

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of November, 2017

Commission File Number: 001-38027

CANADA GOOSE HOLDINGS INC.
(Translation of registrant's name into English)

250 Bowie Ave
Toronto, Ontario, Canada
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Canada Goose Holdings Inc.

By: /s/ John Black

Name: John Black

Title: Chief Financial Officer

Date: November 9, 2017

EXHIBIT INDEX

Exhibit No.	Description
99.1	<u>Consolidated Interim Financial Statements for the Three and Six Months Ended September 30, 2017</u>
99.2	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Six Months Ended September 30, 2017</u>
99.3	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</u>
99.4	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</u>
99.5	<u>Press release of Canada Goose Holdings Inc., dated November 9, 2017</u>
99.6	<u>Second Amended and Restated Canada Goose Holdings Inc. Employee Share Purchase Plan, effective as of November 8, 2017</u>
99.7	<u>Letter Agreement dated October 24, 2017 by and between Canada Goose Holdings Inc. and Jodi Butts</u>

Canada Goose Holdings Inc.

Condensed Consolidated Interim Financial Statements

As at and for the three and six months ended

September 30, 2017 and 2016

(Unaudited)

**Condensed Consolidated Interim Statements of Income and Comprehensive Income
(unaudited)**

For the three and six months ended September 30

(in thousands of Canadian dollars, except per share amounts)

	Notes	Three months ended September 30		Six months ended September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Revenue	3	172,330	127,935	200,535	143,630
Cost of sales	6	85,237	68,601	100,200	79,637
Gross profit		87,093	59,334	100,335	63,993
Selling, general and administrative expenses		36,545	30,172	62,377	48,265
Depreciation and amortization		2,314	1,490	4,482	2,936
Operating income		48,234	27,672	33,476	12,792
Net interest and other finance costs	9	3,599	2,438	6,691	5,533
Income before income taxes		44,635	25,234	26,785	7,259
Income tax expense		7,508	5,216	1,747	1,277
Net income		37,127	20,018	25,038	5,982
Other comprehensive income (loss)					
Items that will not be reclassified to earnings:					
Actuarial gain (loss) on post-employment obligation		157	(415)	120	(407)
Items that may be reclassified to earnings:					
Cumulative translation adjustment		119	—	331	—
Net gain on derivatives designated as cash flow hedges, net of tax of \$383 and \$332 for the three and six months ended September 30, respectively (2016 - nil)		1,126	—	975	—
Reclassification of gains on cash flow hedges to income, net of tax recovery of \$49 and \$43, for the three and six months ended September 30, respectively (2016 - nil)		(143)	—	(125)	—
Other comprehensive income (loss)		1,259	(415)	1,301	(407)
Comprehensive income		38,386	19,603	26,339	5,575
Earnings per share					
Basic	4	0.35	0.20	0.23	0.06
Diluted		0.33	0.20	0.23	0.06

The accompanying notes to the condensed consolidated interim financial statements are an integral part of this financial statement.

**Condensed Consolidated Interim Statements of Financial Position
(unaudited)**

As at September 30, 2017 and March 31, 2017

(in thousands of Canadian dollars)

	Notes	September 30 2017	March 31 2017
		\$	\$
Assets			
Current assets			
Cash		13,314	9,678
Trade receivables	5	99,587	8,710
Inventories	6	154,464	125,464
Income taxes receivable		3,809	4,215
Other current assets	15	12,144	15,156
Total current assets		283,318	163,223
Deferred income taxes		10,217	3,998
Property, plant and equipment		46,096	36,467
Intangible assets		134,656	131,912
Goodwill		45,269	45,269
Total assets		519,556	380,869
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7, 15	63,810	58,223
Provisions	8	6,914	6,046
Total current liabilities		70,724	64,269
Provisions	8	10,225	9,526
Deferred income taxes		13,439	10,888
Revolving facility	9	116,775	6,642
Term loan	9	131,285	139,447
Other long-term liabilities		3,673	3,929
Total liabilities		346,121	234,701
Shareholders' equity		173,435	146,168
Total liabilities and shareholders' equity		519,556	380,869

The accompanying notes to the condensed consolidated interim financial statements are an integral part of this financial statement.

**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(unaudited)**

For the six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars)

Notes	Share Capital			Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total	
	Common Shares	Preferred Shares	Total					
	\$	\$	\$	\$	\$	\$	\$	
Balance as at March 31, 2017	103,295	—	103,295	4,074	40,101	(1,302)	146,168	
Exercise of stock options	10	896	—	896	(689)	—	207	
Net income for the period		—	—	—	25,038	—	25,038	
Other comprehensive income, net of tax		—	—	—	—	1,301	1,301	
Recognition of share-based compensation	11	—	—	—	721	—	721	
Balance as at September 30, 2017		104,191	—	104,191	4,106	65,139	(1)	173,435
Balance as at March 31, 2016		3,350	56,871	60,221	57,740	25,433	(692)	142,702
Net income for the period		—	—	—	—	5,982	—	5,982
Other comprehensive loss, net of tax		—	—	—	—	—	(407)	(407)
Recognition of share-based compensation	11	—	—	—	1,499	—	—	1,499
Balance as at September 30, 2016		3,350	56,871	60,221	59,239	31,415	(1,099)	149,776

The accompanying notes to the condensed consolidated interim financial statements are an integral part of this financial statement.

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)
For the six months ended September 30
(in thousands of Canadian dollars)

	Notes	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income		25,038	5,982
Items not affecting cash			
Depreciation and amortization		6,010	3,932
Income tax expense		1,747	1,277
Interest expense		6,574	4,486
Unrealized (gain) loss on forward contracts		(442)	120
Unrealized foreign exchange gain		(9,304)	—
Write off of deferred financing charges on refinancing revolving facility		—	946
Share-based compensation	11	721	1,499
		<u>30,344</u>	<u>18,242</u>
Changes in non-cash operating items	17	(112,681)	(76,856)
Income taxes paid		(5,411)	(12,353)
Interest paid		(5,214)	(1,444)
Net cash used in operating activities		<u>(92,962)</u>	<u>(72,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(9,175)	(11,000)
Investment in intangible assets		(3,473)	(3,971)
Business combination	13	(560)	(500)
Net cash used in investing activities		<u>(13,208)</u>	<u>(15,471)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings on revolving facility	17	110,036	146,790
Repayment of credit facility		—	(55,203)
Deferred financing fees on term loan syndication		(437)	—
Exercise of stock options	9, 17	207	—
Net cash from financing activities		<u>109,806</u>	<u>91,587</u>
Increase in cash		3,636	3,705
Cash, beginning of period		<u>9,678</u>	<u>7,226</u>
Cash, end of period		<u><u>13,314</u></u>	<u><u>10,931</u></u>

The accompanying notes to the condensed consolidated interim financial statements are an integral part of this financial statement.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Note 1. The Company

Organization

Canada Goose Holdings Inc. and its subsidiaries (the “Company”) design, manufacture, and sell premium outdoor apparel for men, women, youth, children, and babies. The Company’s apparel collections include various styles of parkas, jackets, shells, vests, knitwear and accessories for the fall, winter, and spring seasons. The Company’s head office is located at 250 Bowie Avenue, Toronto, Canada. The use of the terms “Canada Goose”, “we”, “us” and “our” throughout these notes to the condensed consolidated interim financial statements (“Interim Financial Statements”) refer to the Company.

Canada Goose is a public company listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol “GOOS”. The principal shareholders of the Company are investment funds advised by Bain Capital LP and its affiliates (“Bain Capital”), and DTR LLC (“DTR”), an entity indirectly controlled by the President and Chief Executive Officer of the Company. The principal shareholders hold multiple voting shares representing 66.1% of the total shares outstanding as at September 30, 2017. Subordinate voting shares that trade on public markets represent 33.9% of the issued and outstanding shares as at September 30, 2017.

Our fiscal year ends on March 31.

The accompanying Interim Financial Statements include the accounts and results of the Company and its wholly owned subsidiaries:

Subsidiaries	Location
Canada Goose Inc.	Canada
Canada Goose US, Inc.	USA
Canada Goose International AG	Switzerland
Canada Goose UK Retail Limited	United Kingdom
Canada Goose International Holdings Limited	United Kingdom
Canada Goose Europe AB	Sweden
Canada Goose Services Limited	United Kingdom
Canada Goose Trading Inc.	Canada

Operating Segments

The Company classifies its business in two operating and reportable segments: Wholesale and Direct-to-Consumer. The Wholesale business comprises sales made to a mix of functional and fashionable retailers, including major luxury department stores, outdoor specialty stores, and individual shops, and to international distributors. The Company’s products reach retailers through a network of international distributors and direct delivery.

The Direct-to-Consumer business comprises sales through the country-specific e-commerce platforms located in Canada, the US, the UK, France, Ireland, Luxembourg, Belgium, the Netherlands, Sweden, Germany and Austria, and its retail stores.

Financial information for the two reportable operating segments is included in note 3.

Seasonality

We experience seasonal fluctuations in our revenue and operating results and historically have realized a significant portion of our revenue and income for the year during our second and third fiscal quarters.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Working capital requirements typically increase during the first and second quarters of the fiscal year as inventory builds to support peak shipping and selling periods and, accordingly, typically decrease during the third and fourth quarters of the fiscal year as inventory has been shipped and receivables collected. To finance these working capital needs, revolving facility borrowings typically increase over the first and second quarters, and are repaid over the third and fourth quarters. Cash flows from operating activities are typically highest in the third quarter of the fiscal year due to reduced working capital requirements during that period and collection of receivables from revenue earlier in the year.

Note 2. Significant accounting policies

Statement of Compliance

The Interim Financial Statements are prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”). Certain information, which is considered material to the understanding of the Company's Interim Financial Statements and is normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), is provided in these notes. These Interim Financial Statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's March 31, 2017 annual consolidated financial statements. These Interim Financial Statements and the accompanying notes have been prepared using the accounting policies described in note 2 to the annual consolidated financial statements, except as noted below.

The Interim Financial Statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 8, 2017.

Basis of presentation

The significant accounting policies and critical accounting estimates and judgments as disclosed in the Company's March 31, 2017 annual consolidated financial statements have been applied consistently in the preparation of these Interim Financial Statements, except as noted below. The Interim Financial Statements are presented in Canadian dollars, the Company's functional and presentation currency.

Standards issued and adopted

The Company adopted amendments to IAS 7, *Statement of Cash Flows* (“IAS 7”) which are effective for annual periods beginning on or after January 1, 2017. The amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Implementation of the standard has not had a material effect on the Interim Financial Statements. Additional disclosure has been provided in note 17.

The Company adopted amendments to IAS 12, *Income Taxes*, which are effective for the year beginning on or after January 1, 2017. The amendments clarify the requirements for recognizing deferred tax assets on unrealized losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. Implementation of the standard has not had a material effect on the Interim Financial Statements.

Standards issued but not yet effective

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations are provided below.

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") which replaces the detailed guidance on revenue recognition requirements that currently exists under IFRS. The new standard provides a comprehensive framework for the recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the accounting standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The Company, in consultation with its advisors, has implemented a process across its business segments and departments to analyze its inventory of contracts with customers using the five-step approach outlined in IFRS 15. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), replacing IAS 17, *Leases* and related interpretations. The standard provides a new framework for lessee accounting that requires substantially all assets obtained through operating leases to be capitalized and a related liability to be recorded. The new standard seeks to provide a more accurate picture of a company's leased assets and related liabilities and create greater comparability between companies who lease assets and those who purchase assets. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15 has been adopted. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9") which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 introduces new requirements for classification and measurement, impairment, and hedge accounting and new impairment requirements that are based on a forward-looking expected credit loss model. IFRS 9 is mandatorily effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is working with its advisors to evaluate its current hedging strategy under IFRS 9. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In June 2016, the IASB issued an amendment to IFRS 2, *Share-based Payment*, clarifying the accounting for certain types of share-based payment transactions. The amendments provide requirements on accounting for the effects of vesting and non-vesting conditions of cash-settled share-based payments, withholding tax obligations for share-based payments with a net settlement feature, and when a modification to the terms of a share-based payment changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for the year beginning on or after January 1, 2018. The Company is currently assessing the impact of this amendment on its consolidated financial statements.

Principles of consolidation

The Interim Financial Statements include the Company and its wholly owned subsidiaries described in note 1. All intercompany accounts and transactions have been eliminated.

Note 3. Segment information

The Company has two reportable operating segments: Wholesale and Direct-to-Consumer. The Company measures each reportable operating segment's performance based on revenue and segment operating income, which is the profit metric utilized by the Company's chief operating decision maker, who is the

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

President and Chief Executive Officer, for assessing the performance of operating segments. Neither reportable operating segment is reliant on any single external customer.

