeks ended February 27, 2021	Thirteen weeks ended February 29, 2020
Reconciliation of net loss to adjusted EBITDA:		
Net loss - continuing operations	\$ (18,495)	\$ (343,461)
Adjustments:		
Interest expense	49,999	53,429
Income tax (benefit) expense	(12,623)	351,729
Depreciation and amortization	77,568	79,300
LIFO credit	(21,389)	(72,357)
Lease termination and impairment charges	35,669	40,728
Merger and Acquisition-related costs	9,413	-
Stock-based compensation expense	4,326	2,489
Restructuring-related costs	13,456	11,872
Inventory write-downs related to store closings	1,113	569
(Gain) loss on sale of assets, net	(51,827)	9,896
Gain on Bartell acquisition	(47,705)	-
Other	1,760	1,390
Adjusted EBITDA - continuing operations	\$ 41,265	\$ 135,584
Percent of revenues - continuing operations	0.70%	2.37%

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA
(In thousands)
(unaudited)

	Fifty-two weeks ended February 27, 2021	Fifty-two weeks ended February 29, 2020
Reconciliation of net loss to adjusted EBITDA:		
Net loss - continuing operations	\$ (100,070)	\$ (469,219)
Adjustments:		
Interest expense	201,388	229,657
Income tax (benefit) expense	(20,157)	387,607
Depreciation and amortization	327,124	328,277
LIFO credit	(51,692)	(64,804)
Lease termination and impairment charges	58,403	42,843
Intangible asset impairment charges	29,852	-
Gain on debt modifications and retirements, net	(5,274)	(55,692)
Merger and Acquisition-related costs	10,549	3,599
Stock-based compensation expense	13,003	16,087
Restructuring-related costs	84,552	105,642
Inventory write-downs related to store closings	3,709	4,652
(Gain) loss on sale of assets, net	(69,300)	4,226
Gain on Bartell acquisition	(47,705)	-
Other	3,283	5,336
Adjusted EBITDA - continuing operations	\$ 437,665	\$ 538,211
Percent of revenues - continuing operations	1.82%	2.45%

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
ADJUSTED NET LOSS
(Dollars in thousands, except per share amounts)
(unaudited)

	Thirteen weeks ended February 27, 2021	Thirteen weeks ended February 29, 2020
Net loss from continuing operations	\$ (18,495)	\$ (343,461)
Add back - Income tax (benefit) expense	(12,623)	351,729
(Loss) income before income taxes - continuing operations	(31,118)	8,268
Adjustments:		
Amortization expense	20,669	24,765
LIFO credit	(21,389)	(72,357)
Merger and Acquisition-related costs	9,413	-
Restructuring-related costs	13,456	11,872
Gain on Bartell acquisition	(47,705)	-
Adjusted loss before income taxes - continuing operations	(56,674)	(27,452)
Adjusted income tax benefit (a)	(14,905)	(7,588)
Adjusted net loss from continuing operations	<u>\$ (41,769)</u>	<u>\$ (19,864)</u>
Adjusted net loss per diluted share - continuing operations:		
Numerator for adjusted net loss per diluted share:		
Adjusted net loss from continuing operations	<u>\$ (41,769)</u>	<u>\$ (19,864)</u>
Denominator:		
Basic and diluted weighted average shares	<u>53,812</u>	<u>53,434</u>
Net loss from continuing operations per diluted share - continuing operations	\$ (0.34)	\$ (6.43)
Adjusted net loss per diluted share - continuing operations	\$ (0.78)	\$ (0.37)

(a) The fiscal year 2021 and 2020 annual effective tax rates, calculated using a federal rate plus a net state rate that excluded the impact of state NOL's, state credits and valuation allowance, was used for the thirteen weeks ended February 27, 2021 and February 29, 2020, respectively.

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
ADJUSTED NET (LOSS) INCOME
(Dollars in thousands, except per share amounts)
(unaudited)

	Fifty-two weeks ended February 27, 2021	Fifty-two weeks ended February 29, 2020
Net loss from continuing operations	\$ (100,070)	\$ (469,219)
Add back - Income tax (benefit) expense	(20,157)	387,607
Loss before income taxes - continuing operations	(120,227)	(81,612)
Adjustments:		
Amortization expense	89,020	103,941
LIFO credit	(51,692)	(64,804)
Intangible asset impairment charges	29,852	-
Gain on debt modifications and retirements, net	(5,274)	(55,692)
Merger and Acquisition-related costs	10,549	3,599
Restructuring-related costs	84,552	105,642
Gain on Bartell acquisition	(47,705)	-
Adjusted (loss) income before income taxes - continuing operations	(10,925)	11,074
Adjusted income tax (benefit) expense (a)	(2,873)	3,061
Adjusted net (loss) income from continuing operations	<u>\$ (8,052)</u>	<u>\$ 8,013</u>
Adjusted net (loss) income per diluted share - continuing operations:		
Numerator for adjusted net (loss) income per diluted share:		
Adjusted net (loss) income from continuing operations	<u>\$ (8,052)</u>	<u>\$ 8,013</u>
Denominator:		
Basic weighted average shares	53,653	53,228
Outstanding options and restricted shares, net	-	778
Diluted weighted average shares	<u>53,653</u>	<u>54,006</u>
Net loss from continuing operations per diluted share - continuing operations	\$ (1.87)	\$ (8.82)
Adjusted net (loss) income per diluted share - continuing operations	\$ (0.15)	\$ 0.15

(a) The fiscal year 2021 and 2020 annual effective tax rates, calculated using a federal rate plus a net state rate that excluded the impact of state NOL's, state credits and valuation allowance, was used for the fifty-two weeks ended February 27, 2021 and February 29, 2020, respectively.