For the three months ended September 30, 2017

	Wholesale	Direct-to- Consumer	Unallocated	Total
	\$	\$	\$	\$
Revenue	152,074	20,256	—	172,330
Cost of sales	79,919	5,318	—	85,237
Gross profit	72,155	14,938	—	87,093
Selling, general and administrative expenses	12,074	8,340	16,131	36,545
Depreciation and amortization	—	—	2,314	2,314
Operating income (loss)	60,081	6,598	(18,445)	48,234
Net interest and other finance costs				3,599
Income before income taxes				44,635

For the three months ended September 30, 2016

	Wholesale	Direct-to- Consumer	Unallocated	Total
	\$	\$	\$	\$
Revenue	122,438	5,497	—	127,935
Cost of sales	66,906	1,695	—	68,601
Gross profit	55,532	3,802	—	59,334
Selling, general and administrative expenses	9,278	3,433	17,461	30,172
Depreciation and amortization	—	—	1,490	1,490
Operating income (loss)	46,254	369	(18,951)	27,672
Net interest and other finance costs				2,438
Income before income taxes				25,234

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

For the six months ended September 30, 2017

	Wholesale	Direct-to- Consumer	Unallocated	Total
	\$	\$	\$	\$
Revenue	171,970	28,565	—	200,535
Cost of sales	92,826	7,374	—	100,200
Gross profit	79,144	21,191	—	100,335
Selling, general and administrative expenses	17,942	14,886	29,549	62,377
Depreciation and amortization	—	—	4,482	4,482
Operating income (loss)	61,202	6,305	(34,031)	33,476
Net interest and other finance costs				6,691
Income before income taxes				26,785

For the six months ended September 30, 2016

	Wholesale	Direct-to- Consumer	Unallocated	Total
	\$	\$	\$	\$
Revenue	136,875	6,755	—	143,630
Cost of sales	77,441	2,196	—	79,637
Gross profit	59,434	4,559	—	63,993
Selling, general and administrative expenses	13,426	4,682	30,157	48,265
Depreciation and amortization	—	—	2,936	2,936
Operating income (loss)	46,008	(123)	(33,093)	12,792
Net interest and other finance costs				5,533
Income before income taxes				7,259

The Company does not report total assets or total liabilities based on its operating segments.

Geographic information

The Company determines the geographic location of revenue based on the location of its customers.

Revenue by geography:	For the three months ended September 30		For the six months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Canada	61,994	39,123	72,420	45,452
United States	44,294	38,607	50,282	41,710
Rest of World	66,042	50,205	77,833	56,468
	172,330	127,935	200,535	143,630

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Note 4. Earnings per share

Basic earnings per share amounts are calculated by dividing net income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares, if any, that would be issued on exercise of stock options.

Certain performance-vested exit event options issued under the Company's Legacy Plan (note 11) become exercisable into subordinate voting shares upon the closing of a qualifying liquidity event or sale of shares. Such instruments are not considered dilutive until the occurrence of the event that would result in conversion or exercise, and are excluded from the determination of diluted earnings per share prior to the occurrence of an exit event. The completion of the public share offering on March 21, 2017 and the secondary offering on July 5, 2017 (note 10) each represent exit events, and performance-vested exit event options that became exercisable on each date are included in the calculation of diluted earnings per share from the date of the exit event that satisfies the contingent performance conditions.

On December 2, 2016, the Company completed a series of share capital and debt transactions (collectively, the "Recapitalization") to simplify its share capital structure and return capital to its shareholders. In connection with the Recapitalization, the Company subdivided its outstanding common shares on the basis of 10,000,000 shares for each outstanding common share. The terms of the outstanding stock options were adjusted to conform to the share structure after the Recapitalization. The effect of the share subdivision and corresponding adjustment to the number and terms of the outstanding stock options has been applied retrospectively to prior accounting periods in calculating basic and diluted earnings per share.

	Three months ended September 30		Six months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Net income	37,127	20,018	25,038	5,982
Weighted average number of multiple and subordinate voting shares outstanding	106,992,382	100,000,000	106,747,784	100,000,000
Weighted average number of shares on exercise of stock options	4,486,499	1,704,270	3,952,476	1,702,032
Diluted weighted average number of multiple and subordinate voting shares outstanding	111,478,881	101,704,270	110,700,260	101,702,032
Earnings per share				
Basic	0.35	0.20	0.23	0.06
Diluted	0.33	0.20	0.23	0.06

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Note 5. Trade receivables

	September 30 2017	March 31 2017
	\$	\$
Trade accounts receivable	99,448	7,904
Credit card receivables	2,667	3,429
	<u>102,115</u>	<u>11,333</u>
Less: allowance for doubtful accounts and sales allowances	(2,528)	(2,623)
Trade receivables, net	<u><u>99,587</u></u>	<u><u>8,710</u></u>

The aging of trade receivables is as follows:

	Total	Current	< 30 days	Past due 31-60 days	> 60 days
	\$	\$	\$	\$	\$
Trade accounts receivable	99,448	87,570	10,404	1,089	385
Credit card receivables	2,667	2,667	—	—	—
September 30, 2017	<u><u>102,115</u></u>	<u><u>90,237</u></u>	<u><u>10,404</u></u>	<u><u>1,089</u></u>	<u><u>385</u></u>
Trade accounts receivable	7,904	1,135	1,972	2,013	2,784
Credit card receivables	3,429	3,429	—	—	—
March 31, 2017	<u><u>11,333</u></u>	<u><u>4,564</u></u>	<u><u>1,972</u></u>	<u><u>2,013</u></u>	<u><u>2,784</u></u>

The Company has entered into an agreement with a third party who has insured the risk of loss for up to 90% of trade accounts receivables from certain designated customers based on a total deductible of \$50. As at September 30, 2017, accounts receivable totaling approximately \$82,542 (March 31, 2017 - \$7,180), were insured under this agreement, representing 83.0% of trade accounts receivable (March 31, 2017 - 90.8%).

Note 6. Inventories

	September 30 2017	March 31 2017
	\$	\$
Raw materials	33,657	27,670
Work-in-process	6,528	5,746
Finished goods	114,279	92,048
Total inventories at the lower of cost and net realizable value	<u><u>154,464</u></u>	<u><u>125,464</u></u>

Inventories are carried at the lower of cost and net realizable value; in estimating net realizable value, the Company uses estimates related to obsolescence and estimated loss (“shrinkage”) incurred since the last inventory count. Shrinkage is based on historical experience. Included in inventory as at September 30,

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

2017 are provisions for obsolescence and inventory shrinkage in the amount of \$7,078 (March 31, 2017 - \$4,900).

Amounts charged to cost of sales comprise the following:

	For the three months ended September 30		For the six months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cost of goods manufactured	84,604	68,058	98,672	78,641
Depreciation and amortization	633	543	1,528	996
	85,237	68,601	100,200	79,637

Note 7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	September 30	March 31
	2017	2017
	\$	\$
Trade payables	25,713	25,098
Accrued liabilities	26,641	16,506
Employee benefits	7,387	11,272
Other payables	4,069	5,347
Accounts payable and accrued liabilities	63,810	58,223

Note 8. Provisions

Provisions consist primarily of amounts recorded in respect of customer warranty obligations, sales returns, terminations of sales agents and distributors, and asset retirement obligations.

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic resources that will be required under the Company's obligations for warranties under sale of goods, which may include repair or replacement of previously sold products. The estimate has been made on the basis of historical warranty trends and costs to repair or replace products, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality and production.

The sales contract provision relates to management's estimated cost of the departure of certain third party dealers, agents and distributors.

Sales returns relate primarily to goods sold through the Direct-to-Consumer sales channel which have a limited right of return, typically within 30 days.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

	Warranty \$	Sales Contract \$	Sales returns \$	Other \$	Total \$
Balance as at March 31, 2017	8,119	3,000	3,372	1,081	15,572
Additional provisions recognized	1,907	—	2,842	167	4,916
Reductions resulting from settlement	(1,295)	—	(1,259)	—	(2,554)
Release of provisions - Wholesale	—	—	(602)	—	(602)
Release of provisions - Direct-to-Consumer	—	—	(261)	—	(261)
Other	—	—	56	12	68
Balance as at September 30, 2017	8,731	3,000	4,148	1,260	17,139

Provisions are classified as current and non-current liabilities based on management's expectation of the timing of settlement, as follows:

	September 30 2017 \$	March 31 2017 \$
Current provisions	6,914	6,046
Non-current provisions	10,225	9,526
	17,139	15,572

Note 9. Long-term debt

Revolving facility

The Company has an agreement with a syndicate of lenders for a senior secured asset-based revolving facility in the amount of \$200,000 with an increase in commitments to \$250,000 during the peak season (June 1 – November 30), (increased on August 15, 2017 from \$150,000 and \$200,000 in the peak season), a revolving credit commitment comprising a letter of credit commitment in the amount of \$25,000, with a \$5,000 sub-commitment for letters of credit issued in a currency other than Canadian dollars, U.S. Dollars or Euros, and a swingline commitment for \$25,000. The revolving facility has a 5-year term and can be drawn in Canadian dollars, U.S. dollars, Euros or other currencies. Amounts owing under the revolving facility may be borrowed, repaid and re-borrowed for general corporate purposes.

The revolving facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, LIBOR rate, or EURIBOR rate plus an applicable margin, with interest payable quarterly. The Company has pledged substantially all of its assets as collateral for the revolving facility. The revolving facility contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the six months ended September 30, 2017, the Company was in compliance with all covenants.

The amount outstanding as at September 30, 2017 with respect to the revolving facility is \$116,775, net of deferred financing charges of \$1,928 (March 31, 2017 - \$6,642 outstanding, net of deferred financing charges of \$2,071). The Company has unused borrowing capacity available under the revolving facility of \$116,844 as at September 30, 2017 (March 31, 2017 - \$80,671).

As at September 30, 2017, the Company had letters of credit outstanding under the revolving facility of \$558 (March 31, 2017 - \$552).

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

During the six months ended September 30, 2016, the Company used the proceeds from the revolving facility to repay and extinguish its previous revolving credit facility and term credit facility. As a result of the extinguishment of the previous revolving credit facility and term credit facility, deferred financing charges in the amount of \$946 were expensed as net interest and other finance costs during the six months ended September 30, 2016.

Term loan

The Company has a senior secured loan agreement with a syndicate of lenders that is secured on a split collateral basis alongside the revolving facility, with an aggregate principal amount owing of \$142,000 (US \$113,782). The term loan bears interest at a rate of LIBOR plus an applicable margin of 4% payable quarterly or at the end of the then current interest period (whichever is earlier) in arrears, provided that LIBOR may not be less than 1%. The term loan is due on December 2, 2021. Amounts owing under the term loan may be repaid at any time without premium or penalty, but once repaid may not be reborrowed. The Company has pledged substantially all of its assets as collateral for the term loan. The term loan contains non-financial covenants which could impact the Company's ability to draw funds. As at and during the six months ended September 30, 2017, the Company was in compliance with all covenants.

As the term loan is denominated in U.S. dollars, the Company remeasures the outstanding balance plus accrued interest at each balance sheet date.

The amount outstanding with respect to the term loan is as follows:

	September 30	March 31
	2017	2017
	\$	\$
Term loan	142,000	151,581
Less unamortized portion of:		
original issue discount	(3,451)	(4,120)
deferred financing fees	(1,516)	(1,209)
embedded derivative	(776)	(870)
reevaluation for interest rate modification	(4,972)	(5,935)
	<u>131,285</u>	<u>139,447</u>

The Company recognized the fair value of the embedded derivative liability related to the interest rate floor at the inception of the term loan. The related derivative liability is remeasured at each reporting period and is included in other long-term liabilities.

On March 21, 2017, the Company prepaid \$65,031 (US\$48,800) of the outstanding principal balance of the term loan. After the prepayment, the applicable margin was reduced from 5% to 4%, (provided that LIBOR may not be less than 1% throughout the term of the loan). The decrease in the applicable margin from 5% to 4% gave rise to a decrease in the carrying value of the term loan which is being amortized over the remaining term.

During the three months ended September 30, 2017 the term loan lenders syndicated their commitments under the loan agreement to a new group of lenders; the Company's obligations under the loan agreement are substantially unchanged, and the syndication has no accounting impact. The Company incurred financing costs of \$437 in connection with the syndication transaction, which will be amortized over the remaining term of the loan using the effective interest rate method.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Net interest and other finance costs

Net interest and other finance costs consist of the following:

	For the three months ended September 30		For the six months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Interest expense				
Revolving facility	1,003	961	1,489	1,238
Term loan	2,504	—	5,082	—
Credit facility	—	—	—	393
Subordinated debt	—	1,441	—	2,866
Other	(2)	3	(6)	10
Standby fees	94	33	126	80
Write off deferred financing costs on refinancing	—	—	—	946
Interest expense and other financing costs	3,599	2,438	6,691	5,533

Note 10. Shareholders' equity

The authorized and issued share capital of the Company are as follows:

Authorized

The authorized share capital of the Company consists of an unlimited number of subordinate voting shares without par value, an unlimited number of multiple voting shares without par value, and an unlimited number of preferred shares without par value, issuable in series.

Issued

Multiple voting shares - Holders of the multiple voting shares are entitled to 10 votes per multiple voting share. Multiple voting shares are convertible at any time at the option of the holder into one subordinate voting share. The multiple voting shares will automatically be converted into subordinate voting shares when they cease to be owned by one of the principal shareholders. In addition, the multiple voting shares of either of the principal shareholders will automatically be converted to subordinate voting shares at such time as the beneficial ownership of that shareholder falls below 15% of the outstanding subordinate voting shares and multiple voting shares outstanding, or additionally, in the case of DTR, when the President and Chief Executive Officer no longer serves as an officer or director of the Company.

Subordinate voting shares - Holders of the subordinate voting shares are entitled to one vote per subordinate voting share.

The rights of the subordinate voting shares and the multiple voting shares are substantially identical, except for voting and conversion. Subject to the prior rights of any preferred shares, the holders of subordinate and multiple voting shares participate equally in any dividends declared, and share equally in any distribution of assets on liquidation, dissolution, or winding up.

On July 5, 2017, the Company completed a secondary offering of 12,500,000 subordinate voting shares sold by the Principal Shareholders and certain members of management. The Company received no proceeds from the sale of shares.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

In connection with the secondary offering:

- The Principal Shareholders converted 12,414,078 multiple voting shares into subordinate voting shares, which were then sold to the public.
- Certain members of management exercised stock options to purchase 85,922 subordinate voting shares, which were then sold to the public.
- The completion of the secondary offering represents an exit event such that 820,543 performance vested exit event stock options that were eligible to vest became vested (note 11).
- The Company incurred transaction costs for the secondary offering in the amount of \$1,546 in the six months ended September 30, 2017 that are included in selling, general and administrative expenses.

The transactions affecting the issued and outstanding share capital of the Company in the six months ended September 30, 2017 are described below:

	Multiple voting shares		Subordinate voting shares		Total	
	Number	\$	Number	\$	Number	\$
Balance, as at March 31, 2017	83,308,154	2,209	23,088,883	101,086	106,397,037	103,295
Convert multiple voting shares to subordinate voting shares	(12,414,078)	(329)	12,414,078	329	—	—
Exercise of stock options	—	—	780,331	896	780,331	896
Balance, as at September 30, 2017	70,894,076	1,880	36,283,292	102,311	107,177,368	104,191

Note 11. Share-based payments

The Company has issued stock options to purchase subordinate voting shares under its incentive plans, prior to the public share offering on March 21, 2017 (the "Legacy Plan") and subsequently (the "Omnibus Plan"). All options are issued at an exercise price that is not less than market value at the time of grant and expire ten years after the grant date.

Legacy Plan

Under the terms of the Legacy Plan, options were granted to certain executives of the Company which are exercisable to purchase subordinate voting shares. The options vest contingent upon meeting the service, performance goals and exit event conditions of the Legacy Plan.

a) Service-vested options

Service-vested options are subject to the executive's continuing employment and generally are scheduled to vest 40% on the second anniversary of the date of grant, 20% on the third anniversary, 20% on the fourth anniversary and 20% on the fifth anniversary.

b) Performance-vested and exit event options

Performance-vested options that are tied to an exit event become eligible to vest pro rata on the same schedule as service-vested options, but do not vest until the exit event has occurred. An exit event is triggered based on a target realized rate of return on invested capital. Other performance-vested options vest based on measurable performance targets that do not involve an exit event. Performance-vested options are subject to the executive's continued employment.

On each vesting date, service-vested options vest, and performance-vested exit event options become eligible to vest upon the occurrence of an exit event. The completion of the public share offering on

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

March 21, 2017 and the secondary offering on July 5, 2017 each represent exit events such that options that were eligible to vest became vested. As of July 5, 2017, all exit event conditions have been met, and no outstanding options are subject to exit event conditions. No options will be issued under the Legacy Plan subsequent to the public share offering.

Omnibus Plan

Under the terms of the Omnibus Plan, options are granted to certain executives of the Company which are exercisable to purchase subordinate voting shares. The options vest over four years contingent upon meeting the service conditions of the Omnibus Plan, 25% on each anniversary of the date of grant.

Stock option transactions in the six months ended September 30, 2017 are as follows:

	Weighted average exercise price	Number of shares
Options outstanding, March 31, 2017	\$ 1.63	5,810,777
Options granted to purchase shares	\$ 29.28	285,353
Options cancelled	\$ 2.34	(282,545)
Options exercised	\$ 0.26	(780,331)
Options outstanding, September 30, 2017	\$ 3.36	<u>5,033,254</u>

The following table summarizes information about stock options outstanding and exercisable at September 30, 2017:

<u>Options Outstanding</u>			<u>Options Exercisable</u>		
Exercise price	Number	Weighted average remaining life in years	Number	Weighted average remaining life in years	
\$ 0.02	1,994,044	6.6	1,217,980	6.6	
\$ 0.25	201,322	6.9	112,432	6.9	
\$ 2.37	18,519	7.1	18,519	7.1	
\$ 1.79	1,325,182	7.5	525,173	7.5	
\$ 4.62	1,078,682	8.4	84,591	8.5	
\$ 8.94	133,332	9.3	—	—	
\$ 30.73	223,631	9.7	—	—	
\$ 23.64	58,542	9.9	—	—	
	<u>5,033,254</u>		<u>1,958,695</u>		

Accounting for share-based awards

In the three and six months ended September 30, 2017, the Company recorded \$561 and \$721, respectively, as contributed surplus and compensation expense for the vesting of stock options (2016 - \$1,374 and \$1,499, respectively). Share-based compensation expense is included in selling, general and administrative expenses.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

The assumptions used to measure the fair value of options granted during the six months ended September 30, 2017 under the Black Scholes option pricing model at the grant date were as follows:

	For the six months ended September 30 2017	
Weighted average stock price valuation	\$	29.28
Weighted average exercise price	\$	29.28
Risk-free interest rate		0.65% to 1.41%
Expected life in years		5
Expected dividend yield		— %
Volatility		40%
Weighted average fair value of options issued	\$	8.93

Note 12. Leases

Rent expense comprises the following:

	For the three months ended September 30		For the six months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Lease expense	4,153	2,070	7,862	3,439
Contingent rent	307	—	334	—
	<u>4,460</u>	<u>2,070</u>	<u>8,196</u>	<u>3,439</u>

Deferred rent in the amount of \$2,440 (March 31, 2017 - \$2,110) is included in other long-term liabilities.

Note 13. Business combination

On April 18, 2016, the Company acquired the assets of an apparel manufacturing business for consideration of \$1,400.

The Company paid \$500 on the closing date of the transaction and made further payments when due of \$150 in January and \$350 in May 2017 and recorded contingent consideration with a fair value of \$400 owing to the former owners upon satisfaction of additional requirements. Contingent consideration of \$130 remains outstanding and is included in accounts payable and accrued liabilities. The remaining contingent consideration is remeasured at its fair value at each reporting date and any resulting gain or loss is included in the statement of income and comprehensive income.

Note 14. Related party transactions

On December 9, 2013, the Company entered into a management agreement with certain affiliates of Bain Capital for a term of five years, which was terminated upon the public share offering on March 21, 2017, in accordance with the terms of the agreement. During the three and six months ended September 30, 2017, the Company incurred management fees of \$nil (2016 - \$178 and \$327, respectively) and interest expense of \$nil (2016 - \$1,425 and \$2,866, respectively) on the subordinated debt due to Bain Capital. As at September 30, 2016, accrued interest on the subordinated debt of \$4,776 was included in the accounts payable and accrued liabilities.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

During the six months ended September 30, 2017, the Company made payments for travel expenses of \$148 (September 30, 2016 - \$142) to companies related to the shareholders.

During the six months ended September 30, 2017, the Company expensed \$nil to an affiliate controlled by the majority shareholder for IT services (six months ended September 30, 2016 - \$110).

Note 15. Financial instruments and fair value

Management assessed that the fair values of cash, trade receivables, and accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

As at September 30, 2017, the fair value of the revolving facility is equal to the amount owing of \$118,703 (March 31, 2017 - \$8,713). The fair value of the term loan is equal to the amount owing of \$142,000 (March 31, 2017 - \$151,581).

Derivative Financial Instruments

The Company's consolidated financial statements are expressed in Canadian dollars, but a substantial portion of the Company's sales and purchases are denominated in other currencies, principally U.S. dollars, Euros, Pounds Sterling and Swiss Francs. The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk associated with revenues and purchases denominated in U.S. dollars and Euros. Beginning in fiscal 2017, certain U.S. dollar and Euro forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges with respect to expected activity in the 2018 fiscal year. During the three and six months ended September 30, 2017, unrealized gains in the fair value of derivatives designated as cash flow hedges in the amounts of \$1,126 and \$974, respectively (three and six months ended September 30, 2016 - \$nil) have been recorded in other comprehensive income. During the three and six months ended September 30, 2017, unrealized losses and gains of \$545 and \$2, respectively (three and six months ended September 30, 2016 - \$119) on forward exchange contracts that are not treated as hedges have been recognized in selling, general and administrative expenses in the statement of income. During the three and six months ended September 30, 2017, losses of \$143 and \$125, respectively (three and six months ended September 30, 2016 - nil) were reclassified from other comprehensive income to selling, general and administrative expenses.

Foreign currency forward exchange contracts outstanding as at September 30, 2017 are:

		Contract Amount	Primary Currency
Forward exchange contract to purchase currency	CHF	3,400	Swiss Francs
	US\$	3,200	U.S. dollars
Forward exchange contract to sell currency	US\$	31,150	U.S. dollars
	€	19,800	Euros
	£	14,700	Pounds Sterling

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Fair Value

The following table presents the fair values and fair value hierarchy of the Company's financial instruments and excludes financial instruments carried at amortized cost that are short-term in nature:

	September 30, 2017					March 31, 2017				
	Level 1	Level 2	Level 3	Carrying value	Fair Value	Level 1	Level 2	Level 3	Carrying value	Fair Value
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash	13,314	—	—	13,314	13,314	9,678	—	—	9,678	9,678
Derivatives included in other current assets	—	2,476	—	2,476	2,476	—	305	—	305	305
Financial liabilities										
Derivatives included in accounts payable and accrued liabilities	—	1,653	—	1,653	1,653	—	786	—	786	786
Derivatives included in other long-term liabilities	—	338	—	338	338	—	782	—	782	782

There were no transfers between the levels of the fair value hierarchy.

Note 16. Commitments and contingencies

The following table summarizes the amount of contractual undiscounted future cash flow requirements as at September 30, 2017:

Contractual obligations	Q3 to Q4 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Thereafter	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	63,810	—	—	—	—	—	—	63,810
Revolving facility	—	—	—	—	118,703	—	—	118,703
Term loan	—	—	—	—	142,000	—	—	142,000
Interest commitments relating to long-term debt (1)	5,414	10,827	10,827	10,827	5,524	—	—	43,419
Operating leases	7,207	14,225	14,433	14,417	14,339	14,437	49,740	128,798
Pension obligation	—	—	—	—	—	—	821	821

(1) Interest commitments as at September 30, 2017 are calculated based on the loan balances, and the average interest rate payable on the revolving facility and the term loan of 2.85% and 5.24%, respectively.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

Note 17. Selected cash flow information

Changes in non-cash operating items

	For the six months ended September 30	
	2017	2016
	\$	\$
Trade receivables	(90,878)	(61,727)
Inventories	(29,000)	(23,504)
Other current assets	5,183	3,182
Accounts payable and accrued liabilities	(162)	4,709
Provisions	1,567	309
Deferred rent	330	—
Other	279	175
Change in non-cash operating items	(112,681)	(76,856)

Changes in liabilities and equity arising from financing activities

	Revolving facility	Term loan	Share capital
	\$	\$	\$
Balance as at March 31, 2017	6,642	139,447	103,295
Cash flows:			
Borrowings on revolving facility	110,036	—	—
Deferred financing fees on term loan syndication	—	(437)	—
Exercise of stock options	—	—	207
Non-cash items:			
Amortization of debt costs			
Discount	—	426	—
Embedded derivative	—	94	—
Interest rate modification	—	610	—
Deferred financing costs	286	129	—
Unrealized foreign exchange gain	(189)	(8,984)	—
Contributed surplus on exercise of stock options	—	—	689
Balance as at September 30, 2017	116,775	131,285	104,191

Note 18. Subsequent event

Hedging transactions

On October 18, 2017, the Company committed to derivative transactions to hedge a portion of its exposure to foreign currency exchange risk related to its term loan liability denominated in U.S. dollars.

The Company committed to a long-dated forward exchange contract to buy \$75,000, or \$59,382 in equivalent U.S. dollars as measured on the trade date, to fix the foreign exchange risk on term loan borrowings over the term to maturity (December 2, 2021).

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

As at and for the three months and six months ended September 30, 2017 and 2016

(in thousands of Canadian dollars, except per share amounts)

The Company has also committed to a cross-currency swap by selling \$50,000, \$39,968 in equivalent U.S. dollars floating rate debt bearing interest at LIBOR plus 4.00% as measured on the trade date, and receiving \$50,000 fixed rate debt bearing interest at a rate of 5.80%. Concurrently, the Company committed to a cross-currency swap by selling the \$50,000 fixed rate debt bearing interest at a rate of 5.80% and receiving \$50,000, €33,966 in equivalent Euro-denominated fixed rate debt bearing interest at a rate of 3.84%. The Company intends to apply hedge accounting for this transaction by designating the cross-currency swap as a hedge of the net investment in its European subsidiary. Hedges of net investments are accounted for similarly to cash flow hedges with unrealized gains and losses included in other comprehensive income. Amounts included in other comprehensive income are reclassified to net income in the period when the foreign operation is disposed of or sold.

CANADA GOOSE HOLDINGS INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

For the three and six months ended September 30, 2017

The following Management's Discussion and Analysis ("MD&A") for Canada Goose Holdings Inc. ("us," "we," "our," "Canada Goose" or the "Company") is dated November 8, 2017 and provides information concerning our financial condition and results of operations for the three and six months ended September 30, 2017. You should read this MD&A together with our unaudited condensed consolidated interim financial statements ("Interim Financial Statements") as at and for the three and six months ended September 30, 2017, and our audited consolidated financial statements and the related notes for the fiscal year ended March 31, 2017 ("Annual Financial Statements"). Additional information about Canada Goose is available on our website at www.canadagoose.com, on the SEDAR website at www.sedar.com, and on the EDGAR section of the U.S. Securities and Exchange Commission (the "SEC") website at www.sec.gov, including our Annual Report on Form 20-F for the year ended March 31, 2017 ("Annual Report").