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
RECONCILIATION OF ADJUSTED EBITDA GROSS PROFIT AND RECONCILIATION OF ADJUSTED EBITDA SELLING,
GENERAL AND ADMINISTRATIVE EXPENSES- RETAIL PHARMACY SEGMENT
(In thousands)
(unaudited)

	Thirteen weeks ended February 27, 2021	Thirteen weeks ended February 29, 2020
Reconciliation of adjusted EBITDA gross profit:		
Revenues	\$ 4,114,485	\$ 3,993,328
Gross Profit	1,032,634	1,141,045
Addback:		
LIFO credit	(21,389)	(72,357)
Depreciation and amortization (cost of goods sold portion only)	1,915	1,758
Restructuring-related costs - SKU optimization charges	(4,824)	-
Other	668	444
Adjusted EBITDA gross profit - continuing operations	\$ 1,009,004	\$ 1,070,890
Percent of revenues - continuing operations	24.52%	26.82%
Reconciliation of adjusted EBITDA selling, general and administrative expenses:		
Revenues	\$ 4,114,485	\$ 3,993,328
Selling, general and administrative expenses	1,093,074	1,060,472
Less:		
Depreciation and amortization (SG&A portion only)	61,861	62,109
Stock-based compensation expense	3,809	2,191
Merger and Acquisition-related costs	9,413	-
Restructuring-related costs	12,641	8,887
Other	2,363	1,570
Adjusted EBITDA selling, general and administrative expenses - continuing operations	\$ 1,002,987	\$ 985,715
Percent of revenues - continuing operations	24.38%	24.68%
Adjusted EBITDA - continuing operations	\$ 6,017	\$ 85,175

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
RECONCILIATION OF ADJUSTED EBITDA GROSS PROFIT AND RECONCILIATION OF ADJUSTED EBITDA SELLING,
GENERAL AND ADMINISTRATIVE EXPENSES- RETAIL PHARMACY SEGMENT
(In thousands)
(unaudited)

	Fifty-two weeks ended February 27, 2021	Fifty-two weeks ended February 29, 2020
Reconciliation of adjusted EBITDA gross profit:		
Revenues	\$ 16,365,260	\$ 15,616,186
Gross Profit	4,255,791	4,274,836
Addback:		
LIFO credit	(51,692)	(64,804)
Depreciation and amortization (cost of goods sold portion only)	8,690	8,296
Restructuring-related costs - SKU optimization charges	20,939	-
Other	2,472	3,605
Adjusted EBITDA gross profit - continuing operations	\$ 4,236,200	\$ 4,221,933
Percent of revenues - continuing operations	25.89%	27.04%
Reconciliation of adjusted EBITDA selling, general and administrative expenses:		
Revenues	\$ 16,365,260	\$ 15,616,186
Selling, general and administrative expenses	4,299,152	4,220,851
Less:		
Depreciation and amortization (SG&A portion only)	261,295	257,390
Stock-based compensation expense	11,594	14,864
Merger and Acquisition-related costs	10,549	2,828
Restructuring-related costs	54,633	87,738
Other	4,777	6,533
Adjusted EBITDA selling, general and administrative expenses - continuing operations	\$ 3,956,304	\$ 3,851,498
Percent of revenues - continuing operations	24.18%	24.66%
Adjusted EBITDA - continuing operations	\$ 279,896	\$ 370,435

RITE AID CORPORATION AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION
RECONCILIATION OF NET (LOSS) INCOME GUIDANCE TO ADJUSTED EBITDA GUIDANCE
QUARTER ENDING MAY 29, 2021
(In thousands)
(unaudited)

	Guidance Range	
	Low	High
Total Revenues	\$ 6,100,000	\$ 6,300,000
Same store sales	-9.00%	-7.00%
Reconciliation of net (loss) income to adjusted EBITDA:		
Net (loss) income	\$ (10,000)	\$ 10,000
Adjustments:		
Interest expense	46,000	46,000
Income tax expense	3,000	4,000
Depreciation and amortization	78,000	78,000
LIFO credit	(12,000)	(12,000)
Lease termination and impairment charges	1,000	1,000
Merger and Acquisition-related costs	3,000	3,000
Restructuring-related costs	3,000	7,000
Other	3,000	3,000
Adjusted EBITDA	<u>\$ 115,000</u>	<u>\$ 140,000</u>