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. These statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as "anticipate," "believe," "envision," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" and other similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this MD&A and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. Forward-looking statements contained in this MD&A include, among other things, statements relating to:

- expectations regarding industry trends and the size and growth rates of addressable markets;
- our business plan and our growth strategies, including plans for expansion to new markets and new products; and
- expectations for seasonal trends.

Certain assumptions made in preparing the forward-looking statements contained in this MD&A include:

- our ability to implement our growth strategies;
- our ability to maintain good business relationships with our customers, suppliers, wholesalers and distributors;

- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property; and
- the absence of material adverse changes in our industry or the global economy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section of our Annual Report, which include, but are not limited to, the following risks:

- we may not open retail stores or e-commerce sites on our planned timelines;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- we may be unable to protect or preserve our brand image and proprietary rights;
- we may not be able to satisfy changing consumer preferences;
- an economic downturn may affect discretionary consumer spending;
- we may not be able to compete in our markets effectively;
- we may not be able to manage our growth effectively;
- poor performance during our peak season may affect our operating results for the full year;
- our indebtedness may adversely affect our financial condition;
- our ability to maintain relationships with our select number of suppliers;
- our ability to manage our product distribution through our retail partners and international distributors;
- the success of our marketing programs;
- the risk our business is interrupted because of a disruption at our headquarters; and
- fluctuations in raw materials costs, interest and currency exchange rates.

Although we base the forward-looking statements contained in this MD&A on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this MD&A. In addition, even if results and developments are consistent with the forward-looking statements contained in this MD&A, those results and developments may not be indicative of results or developments in subsequent periods. As a result, any or all of our forward-looking statements in this MD&A may turn out to be inaccurate. No forward-looking statement is a guarantee of future results. Moreover, we operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor,

or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

You should read this MD&A and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained herein are made as of the date of this MD&A, and we do not assume any obligation to update any forward-looking statements except as required by applicable law.

BASIS OF PRESENTATION

The Interim Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), specifically International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”), and are presented in thousands of Canadian dollars, except where otherwise indicated. The Interim Financial Statements do not include all of the information required for annual financial statements and should be read in conjunction with the Annual Financial Statements. Certain financial measures contained in this MD&A are non-IFRS financial measures and are discussed further under “Non-IFRS Financial Measures” below.

All references to “\$,” “CAD” and “dollars” refer to Canadian dollars unless otherwise indicated, and all references to “USD” and “US\$” refer to U.S. dollars. Certain totals, subtotals and percentages throughout this MD&A may not reconcile due to rounding.

All references to “fiscal 2015” are to the Company’s fiscal year ended March 31, 2015; to “fiscal 2016” are to the Company’s fiscal year ended March 31, 2016; to “fiscal 2017” are to the Company’s fiscal year ended March 31, 2017; to “fiscal 2018” are to the Company’s fiscal year ended March 31, 2018 and fiscal 2019 are to the Company’s fiscal year ended March 31, 2019.

SUMMARY OF FINANCIAL PERFORMANCE

The following table summarizes results of operations for the three and six months ended September 30, 2017 and 2016 and expresses the percentage relationship to revenues of certain financial statement captions. All percentages shown in the table below and the discussion that follows have been calculated using rounded numbers. A detailed discussion is provided in “Results of Operations” below.

CAD \$000s (except per share data)	Three months ended September 30, 2017	Three months ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Statement of Operations Data:				
Revenue	172,330	127,935	200,535	143,630
Gross profit	87,093	59,334	100,335	63,993
<i>Gross margin</i>	50.5%	46.4%	50.0%	44.6%
Operating income	48,234	27,672	33,476	12,792
Net income	37,127	20,018	25,038	5,982

Earnings per share

Basic	\$	0.35	\$	0.20	\$	0.23	\$	0.06
Diluted	\$	0.33	\$	0.20	\$	0.23	\$	0.06

Other data: ⁽¹⁾

EBITDA	51,181	29,705	39,486	16,724				
Adjusted EBITDA	46,399	33,790	32,833	26,308				
<i>Adjusted EBITDA margin</i>	26.9%	26.4%	16.4%	18.3%				
Adjusted net income	32,877	23,740	19,647	14,248				
Adjusted net income per share	\$	0.31	\$	0.24	\$	0.18	\$	0.14
Adjusted net income per diluted share	\$	0.29	\$	0.23	\$	0.18	\$	0.14

(1) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted net income per share and per diluted share are non-IFRS financial measures. See “Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

Factors Affecting our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us and may pose risks and challenges, including those discussed below.

- *Market Expansion.* Our market expansion strategy has been a key driver of our recent revenue growth and we have identified additional high potential markets where we plan to continue to execute our expansion strategy. Across our various markets, we plan to focus on increasing brand awareness, deepening our wholesale presence and rolling out our Direct-to-Consumer (“DTC”) channel as market conditions permit. We expect that marketing and selling expenses to support these initiatives will continue to grow in proportion to anticipated revenue growth.

- *Growth in our DTC Channel.* We introduced our DTC channel in fiscal 2015 with the launch of our Canadian e-commerce store and have since established e-commerce stores in the United States in the second quarter of fiscal 2016, in the United Kingdom and France in the second quarter of fiscal 2017, in Ireland in the first quarter of fiscal 2018, and in Belgium, Luxembourg, the Netherlands, Sweden, Germany and Austria in second quarter of fiscal 2018. We are targeting in the long term to open a total of 15 to 20 e-commerce sites.

In the third quarter of fiscal 2017, we opened our first two retail stores in Toronto and in New York City and anticipate opening a select number of additional retail locations where we believe they can operate profitably. In the third quarter of fiscal 2018 we will open four retail stores in London, Chicago, Boston and Calgary, with a long term target of opening 15 to 20 company-owned retail stores. In addition to these stores which we will own and operate, our distribution partner in Japan plans to open a retail store in Tokyo in fiscal 2018.

A jacket sale in our DTC channel provides two-to-four times greater contribution to segment operating income per jacket as compared to a sale of the same product in our wholesale channel. As we continue to increase the percentage of sales from our DTC channel, we expect to continue to maintain a balanced multi-channel distribution model. Growth in our DTC channel is also expected to reduce the current seasonal concentration of our revenue by allowing us to recognize revenue at the point of customer purchase instead of when products are transferred to our retail partners. As a result, we expect a relatively higher percentage of our DTC sales to be recognized in our third and fourth fiscal quarters.

- *New Products.* The evolution of our heritage line of winter products, expansion of our product assortment across Spring, and Fall, and new product categories such as knitwear have contributed meaningfully to our performance. We intend to continue investing in the development and introduction of new products. We introduced a new Spring collection in stores in the fourth quarter of fiscal 2017. We launched our new knitwear collection in the second quarter of fiscal 2018, which we will continue to roll out gradually over the remainder of fiscal 2018 and fiscal 2019. As we introduce additional products, we expect that they will supplement the seasonal nature of our business and expand our addressable geographic market. We expect these products to be accretive to revenue, but such products may carry a lower gross margin per unit than our Winter collection.
- *Seasonality.* We experience seasonal fluctuations in our revenue and operating results and have historically realized a significant portion of our revenue and earnings for the fiscal year during our second and third fiscal quarters. We generated 83.5%, 77.4%, and 78.1% of our revenues in the second and third fiscal quarters of fiscal 2017, fiscal 2016 and fiscal 2015, respectively. Our business model also provides visibility into expected future revenues, with a significant majority of wholesale orders booked during the third and fourth fiscal quarters of the prior fiscal year. In addition, we typically experience net losses in the first and fourth quarters as we invest ahead of our most active season. Working capital requirements typically increase throughout our first and second fiscal

quarters as inventory builds to support our peak shipping and selling period from August to November. Cash provided by operating activities is typically highest in our third quarter due to the significant inflows associated with our peak selling season. On an annual basis, changes that impact our gross margin are not significant. However, when these amounts are recorded in the first or fourth quarter, they can have a disproportionate impact on our quarterly results due to the low proportion of revenue recorded in these periods.

- *Foreign Exchange.* We sell a significant portion of our products to customers outside of Canada, which exposes us to fluctuations in foreign currency exchange rates. In fiscal years 2017, 2016 and 2015, we generated 52.2%, 54.6% and 49.3%, respectively, of our revenue in currencies other than Canadian dollars. Our sales outside of Canada also present an opportunity to strategically price our products to improve our profitability. As the majority of our wholesale revenue remains derived from retailer orders made prior to the beginning of the fiscal year, we have a high degree of visibility into our anticipated future cash flows from operations. In addition, most of our raw materials are sourced outside of Canada, primarily in U.S. dollars. Selling, general and administrative expenses (“SG&A expenses”) are typically denominated in the currency of the country in which they are incurred. This extended visibility allows us to manage foreign currency exposure over the operating cycle by utilizing foreign exchange forward contracts.

The Company is exposed foreign currency exchange risk on the principal and interest payable on its U.S. dollar denominated Revolving Facility and Term Loan Facility. On October 18, 2017, the Company entered into foreign exchange forward and swap contracts to mitigate the foreign exchange risk on the principal amount of the Term Loan Facility. See — “Recent Developments” below.

The main foreign currency exchange rates that impact our business and operations as at and for the three and six months ended September 30, 2017 and 2016 are summarized below:

Currency	Foreign currency exchange rate \$1.00 CAD					
	Fiscal 2018			Fiscal 2017		
	September 30	Average Q2	Average YTD	September 30	Average Q2	Average YTD
USD	1.2480	1.2526	1.2987	1.3117	1.3047	1.2965
EUR	1.4742	1.4716	1.4754	1.4741	1.4564	1.4559
GBP	1.6716	1.6398	1.6800	1.7069	1.7126	1.7806

Source: Bank of Canada

Components of Our Results of Operations

Revenue

Revenue in our wholesale channel is comprised of sales to retail partners and distributors of our products. Wholesale revenue from the sale of goods, net of an estimate for sales returns, discounts

and allowances, is recognized when the significant risks and rewards of ownership of the goods have passed to the retail partner or distributor which, depending on the terms of the agreement with the reseller, occurs when the products have been shipped to the reseller, are picked up from our third-party warehouse or arrive at the reseller's facilities, and there is no continuing management involvement or obligation affecting the acceptance of the goods.

Revenue in our DTC channel consists of sales through our e-commerce operations and, beginning in the third quarter of fiscal 2017, in our retail stores. Revenue through e-commerce operations and retail stores are recognized upon delivery of the goods to the customer and when collection is reasonably assured, net of an estimated allowance for sales returns.

Cost of Sales and Gross Profit

Gross profit is our revenue less cost of sales. Cost of sales comprises the cost of manufacturing our products, including raw materials, direct labour and overhead, plus in-bound freight, duty and non-refundable taxes incurred in delivering the goods to distribution centres managed by third parties. It also includes costs incurred in the production, design, distribution and merchandise departments as well as raw materials and finished goods inventory provisions and allowances related to obsolescence and shrinkage. The primary drivers of our cost of sales are the costs of raw materials, which are sourced both in Canadian dollars and U.S. dollars, labour rates in Canada and the allocation of overhead. Gross margin measures our gross profit as a percentage of revenue.

Selling, General and Administrative Expenses

SG&A expenses consist of selling costs to support our customer relationships and to deliver our product to our retail partners, e-commerce customers and retail stores. It also includes our marketing and brand investment activities and the corporate infrastructure required to support our ongoing operations.

Selling costs generally correlate to revenue timing and therefore experience similar seasonal trends. As a percentage of sales, we expect these selling costs to increase as our business evolves. This increase is expected to be driven primarily by the growth of our DTC channel, including the investment required to support additional e-commerce sites and retail stores. The growth of our DTC channel is expected to be accretive to net income given the higher gross profit margin of our DTC channel which results from the opportunity to capture the full retail value of our products.

General and administrative expenses represent costs incurred in our corporate offices, primarily related to personnel costs, including salaries, variable incentive compensation, benefits, share-based compensation and other professional service costs. We have invested considerably in this area to support the growing volume and complexity of our business and anticipate continuing to do so in the future. In addition, in connection with our initial public offering completed on March 21, 2017 ("IPO"), we incurred transaction costs and stock based compensation expenses and we anticipate a significant increase in accounting, legal and professional fees associated with being a public company. Foreign exchange gains and losses are recorded in SG&A expenses and comprise

translation of assets and liabilities denominated in currencies other than the functional currency of the entity, including the Term Loan Facility (as defined below), a portion of our Revolving Facility (as defined below), mark-to-market adjustments on derivative contracts, foreign exchange forward contracts, and realized gains on settlement of foreign currency denominated assets and liabilities.

Income Taxes

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. The primary regions that determine the effective tax rate are Canada, the U.S., Switzerland and the U.K.

Segments

We report our results in two segments which are aligned with our sales channels: Wholesale and DTC. We measure each reportable operating segment's performance based on revenue and segment operating income. Through our wholesale segment we sell to retail partners and distributors in 38 countries. Our DTC segment comprises online sales through our e-commerce sites to customers in Canada, the U.S., the U.K., France, Ireland, Luxembourg, Belgium, the Netherlands, Sweden, Germany and Austria and sales to customers of our retail stores in Toronto and New York City.

Our wholesale segment and DTC segment represented 71.5% and 28.5% of our total revenue, respectively, in fiscal 2017. For fiscal 2016, the wholesale segment and DTC segment contributed 88.6% and 11.4%, of the total revenue, respectively, and for fiscal 2015, the wholesale segment and DTC segment contributed 96.3% and 3.7%, respectively. We expect this trend from wholesale towards DTC to continue as we open more retail stores and e-commerce sites.

RECENT DEVELOPMENTS

Products

- On August 14, 2017 we launched our knitwear collection for men and women. Building on the brand's sixty years of experience and expertise in keeping people warm, the Canada Goose knitwear collection embodies our function-first design philosophy and stays true to the brand's authentic utilitarian aesthetic.

Retail stores

- Retail stores in London, Boston and Calgary are scheduled to open in the third quarter of fiscal 2018. Our Chicago retail store opened on October 26, 2017.
- A retail store is also scheduled to open in Tokyo in the third quarter of fiscal 2018, which will be operated by our Japanese distribution partner.

E-commerce sites

- In the second quarter of fiscal 2018, e-commerce sites were launched in Belgium and Luxembourg on July 13, 2017 in the Netherlands on July 31, 2017, in Sweden on August 14, 2017, and in Germany and Austria on September 14, 2017.
- The addition of these six e-commerce sites in the second quarter of fiscal 2018 brings our total number of e-commerce sites to eleven, positions us well in terms of delivering on our overall DTC growth strategy and further strengthens our global e-commerce footprint.

Secondary offering of the subordinate voting shares of Canada Goose

- The public secondary offering of 12,500,000 subordinate voting shares of the Company (the “Secondary Offering”) closed on July 5, 2017.
- The subordinate voting shares offered in the Secondary Offering were sold by existing shareholders, including investment funds advised by Bain Capital LP and its affiliates (“Bain Capital”), and DTR LLC, an entity indirectly controlled by the President and Chief Executive Officer of the Company, and certain members of our management, at a price to the public of US\$20.75 per share.

Hedging of Term Loan Facility

- On October 18, 2017, the Company committed to derivative transactions to hedge a portion of its exposure to foreign currency exchange risk related to its term loan liability denominated in U.S. dollars.
- The Company committed to a long-dated forward exchange contract to buy \$75,000, or \$59,382 in equivalent U.S. dollars as measured on the trade date, to fix the foreign exchange risk on term loan borrowings over the term to maturity (December 2, 2021).
- The Company has also committed to a cross-currency swap by selling \$50,000, \$39,968 in equivalent U.S. dollars floating rate debt bearing interest at LIBOR plus 4.00% as measured on the trade date, and receiving \$50,000 fixed rate debt bearing interest at a rate of 5.80%. Concurrently, the Company committed to a cross-currency swap by selling the \$50,000 fixed rate debt bearing interest at a rate of 5.80% and receiving \$50,000, €33,966 in equivalent Euro-denominated fixed rate debt bearing interest at a rate of 3.84%. The Company intends to apply hedge accounting for this transaction by designating the cross-currency swap as a hedge of the net investment in its European subsidiary.

RESULTS OF OPERATIONS

Three months ended September 30, 2017 compared to three months ended September 30, 2016

The following table summarizes results of operations and expresses the percentage relationship to revenues of certain financial statement captions. All percentages shown in the table below and the discussion that follows have been calculated using rounded numbers.

CAD \$000s (except per share data)	Three months ended September 30, 2017	Three months ended September 30, 2016	\$ Change
Statement of Operations Data:			
Revenue	172,330	127,935	44,395
Cost of sales	85,237	68,601	16,636
Gross profit	87,093	59,334	27,759
<i>Gross margin</i>	50.5%	46.4%	
Selling, general and administrative expenses	36,545	30,172	6,373
<i>SG&A expenses as % of revenue</i>	21.2%	23.6%	
Depreciation and amortization	2,314	1,490	824
Operating income	48,234	27,672	20,562
<i>Operating income as % revenue</i>	28.0%	21.6%	
Net interest and other finance costs	3,599	2,438	1,161
Income before income tax	44,635	25,234	19,401
Income tax expense	7,508	5,216	2,292
<i>Effective tax rate</i>	16.8%	20.7%	
Net income	37,127	20,018	17,109
Other comprehensive income (loss)	1,259	(415)	1,674
Total comprehensive income	38,386	19,603	18,783
Earnings per share			
Basic	\$ 0.35	\$ 0.20	\$ 0.15
Diluted	\$ 0.33	\$ 0.20	\$ 0.13
Weighted average number of shares outstanding			
Basic	106,992,382	100,000,000	
Diluted	111,478,881	101,704,270	
Other data: ⁽¹⁾			
EBITDA	51,181	29,705	21,476
Adjusted EBITDA	46,399	33,790	12,609
<i>Adjusted EBITDA margin</i>	26.9%	26.4%	
Adjusted net income	32,877	23,740	9,137
Adjusted net income per share	\$ 0.31	\$ 0.24	\$ 0.07
Adjusted net income per diluted share	\$ 0.29	\$ 0.23	\$ 0.06

(1) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted net income per share and per diluted share are non-IFRS financial measures. See — “Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

Revenue

Revenue for the three months ended September 30, 2017 increased by \$44.4 million, or 34.7%, compared to the three months ended September 30, 2016. The increase was driven by growth in both our wholesale and DTC channels and across all geographic regions, partially offset by a weaker U.S dollar. On a constant currency⁽¹⁾ basis, revenue increased by 36.5% for the three months ended September 30, 2017 compared to the three months ended September 30, 2016. Revenue generated from our DTC channel represented 11.8% of total revenue for the three months ended September 30, 2017 compared to 4.3% for the three months ended September 30, 2016.

CAD \$000s	For three months ended		\$ Change	Foreign	\$ Change	% Change	
	September 30, 2017	September 30, 2016	As reported	Exchange Impact	Constant Currency	As reported	Constant Currency
Wholesale	152,074	122,438	29,636	(2,010)	31,646	24.2%	25.8%
DTC	20,256	5,497	14,759	(350)	15,109	268.5%	274.9%
Total revenue	<u>172,330</u>	<u>127,935</u>	<u>44,395</u>	<u>(2,360)</u>	<u>46,755</u>	<u>34.7%</u>	<u>36.5%</u>

⁽¹⁾ Constant currency revenue is a non-IFRS financial measure. See — “Non-IFRS Financial Measures” for a description of these measures.

Wholesale

Revenue in our wholesale channel was \$152.1 million for the three months ended September 30, 2017, an increase of \$29.6 million compared to the three months ended September 30, 2016, driven by growth in all regions. In the quarter, revenue of approximately \$13 million, which was originally expected to be earned in the second half of the year, was pulled forward. Enabled by increased efficiency in manufacturing and sales planning, shipment timing was accelerated in response to requests from retail partners approaching their peak selling season.

DTC

Revenue in our DTC channel was \$20.3 million for the three months ended September 30, 2017, an increase of \$14.8 million compared to the three months ended September 30, 2016. The year-over-year increase reflects incremental revenue generated from retail stores opened in Toronto and New York City in the third quarter of fiscal 2017, the continued strong performances from our U.S and Canada e-commerce sites, and incremental revenue from our France and U.K. e-commerce sites, which launched late in the second quarter of fiscal 2017. Traffic on our newly launched e-commerce sites in the other European markets was encouraging over a seasonally-low quarter for e-commerce.

Revenue by geography

CAD \$000s Revenue by geography:	For the three months ended					
	September 30, 2017	% of total revenue	September 30, 2016	% of total revenue	\$ Change	% Change
Canada	61,994	36.0%	39,123	30.6%	22,871	58.5%
United States	44,294	25.7%	38,607	30.2%	5,687	14.7%
Rest of World	66,042	38.3%	50,205	39.2%	15,837	31.5%
	172,330	100.0%	127,935	100.0%	44,395	34.7%

Revenue growth was strong across all our geographic segments for the three months ended September 30, 2017 compared to the three months ended September 30, 2016. Revenue in Canada experienced the highest growth over the year-over-year period driven primarily by the DTC channel and pull-forward of wholesale purchases in the current year. Revenue in the U.S. has increased in all channels despite headwinds in the U.S. retail market and the weakening U.S. currency, with DTC revenue and wholesale pull-forward acting as the primary factors.

Cost of Sales and Gross Profit

Total cost of sales for the three months ended September 30, 2017 increased by \$16.6 million, or 24.3% compared to the three months ended September 30, 2016. Gross profit was \$87.1 million for the three months ended September 30, 2017, representing a gross margin of 50.5%, compared with \$59.3 million for the three months ended September 30, 2016, representing a gross margin of 46.4%. The increase in gross profit and gross margin was primarily attributable to a significantly higher proportion of revenue in the DTC channel, partially offset by a weakening of the U.S. currency. In addition, inventory reserves taken in fiscal 2017 reduced gross margin. Revenue generated from our DTC channel represented 11.8% of total revenue for the three months ended September 30, 2017 compared to 4.3% for the three months ended September 30, 2016.

CAD \$000s	For the three months ended				\$ Change
	September 30, 2017		September 30, 2016		
	Reported	% of segment revenue	Reported	% of segment revenue	
Wholesale					
Revenue	152,074	100.0%	122,438	100.0%	29,636
Cost of sales	79,919	52.6%	66,906	54.6%	13,013
Gross profit	<u>72,155</u>	47.4%	<u>55,532</u>	45.4%	<u>16,623</u>
DTC					
Revenue	20,256	100.0%	5,497	100.0%	14,759
Cost of sales	5,318	26.3%	1,695	30.8%	3,623
Gross profit	<u>14,938</u>	73.7%	<u>3,802</u>	69.2%	<u>11,136</u>
Total					
Revenue	172,330	100.0%	127,935	100.0%	44,395
Cost of sales	85,237	49.5%	68,601	53.6%	16,636
Gross profit	<u>87,093</u>	50.5%	<u>59,334</u>	46.4%	<u>27,759</u>

Wholesale

Cost of sales in our wholesale channel was \$79.9 million for the three months ended September 30, 2017, an increase of \$13.0 million, compared to the three months ended September 30, 2016. Gross profit was \$72.2 million representing a gross margin of 47.4% for the three months ended September 30, 2017, compared with a gross profit of \$55.5 million, representing a gross margin of 45.4% for the three months ended September 30, 2016.

The year-over-year increase in gross profit in the second quarter of fiscal 2018 was primarily the result of an increase in revenue across all geographic segments. The increase in gross margin was the result of a shift in sales to higher margin geographies, a lower cost of U.S dollar denominated purchases and lower inventory reserves.

DTC

Cost of sales in our DTC channel for the three months ended September 30, 2017 was \$5.3 million, an increase of \$3.6 million compared to the three months ended September 30, 2016. Gross profit was \$14.9 million for the three months ended September 30, 2017, representing a gross margin of 73.7% compared with \$3.8 million of gross profit for the three months ended September 30, 2016, representing a gross margin of 69.2%.

The increase in DTC channel gross profit was primarily attributable to incremental revenue generated from the Toronto and New York City retail stores, European e-commerce sites and growth in our existing North American e-commerce business, while the gross margin increase related to the maturity of the DTC business.

Selling, General and Administrative Expenses

SG&A expenses for the three months ended September 30, 2017 increased by \$6.4 million, or 21.1%, compared to the three months ended September 30, 2016, which followed seasonal revenue trends in this period and reflected a higher cost base associated with our DTC channel. SG&A expenses, as a percentage of sales, declined due to timing of SG&A expenses, which is expected to reverse over the balance of the year, increased revenue, and a \$5.8 million unrealized foreign exchange gain on the Term Loan Facility.

CAD \$000s	For the three months ended				\$ Change
	September 30, 2017		September 30, 2016		
	Reported	% of segment revenue	Reported	% of segment revenue	
Segment:					
Wholesale	12,074	7.9%	9,278	7.6%	2,796
DTC	8,340	41.2%	3,433	62.5%	4,907
Unallocated corporate expense	16,131		17,461		(1,330)
	<u>36,545</u>	21.2%	<u>30,172</u>	23.6%	<u>6,373</u>

Wholesale

SG&A expenses in our wholesale channel for the three months ended September 30, 2017 was \$12.1 million, an increase of \$2.8 million or 30.1%, compared to the three months ended September 30, 2016. SG&A expenses in our wholesale channel represented 7.9% of segment revenue for the three months ended September 30, 2017, compared to 7.6% of segment revenue for the three months ended September 30, 2016. The increase in costs was primarily related to higher volume, an increase in employee headcount and operational and selling expenditures to support new marketing initiatives and entry into new markets.

DTC

SG&A expenses in our DTC channel for the three months ended September 30, 2017 was \$8.3 million, an increase of \$4.9 million compared to the three months ended September 30, 2016, which represents 41.2% of segment revenue for the three months ended September 30, 2017, compared to 62.5% of segment revenue for the three months ended September 30, 2016. The increase in segment costs was attributable to costs related to our two retail stores, maintaining our five existing e-commerce sites and preparation for launching an additional six European e-commerce sites in the second quarter of fiscal 2018 (compared with maintaining two e-commerce sites in the same period in fiscal 2017), and \$2.0 million of pre-opening costs incurred for our upcoming four retail stores (compared to \$0.7 million for our Toronto and New York stores in the prior year period).

Unallocated Corporate Expense

The decrease in unallocated corporate expenses of \$1.3 million is primarily a result of a \$5.8 million unrealized foreign exchange gain on the Term Loan Facility, \$1.2 million lower share based compensation costs and \$1.9 million of IPO related transaction costs incurred in second quarter of fiscal 2017 partially offset by an increase in corporate expenses to support operational growth.

Operating Income and Margin

Total operating income increased by \$20.6 million from \$27.7 million for the three months ended September 30, 2016 to \$48.2 million for the three months ended September 30, 2017. Operating income as a percentage of revenue (operating margin) increased from 21.6% to 28.0% over the year-over-year period.

CAD \$000s	For the three months ended		September 30, 2016		\$ Change
	September 30, 2017	Operating margin	Operating income	Operating margin	
Segment:					
Wholesale	60,081	39.5%	46,254	37.8%	13,827
DTC	6,598	32.6%	369	6.7%	6,229
	<u>66,679</u>		<u>46,623</u>		<u>20,056</u>
Unallocated corporate expense	16,131		17,461		(1,330)
Unallocated depreciation and amortization expense	2,314		1,490		824
Total operating income	<u>48,234</u>	28.0%	<u>27,672</u>	21.6%	<u>20,562</u>

Wholesale

Wholesale segment operating income increased by \$13.8 million to \$60.1 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016, due to higher gross profit and gross margin expansion for reasons described above.

DTC

DTC segment operating income increased by \$6.2 million compared to the three months ended September 30, 2016. The operating income derived from the Toronto and New York City retail stores and the strong performances of the Canada, U.S., U.K. and France e-commerce sites were partially offset by \$2.0 million of pre-opening expenses incurred for our Boston, Calgary, Chicago and London retail store locations, which are all expected to generate revenues in the third quarter of fiscal 2018.

Net Interest and Other Finance Costs

Net interest and finance costs for the three months ended September 30, 2017 was \$3.6 million, compared with \$2.4 million for the three months ended September 30, 2016, primarily as a result of higher average borrowings of \$269.2 million compared to \$231.7 million in the same period in fiscal 2017, of amortization of financing costs, and of a marginally higher weighted average borrowing rate.

Income Taxes

Income tax expense for the three months ended September 30, 2017 was \$7.5 million compared to a \$5.2 million expense for the three months ended September 30, 2016. For the three months ended September 30, 2017, the effective tax rate was 16.8% compared to 20.7% for the three months ended September 30, 2016, and the statutory tax rate of 25.4%. The decrease in the effective tax rate relates primarily to the non-taxable portion of unrealized gains on foreign exchange translation and the the timing of taxable income in jurisdictions with statutory tax rate differences.

Net Income

Net income for the three months ended September 30, 2017 was \$37.1 million compared to \$20.0 million net income for the three months ended September 30, 2016. The increase in net income of \$17.1 million was driven by the factors described above.

Six months ended September 30, 2017 compared to six months ended September 30, 2016

The following table summarizes results of operations and expresses the percentage relationship to revenues of certain financial statement captions. All percentages shown in the table below and the discussion that follows have been calculated using rounded numbers.

CAD \$000s (except per share data)	Six months ended September 30, 2017	Six months ended September 30, 2016	\$ Change
Statement of Operations Data:			
Revenue	200,535	143,630	56,905
Cost of sales	100,200	79,637	20,563
Gross profit	100,335	63,993	36,342
<i>Gross margin</i>	50.0%	44.6%	
Selling, general and administrative expenses	62,377	48,265	14,112
<i>SG&A expenses as % of revenue</i>	31.1%	33.6%	
Depreciation and amortization	4,482	2,936	1,546
Operating income	33,476	12,792	20,684
<i>Operating income as % revenue</i>	16.7%	8.9%	
Net interest and other finance costs	6,691	5,533	1,158
Income before income tax	26,785	7,259	19,526
Income tax expense	1,747	1,277	470
<i>Effective tax rate</i>	6.5%	17.6%	
Net income	25,038	5,982	19,056
Other comprehensive income (loss)	1,301	(407)	1,708
Total comprehensive income	26,339	5,575	20,764
Earnings per share			
Basic	\$ 0.23	\$ 0.06	\$ 0.17
Diluted	\$ 0.23	\$ 0.06	\$ 0.17
Weighted average number of shares outstanding			
Basic	106,747,784	100,000,000	
Diluted	110,700,260	101,702,032	
Other data: ⁽¹⁾			
EBITDA	39,486	16,724	22,762
Adjusted EBITDA	32,833	26,308	6,525
<i>Adjusted EBITDA margin</i>	16.4%	18.3%	
Adjusted net income	19,647	14,248	5,399
Adjusted net income per share	\$ 0.18	\$ 0.14	\$ 0.04
Adjusted net income per diluted share	\$ 0.18	\$ 0.14	\$ 0.04

(1) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, and adjusted net income per share and per diluted share are non-IFRS financial measures. See — “Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

Revenue

Revenue for the six months ended September 30, 2017 increased by \$56.9 million, or 39.6%, compared to the six months ended September 30, 2016. The increase was driven by a increased order volume, by approximately \$18 million in timing of sales in our wholesale channel and by growth in our DTC channel. The revenue increase was noted across all reportable geographic segments. On a constant currency⁽¹⁾ basis, revenue increased by 41.1% for the six months ended September 30, 2017 compared to the six months ended September 30, 2016 reflecting the strengthening of the Canadian dollar against other currencies. Revenue generated from our DTC channel represented 14.2% of total revenue for the six months ended September 30, 2017 compared to 4.7% for the six months ended September 30, 2016.

CAD \$000s	For six months ended		\$ Change	Foreign Exchange Impact	\$ Change	% Change	
	September 30, 2017	September 30, 2016	As reported		Constant Currency	As reported	Constant Currency
Revenue							
Wholesale	171,970	136,875	35,095	(1,845)	36,940	25.6%	27.0%
DTC	28,565	6,755	21,810	(284)	22,094	322.9%	327.1%
Total revenue	200,535	143,630	56,905	(2,129)	59,034	39.6%	41.1%

⁽¹⁾ Constant currency revenue is a non-IFRS financial measure. See — “Non-IFRS Financial Measures” for a description of these measures.

Wholesale

Revenue in our wholesale channel was \$172.0 million for the six months ended September 30, 2017, an increase of \$35.1 million compared to the six months ended September 30, 2016, driven by growth in all regions. In the period, revenue of approximately \$18 million, which was originally expected to be earned in the second half of the year, was pulled forward. Visibility in our order book, strong consumer demand, and execution of our production plan enabled us to deliver products earlier than planned.

DTC

Revenue in our DTC channel was \$28.6 million for the six months ended September 30, 2017, an increase of \$21.8 million, compared to the six months ended September 30, 2016. The year-over-year increase reflects incremental revenue generated from retail stores opened in Toronto and New York City in the third quarter of fiscal 2017, the strong performance from our U.S and Canada e-commerce sites, and incremental revenue from our France and U.K. e-commerce sites, which launched late in the second quarter of fiscal 2017.

Revenue by geography

CAD \$000s	For six months ended					
	September 30, 2017	% of total revenue	September 30, 2016	% of total revenue	\$ Change	% Change
Canada	72,420	36.1%	45,452	31.6%	26,968	59.3%
United States	50,282	25.1%	41,710	29.0%	8,572	20.6%
Rest of World	77,833	38.8%	56,468	39.3%	21,365	37.8%
	200,535	100.0%	143,630	100.0%	56,905	39.6%

Revenue increased across all our reportable geographic segments, with the strongest year-over-year growth generated from the Canadian market driven primarily by the DTC business. Revenue is distributed evenly across all regions with the Rest of World contributing 38.8% to our overall total market followed closely by Canada at 36.1%. This reflects the timing of shipments to our Asian distribution partners earlier in the fiscal year, consistent with fiscal 2017. As retail stores open and e-commerce activity increases, we expect these relative proportions to normalize.

Cost of Sales and Gross Profit

Cost of sales for the six months ended September 30, 2017 increased by \$20.6 million, or 25.8%, compared to the six months ended September 30, 2016. Gross profit was \$100.3 million for the six months ended September 30, 2017, representing a gross margin of 50.0%, compared with \$64.0 million for the six months ended September 30, 2016, representing a gross margin of 44.6%. The increase in gross profit and gross margin was primarily attributable to a significantly higher proportion of revenue in the DTC channel. Revenue generated from our DTC channel represented 14.2% of total revenue for the six months ended September 30, 2017 compared to 4.7% of total revenue for the six months ended September 30, 2016.

CAD \$000s	For the six months ended				
	September 30, 2017		September 30, 2016		\$ Change
	Reported	% of segment revenue	Reported	% of segment revenue	
Wholesale					
Revenue	171,970	100.0%	136,875	100.0%	35,095
Cost of sales	<u>92,826</u>	54.0%	<u>77,441</u>	56.6%	<u>15,385</u>
Gross profit	<u><u>79,144</u></u>	46.0%	<u><u>59,434</u></u>	43.4%	<u><u>19,710</u></u>
DTC					
Revenue	28,565	100.0%	6,755	100.0%	21,810
Cost of sales	<u>7,374</u>	25.8%	<u>2,196</u>	32.5%	<u>5,178</u>
Gross profit	<u><u>21,191</u></u>	74.2%	<u><u>4,559</u></u>	67.5%	<u><u>16,632</u></u>
Total					
Revenue	200,535	100.0%	143,630	100.0%	56,905
Cost of sales	<u>100,200</u>	50.0%	<u>79,637</u>	55.4%	<u>20,563</u>
Gross profit	<u><u>100,335</u></u>	50.0%	<u><u>63,993</u></u>	44.6%	<u><u>36,342</u></u>

Wholesale

Cost of sales in our wholesale channel was \$92.8 million for the six months ended September 30, 2017, an increase of \$15.4 million, compared to the six months ended September 30, 2016. Gross profit was \$79.1 million, representing a gross margin of 46.0%, compared with a gross profit of \$59.4 million, representing a gross margin of 43.4% for the six months ended September 30, 2016.

The year-over-year increase in gross profit in the first half of fiscal 2018 was partly the result of an approximately \$18 million shift in timing of shipments as compared with fiscal 2017 as well as lower inventory reserves recorded in the current year. The increase in gross margin was the result of the increase in revenues across all regions, a shift in the proportion of revenue to higher margin geographies, lower inventory reserves, and product mix of sales to distributors, partially offset by the strengthening Canadian dollar.

DTC

Cost of sales in our DTC channel for the six months ended September 30, 2017 was \$7.4 million, an increase of \$5.2 million compared to the six months ended September 30, 2016. Gross profit was \$21.2 million, representing a gross margin of 74.2%, compared with \$4.6 million of gross profit for the six months ended September 30, 2016, representing a gross margin of 67.5%.

The increase in DTC channel gross profit was attributable to incremental revenue generated from the Toronto and New York City retail stores and the France and U.K. e-commerce sites and from

growth in our existing North American e-commerce business, while the gross margin increase related to the maturity of the DTC business.

Selling, General and Administrative Expenses

SG&A expenses for the six months ended September 30, 2017 increased by \$14.1 million, or 29.2%, compared to the six months ended September 30, 2016, which followed seasonal revenue trends in this period and reflected a higher cost base associated with our DTC channel. SG&A expenses as a percentage of sales declined due to timing of SG&A expenses, which is expected to reverse over the balance of fiscal 2018, increased revenue, and a \$9.6 million unrealized foreign exchange gain on the Term Loan Facility.

CAD \$000s	For the six months ended				\$ Change
	September 30, 2017		September 30, 2016		
	Reported	% of segment revenue	Reported	% of segment revenue	
Segment:					
Wholesale	17,942	10.4%	13,426	9.8%	4,516
DTC	14,886	52.1%	4,682	69.3%	10,204
Unallocated corporate expense	29,549		30,157		(608)
	<u>62,377</u>	31.1%	<u>48,265</u>	33.6%	<u>14,112</u>

Wholesale

SG&A expenses in our wholesale channel for the six months ended September 30, 2017 was \$17.9 million, an increase of \$4.5 million or 33.6% compared to the six months ended September 30, 2016. SG&A expenses in our wholesale channel represented 10.4% of segment revenue for the six months ended September 30, 2017, compared to 9.8% of segment revenue for the six months ended September 30, 2016. The increase in costs was primarily related to higher volume, an increase in employee headcount and operational and selling expenditures to support new marketing initiatives and entry into new markets.

DTC

SG&A expenses in our DTC channel for the six months ended September 30, 2017 was \$14.9 million, an increase of \$10.2 million, compared to the six months ended September 30, 2016, which represents 52.1% of segment revenue for the six months ended September 30, 2017, compared to 69.3% of segment revenue for the six months ended September 30, 2016. The increase in segment costs was attributable to higher volume generated from our two retail stores, maintaining our existing e-commerce sites and preparing to launch seven new European e-commerce sites in fiscal 2018 (compared with maintaining two North American e-commerce sites in the same period in fiscal 2017) and to \$3.3 million of pre-opening costs incurred for our upcoming Boston, Chicago, Calgary and London retail stores (compared to \$0.7 million for our Toronto and New York stores in the prior year period).

Unallocated Corporate Expense

The year-over-year decrease in unallocated corporate expenses of \$0.6 million is primarily a result of a \$9.6 million unrealized foreign exchange gain on the Term Loan Facility, \$0.8 million of lower share based compensation costs and \$1.2 million of lower transaction costs.

Operating Income and Margin

Total operating income increased by \$20.7 million from \$12.8 million for the six months ended September 30, 2016 to \$33.5 million for the six months ended September 30, 2017. Operating margin as a percentage of revenue correspondingly increased from 8.9% to 16.7% year-over-year.

CAD \$000s	For the six months ended		For the six months ended		\$ Change
	September 30, 2017		September 30, 2016		
	Operating income	Operating margin	Operating income	Operating margin	
Segment:					
Wholesale	61,202	35.6%	46,008	33.6 %	15,194
DTC	6,305	22.1%	(123)	(1.8)%	6,428
	<u>67,507</u>		<u>45,885</u>		<u>21,622</u>
Unallocated corporate expense	29,549		30,157		(608)
Unallocated depreciation and amortization expense	4,482		2,936		1,546
Total operating income	<u><u>33,476</u></u>	<u>16.7%</u>	<u><u>12,792</u></u>	<u>8.9 %</u>	<u><u>20,684</u></u>

Wholesale

Wholesale segment operating income increased by \$15.2 million to \$61.2 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016, due to higher gross profit and gross margins for reasons described above.

DTC

DTC segment operating income increased by \$6.4 million for the six months ended September 30, 2017 compared to the six months ended September 30, 2016. The operating income from the Toronto and New York City retail stores and the strong performance of the Canada, U.S., U.K. and France e-commerce sites were partially offset by \$3.3 million of pre-opening costs incurred for the Chicago, Boston, Calgary and London retail store locations, which are expected to generate revenues in the third quarter of fiscal 2018. This trend is expected to continue as we execute on our DTC strategy and open more retail stores and e-commerce sites.

Net Interest and Other Finance Costs

Net interest and finance costs for the six months ended September 30, 2017 was \$6.7 million, compared with \$5.5 million for the six months ended September 30, 2016. In the first quarter of fiscal 2016, the Company entered into a refinancing agreement resulting in a \$0.9 million write-off of deferred financing costs. Excluding the impact of this write-off, net interest and finance costs increased by \$2.1 million primarily as a result of higher average borrowings of \$235.9 million in the six months ended September 30, 2017, compared to \$200.9 million in the same period in fiscal 2017, and of amortization of financing costs, partially offset by a year-over-year reduction in the weighted average borrowing rate.

Income Taxes

Income tax expense for the six months ended September 30, 2017 was \$1.7 million compared to a \$1.3 million expense for the six months ended September 30, 2016. For the six months ended September 30, 2017, the effective tax rate was 6.5% compared to 17.6% for the three months ended September 30, 2016, and the statutory tax rate of 25.4%. The decrease in the effective tax rate relates primarily to the non-taxable portion of unrealized gains on foreign exchange translation and the the timing of taxable income in jurisdictions with statutory tax rate differences.

Net Income

Net income for the six months ended September 30, 2017 was \$25.0 million compared to \$6.0 million for the six months ended September 30, 2016. The increase in net income of \$19.1 million was driven by the factors described above.

Quarterly Financial Information

CAD \$000s (except per share data)

	Fiscal 2018			Fiscal 2017			Fiscal 2016		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	
Revenue	172,330	28,205	51,096	209,051	127,935	15,695	41,921	115,504	
% of fiscal revenue	N/A	N/A	12.7%	51.8%	31.7%	3.9%	14.4%	39.7%	
Net income (loss)	37,127	(12,089)	(23,431)	39,088	20,019	(14,036)	(9,202)	21,446	
Basic earnings (loss) per share	\$ 0.35	\$ (0.11)	\$ (0.23)	\$ 0.39	\$ 0.20	\$ (0.14)	\$ (0.09)	\$ 0.21	
Diluted earnings (loss) per share	\$ 0.33	\$ (0.11)	\$ (0.23)	\$ 0.38	\$ 0.20	\$ (0.14)	\$ (0.09)	\$ 0.21	

Revenue in our wholesale segment is highest in our second and third quarters as we fulfill wholesale customer orders in time for the Fall and Winter retail seasons, and, in our DTC segment, in the third and fourth quarters. Our net income is typically reduced or negative in the first and fourth quarters as we incur certain fixed corporate and segment SG&A expenses throughout the year.

Revenue

Over the last eight quarters, revenue has been impacted by the following:

- rollout of e-commerce in Canada in the second quarter of fiscal 2015, in the U.S. in the second quarter of fiscal 2016, in the U.K. and France in the second quarter of fiscal 2017, in Ireland in first quarter of fiscal 2018 and in Luxembourg, Belgium, Netherlands, Sweden, Germany and Austria in the second quarter of fiscal 2018.
- opening of retail stores in Toronto and New York City in the third quarter of fiscal 2017;
- successful execution of pricing strategy across all segments;
- shift in mix of revenue from wholesale to DTC;
- shift in geographic mix of sales to increase sales outside of Canada;
- fluctuation of the U.S. dollar, Pound Sterling and Euro relative to the Canadian dollar; and
- timing of shipments to wholesale customers.

Net Income (Loss)

Net income (loss) has been affected by the following factors over the last eight quarters:

- impact of the items noted under “Revenue” above;
- increase and timing of our investment in brand, marketing, and administrative support to support our wholesale expansion and DTC channel as well as increased investment in property, plant, and equipment and intangible assets to support growth initiatives;
- impact of foreign exchange;
- higher average cost of borrowings to address the growing magnitude of working capital requirements and higher seasonal borrowings in the first and second quarters of each fiscal year to address the seasonal nature of revenue;
- pre-opening store costs incurred;
- vesting of stock options;
- transaction costs in relation to the IPO and the Secondary Offering;
- changes in senior management;
- one-time fee of \$9.6 million paid in the fourth quarter of fiscal 2017 to terminate our Management Agreement (as defined below); and
- consolidation of our international operations to Zug, Switzerland which included closing offices across Europe and terminating third-party sales agents.

NON-IFRS FINANCIAL MEASURES

EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted net income per share and per diluted share

EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income **and adjusted net income per share and per diluted share** are financial measures that are not defined under IFRS. We use these non-IFRS financial measures, and believe they enhance an investor's understanding of our financial and operating performance from period to period, because they exclude certain material non-cash items and certain other adjustments we believe are not reflective of our ongoing operations and our performance. In particular, following Bain Capital's purchase of a 70% equity interest in our business on December 9, 2013 (the "Acquisition"), we have made changes to our legal and operating structure to better position our organization to achieve our strategic growth objectives which have resulted in outflows of economic resources. Accordingly, we use these metrics to measure our core financial and operating performance for business planning purposes and as a component in the determination of incentive compensation for salaried employees. In addition, we believe EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted net income per share and per diluted share are measures commonly used by investors to evaluate companies in the apparel industry. However, they are not presentations made in accordance with IFRS and the use of the terms EBITDA, adjusted EBITDA, adjusted EBITDA margin and adjusted net income vary from others in our industry. These financial measures are not intended to represent and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as measures of liquidity.

EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted net income per share and per diluted share have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS. For example, these financial measures:

- exclude certain tax payments that may reduce cash available to us;
- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs; and
- do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt.

Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Constant currency revenue

Because we are a global company, the comparability of revenue reported in Canadian dollars is also affected by foreign currency exchange rate fluctuations because the underlying currencies in which we transact change in value over time compared to the Canadian dollar. These currencies include

the U.S. dollar, Euro and Pound Sterling. These rate fluctuations can have a significant effect on our reported results. As such, in addition to financial measures prepared in accordance with IFRS, our revenue discussions often contain references to constant currency measures, which are calculated by translating the current year and prior year reported amounts into comparable amounts using a single foreign exchange rate for each currency calculated based on the average exchange rate over the respective period as measured by the Bank of Canada. We present constant currency financial information, which is a non-IFRS financial measure, as a supplement to our reported operating results. We use constant currency information to provide a framework to assess how our business segments performed excluding the effects of foreign currency exchange rate fluctuations. We believe this information is useful to investors to facilitate comparisons of operating results and better identify trends in our businesses.

Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Working capital

The calculation of working capital provides additional information and is not defined under IFRS. We define working capital as current assets minus current liabilities. This measurement should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS. This information is intended to provide investors with information about the Company's liquidity. See — "Financial Condition, Liquidity and Capital Resources" below for a table providing the calculation of working capital as at September 30, 2017 and March 31, 2017.

Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

The tables below reconcile net income to EBITDA, adjusted EBITDA, adjusted EBITDA margin and adjusted net income for the three and six months ended September 30, 2017 and 2016.

CAD \$000s	Three months ended September 30, 2017	Three months ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Net income	37,127	20,018	25,038	5,982
<i>Add the impact of:</i>				
Income tax expense	7,508	5,216	1,747	1,277
Net interest and other finance costs	3,599	2,438	6,691	5,533
Depreciation and amortization	2,947	2,033	6,010	3,932
EBITDA	51,181	29,705	39,486	16,724
<i>Add (deduct) the impact of:</i>				
Bain Capital management fees (a)	—	63	—	212
Transaction costs (b)	218	1,910	1,546	2,734
Unrealized gain on derivatives (c)	—	—	—	4,422
Unrealized foreign exchange gain on Term Loan Facility (d)	(5,814)	—	(9,580)	—
International restructuring costs (e)	—	80	—	175
Share-based compensation (f)	310	1,374	390	1,499
Agent terminations and other (g)	—	—	—	(116)
Non-cash rent expense (h)	504	658	991	658
Adjusted EBITDA	46,399	33,790	32,833	26,308

CAD \$000s	Three months ended September 30, 2017	Three months ended September 30, 2016	Six months ended September 30, 2017	Six months ended September 30, 2016
Net income	37,127	20,018	25,038	5,982
<i>Add the impact of:</i>				
Bain Capital management fees (a)	—	63	—	212
Transaction costs (b)	218	1,910	1,546	2,734
Unrealized gain on derivatives (c)	—	—	—	4,422
Unrealized foreign exchange gain on Term Loan Facility (d)	(5,814)	—	(9,580)	—
International restructuring costs (e)	—	80	—	175
Share-based compensation (f)	310	1,374	390	1,499
Agent terminations and other (g)	—	—	—	(116)
Non-cash rent expense (h)	504	658	991	658
Amortization on intangible assets acquired by Bain Capital (i)	544	544	1,088	1,088
Total adjustments	(4,238)	4,629	(5,565)	10,672
Tax effect of adjustments	(12)	(907)	174	(2,406)
Adjusted net income	32,877	23,740	19,647	14,248

- (a) On December 9, 2013, in connection with the Acquisition, we entered into a management agreement with certain affiliates of Bain Capital for a term of five years (“Management Agreement”). This amount represents payments made pursuant to the Management Agreement for ongoing consulting and other services. In connection with the IPO on March 21, 2017, the Management Agreement was terminated in consideration for a termination fee of \$9.6 million and Bain Capital no longer receives management fees from the Company.
- (b) In connection with the IPO in March 2017 and the Secondary Offering in July 2017, we incurred expenses related to professional fees, consulting, legal, and accounting that would otherwise not have been incurred. These fees are reflected in the table above, and are not indicative of our ongoing costs.
- (c) Represents non-cash unrealized gains on foreign exchange forward contracts recorded in fiscal 2016 that relate to fiscal 2017. We manage our exposure to foreign currency risk by entering into foreign exchange forward contracts. Management forecasts its net cash flows in foreign currency using expected revenue from orders it receives for future periods. The unrealized gains and losses on these contracts are recognized in net income from the date of inception of the contract, while the cash flows to which the derivatives related are not realized until the contract settles. Management believes that reflecting these adjustments in the period in which the net cash flows occur is more appropriate.
- (d) Represents non-cash unrealized gains on the translation of the Term Loan Facility from USD to CAD.

- (e) Represents expenses incurred to establish our International headquarters in Zug, Switzerland, including closing several smaller offices across Europe, relocating personnel, and incurring temporary office costs.
- (f) Represents non-cash share-based compensation expense on stock options issued prior to the IPO. Adjustments reflect management's estimate that certain tranches of outstanding option awards will vest.
- (g) Represents accrued expenses related to termination payments to be made to our third-party sales agents. As part of a strategy to transition certain sales functions in-house, we terminated the majority of our third-party sales agents and certain distributors, primarily during fiscal 2015 and 2016, which resulted in indemnities and other termination payments. As sales agents have now largely been eliminated from the sales structure, management does not expect these charges to recur in future fiscal periods.
- (h) Represents non-cash lease amortization charges during pre-opening periods for new store leases.
- (i) As a result of the Acquisition, we recognized an intangible asset for customer lists in the amount of \$8.7 million, which has a useful life of four years, and will expire in the third quarter of fiscal 2018.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

The following table represents our working capital position as at September 30, 2017 and March 31, 2017.

CAD \$000's	September 30, 2017	March 31, 2017	\$ Change
Current assets	283,318	163,223	120,095
Current liabilities	70,724	64,269	6,455
Working capital	<u>212,594</u>	<u>98,954</u>	<u>113,640</u>

As at September 30, 2017, we had \$13.3 million of cash and \$212.6 million of working capital, compared with \$9.7 million of cash and \$99.0 million of working capital as at March 31, 2017. The \$113.6 million increase in our working capital arose primarily from a \$90.9 million increase in accounts receivable from a seasonal low as at March 31, 2017 and a \$29.0 million increase in inventory due to seasonal build ahead of our peak selling season and in connection with our upcoming retail store openings. Working capital is significantly impacted by the seasonal trends of our business and has been further impacted in recent quarters by the opening of our retail stores.

Our Revolving Facility had unused availability of \$116.8 million as at September 30, 2017 compared to \$80.7 million as at March 31, 2017. We expect that our cash on hand and cash flows from operations, together with our Revolving Facility, will be adequate to meet our capital requirements and operational needs for the next twelve months.

Cash Flows

A summary of the Company's consolidated statement of cash flows for the six months ended September 30, 2017 compared to the six months ended September 30, 2016 is noted below.

CAD \$000s	Six months ended September 30, 2017	Six months ended September 30, 2016	Change
Total cash provided by (used in):			
Operating activities	(92,962)	(72,411)	(20,551)
Investing activities	(13,208)	(15,471)	2,263
Financing activities	109,806	91,587	18,219
Net increase in cash	3,636	3,705	(69)
Cash at the beginning of period	9,678	7,226	2,452
Cash at end of period	13,314	10,931	2,383

Our primary need for liquidity is to fund working capital requirements of our business, capital expenditures, debt service and for general corporate purposes. Our primary source of liquidity is funds generated by operating activities. We also use our asset-backed Revolving Facility as a source of liquidity for short-term working capital needs over our annual operating cycle. Our ability to fund our operations, to make planned capital expenditures, to make debt payments and to repay or refinance indebtedness depends on our future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond our control. Cash generated from operations is significantly impacted by the seasonality of our business. As a result, historically, we have had lower balances under our revolving credit facilities in the first and fourth fiscal quarters and higher balances in the second and third fiscal quarters.

Cash flows from operating activities

Cash flows used in operating activities increased from \$72.4 million in the six months ended September 30, 2016 to \$93.0 million in the six months ended September 30, 2017. This increase in cash outflows of \$20.6 million was primarily due to a \$12.1 million increase in cash from operations, offset by a \$35.8 million increase in working capital.

Cash flows from investing activities

Cash outflows on investing activities for the six months ended September 30, 2017 decreased by \$2.3 million compared to the six months ended September 30, 2016. Our spending over the period was primarily related to the expansion of our Toronto corporate head office, the addition of a new manufacturing facility in Boisbriand, Québec, the build out of a new raw material and cutting distribution centre in Scarborough, Ontario and preparation for opening our Chicago, Boston Calgary and London stores. The year-over-year decrease in capital expenditure is primarily related to timing of payments for work completed on the new stores and planned capital expenditures on shop-in-shop initiatives with our retail partners in the remainder of fiscal 2018.

Cash flows from financing activities

Cash flows generated from financing activities increased by \$18.2 million year-over-year for the six months ended September 30, 2017. This increase was primarily from a seasonal increase in borrowings under the Revolving Facility used to finance operational growth.

Indebtedness

The following table presents our indebtedness net of cash as of September 30, 2017 and March 31, 2017.

	September 30, 2017	March 31, 2017	\$ Change
CAD \$000's			
Cash and cash equivalents	13,314	9,678	3,636
Revolving Facility	(118,703)	(8,713)	(109,990)
Term Loan Facility	(142,000)	(151,581)	9,581
Net debt position	<u>(247,389)</u>	<u>(150,616)</u>	<u>(96,773)</u>

Revolving Facility

On June 3, 2016, Canada Goose and its wholly-owned subsidiaries, Canada Goose Inc. and Canada Goose International AG, entered into a senior secured asset-based revolving credit facility (the "Revolving Facility") with a syndicate of lenders. The Revolving Facility has commitments of \$200 million with a seasonal increase of up to \$250 million during the peak season from June 1 through November 30 (increased on August 15, 2017 from \$150 million and \$200 million in the peak season). In addition, the Revolving Facility includes a letter of credit sub-facility of \$25 million. All obligations under the Revolving Facility are unconditionally guaranteed by the Company and, subject to certain exceptions, our U.S., Swiss, U.K. and Canadian subsidiaries. The Revolving Facility provides for customary events of default. The Revolving Facility matures on June 3, 2021.

Loans under the Revolving Facility, at our option, may be maintained from time to time as (a) Prime Rate Loans, which bear interest at a rate per annum equal to the Applicable Margin for Prime Rate Loans plus the Prime Rate, (b) Banker's Acceptances funded on a discounted proceeds basis given the published discount rate plus a rate per annum equal to the Applicable Margin for stamping fees, (c) ABR Loans, which bear interest at a rate per annum equal to the Applicable Margin for ABR Loans plus the ABR, (d) European Base Rate Loans, which bear interest at a rate per annum equal to the Applicable Margin for European Base Rate Loans plus the European Base Rate, (e) LIBOR Loans, which bear interest at a rate per annum equal to the Applicable Margin for LIBOR Loans plus the LIBOR Rate or (f) EURIBOR Loans, which bear interest at a rate per annum equal to the Applicable Margin for EURIBOR Loans plus the applicable EURIBOR.

A commitment fee will be charged on the average daily unused portion of the Revolving Facility of 0.25% per annum if average utilization under the Revolving Facility is greater than 50% or 0.375% if average utilization under the Revolving Facility is less than 50%. A letter of credit fee, with respect to standby letters of credit will accrue on the aggregate face amount of outstanding letters of credit under the Revolving Facility equal to the Applicable Margin for LIBOR Loans, and, with respect to trade or commercial letters of credit, 50% of the then Applicable Margin on LIBOR Loans. A fronting fee will be charged on the aggregate face amount of outstanding letters of credit equal to 0.125% per annum. In addition, we pay the administrative agent under the Revolving Facility a monitoring fee of one thousand dollars per month.

The Revolving Facility contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the six months ended September 30, 2017, the Company was in compliance with all covenants.

As at September 30, 2017, we had \$118.7 million outstanding under the Revolving Facility compared to \$8.7 million as at March 31, 2017 and unused borrowing capacity of \$116.8 million compared to \$80.7 million as at March 31, 2017. Amounts under the Revolving Facility may be borrowed, repaid and re-borrowed to fund our general corporate purposes and are available in Canadian dollars, U.S. dollars, and Euros and, subject to an aggregate cap of \$40.0 million, such other currencies as are approved in accordance with the credit agreement governing the Revolving Facility.

Term Loan Facility

On December 2, 2016, the Company and Canada Goose Inc. entered into a senior secured term loan facility (the "Term Loan Facility") with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and certain financial institutions as lenders, which matures on December 2, 2021. All obligations under the Term Loan Facility are unconditionally guaranteed by the Company and, subject to certain exceptions, our U.S., U.K. and Canadian subsidiaries. The Term Loan Facility provides for customary events of default.

The interest rate on the loan outstanding under the Term Loan Facility is the LIBOR Rate (subject to a minimum rate of 1.00% per annum) plus an Applicable Margin of 4.00%. The loan can also be maintained as an ABR loan which bears interest at ABR plus an Applicable Margin which is 1.00% less than that for LIBOR loans.

The Company has pledged substantially all of its assets as collateral for the Term Loan Facility. The Term Loan Facility contains non-financial covenants. As at and during the six months ended September 30, 2017, the Company was in compliance with all covenants.

During the three months ended September 30, 2017 the Term Loan Facility lenders syndicated their commitments under the agreement to a new group of lenders; the Company's obligations under the agreement remain substantially unchanged.

As at September 30, 2017, we had \$142.0 million (US\$113.8 million) aggregate principal amount outstanding under the Term Loan Facility compared to \$151.6 million (US\$113.8 million) as at March 31, 2017. Amounts prepaid or repaid under the Term Loan Facility may not be re-borrowed.

Capital Management

The Company manages its capital, which consists of equity (subordinate voting shares and multiple voting shares) and long-term debt (the Revolving Facility and the Term Loan Facility), with the objectives of safeguarding sufficient working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. Management targets a ratio of trailing twelve months adjusted EBITDA to long-term debt, reflecting the seasonal change in the business as working capital builds through the second fiscal quarter. The board of directors of the Company monitors the Company's capital management on a regular basis. We will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

Contractual Obligations

The following table summarizes certain of our significant contractual obligations and other obligations as at September 30, 2017:

CAD \$000s	Fiscal year							Total
	Q3-Q4 2018	2019	2020	2021	2022	2023	Thereafter	
Accounts payable and accrued liabilities	63,810	—	—	—	—	—	—	63,810
Revolving Facility	—	—	—	—	118,703	—	—	118,703
Term Loan Facility	—	—	—	—	142,000	—	—	142,000
Interest commitments relating to long-term debt	5,414	10,827	10,827	10,827	5,524	—	—	43,419
Operating leases	7,207	14,225	14,433	14,417	14,339	14,437	49,740	128,798
Pension obligation	—	—	—	—	—	—	821	821

As at September 30, 2017, we had additional long-term liabilities which included provisions for warranty, agent termination fees, sales returns, and asset retirement obligations, and deferred income tax liabilities. These long-term liabilities have not been included in the table above as the timing and amount of future payments are uncertain.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Outstanding Share Capital

Canada Goose is a publicly traded company listed on the New York Stock Exchange (NYSE: GOOS) and on the Toronto Stock Exchange (TSX: GOOS). As at November 7, 2017, there were 36,283,292 subordinate voting shares issued and outstanding, and 70,894,076 multiple voting shares issued and outstanding.

As at November 7, 2017, there were 5,033,254 options outstanding under the Company's stock option plans, 1,958,695 of which were vested as of such date. Each option is or will become exercisable for one subordinate voting share.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions in the normal course of our business. Such risk is principally associated with foreign currency exchange rates and interest rates.

Foreign currency exchange risk

Our Interim Financial Statements are expressed in Canadian dollars, but a portion of the Company's net assets are denominated in U.S. dollars, Euros, Pounds Sterling, and Swiss Francs, through its foreign operations in the U.S. U.K., France and Switzerland. Net monetary assets denominated in currencies other than Canadian dollars that are held in entities with Canadian dollar functional currency are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. As a result, we are exposed to foreign currency translation gains and losses. Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. Appreciating foreign currencies relative to the Canadian dollar will positively impact operating income and net income by increasing our revenue, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

We are also exposed to fluctuations in the prices of U.S. dollar denominated purchases as a result of changes in U.S. dollar exchange rates. A depreciating Canadian dollar relative to the U.S. dollar will negatively impact operating income and net income by increasing our costs of raw materials, while an appreciating Canadian dollar relative to the U.S. dollar will have the opposite impact. During fiscal 2018, 2017 and 2016, we entered into derivative instruments in the form of forward contracts to manage the majority of our current and anticipated exposure to fluctuations in the U.S. dollar, Pound Sterling, Euro, and Swiss Franc exchange rates for revenues and purchases.

Amounts borrowed under the Term Loan Facility and part of our Revolving Facility are denominated in U.S. dollars. Based on our outstanding balances of \$142.0 million (US\$113.8 million) under the Term Loan Facility and the U.S. dollar denominated portion of our Revolving Facility of \$15.0 million (US\$12.0 million) as at September 30, 2017, a \$0.01 depreciation in the value of the Canadian dollar compared to the U.S. dollar would result in a decrease in our pre-tax income of \$1.3 million solely as a result of that exchange rate fluctuation's effect on the debt.

We may enter into foreign currency forward exchange contracts and options to reduce fluctuations in our long or short currency positions relating primarily to capital expenditures, accounts receivable, purchase commitments, interest coupon payments, raw materials and finished goods denominated in foreign currencies and long-term debt.

A summary of foreign currency forward exchange contracts and the corresponding amounts as at September 30, 2017 contracted forward rates is as follows:

(000s)		Contract Amount	Primary Currencies
Forward exchange contract to purchase currency	CHF	3,400	Swiss Francs
	US\$	3,200	U.S. dollars
Forward exchange contract to sell currency	US\$	31,150	U.S. dollars
	€	19,800	Euros
	£	14,700	Pounds Sterling

Hedging of Term Loan Facility

On October 18, 2017, subsequent to the end of the quarter, the Company committed to derivative transactions to hedge a portion of its exposure to foreign currency exchange risk related to its term loan liability denominated in U.S. dollars.

The Company committed to a long-dated forward exchange contract to buy \$75,000, or \$59,382 in equivalent U.S. dollars as measured on the trade date, to fix the foreign exchange risk on term loan borrowings over the term to maturity (December 2, 2021).

The Company has also committed to a cross-currency swap by selling \$50,000, \$39,968 in equivalent U.S. dollars floating rate debt bearing interest at LIBOR plus 4.00% as measured on the trade date, and receiving \$50,000 fixed rate debt bearing interest at a rate of 5.80%. Concurrently, the Company committed to a cross-currency swap by selling the \$50,000 fixed rate debt bearing interest at a rate of 5.80% and receiving \$50,000, €33,966 in equivalent Euro-denominated fixed rate debt bearing interest at a rate of 3.84%. The Company intends to apply hedge accounting for this transaction by designating the cross-currency swap as a hedge of the net investment in its European subsidiary.

Interest rate risk

We are exposed to interest rate risk primarily related to the effect of interest rate changes on borrowings outstanding under our Revolving Facility and Term Loan Facility. As at September 30, 2017, we had \$118.7 million outstanding under our Revolving Facility with a weighted average interest rate of 2.53% and outstanding debt under our Term Loan Facility of \$142.0 million which currently bears interest at 5.19%. Based on the outstanding borrowings under the Revolving Facility during the first half of fiscal 2018, a 1.00% increase in the average interest rate on our borrowings would have increased interest expense by \$0.4 million in the period. Correspondingly, a 1.00% increase in the rate on our Term Loan Facility would have increased interest expense by an additional \$0.7 million. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

RELATED PARTY TRANSACTIONS

On December 9, 2013, the Company entered into the Management Agreement with certain affiliates of Bain Capital for a term of five years, which was terminated upon the closing of the IPO on March 21, 2017, in accordance with the terms of the Management Agreement. During the three and six

months ended September 30, 2017, the Company incurred management fees of \$nil (2016 - \$0.1 million and \$0.3 million respectively) and interest expense of \$nil (2016 - \$1.4 million and \$2.9 million respectively) on the subordinated debt due to Bain Capital. As at September 30, 2016, accrued interest on the subordinated debt of \$4.8 million was included in the accounts payable and accrued liabilities.

During the six months ended September 30, 2017, the Company made payments for travel expenses of \$0.1 million (2016 - \$0.1 million) to companies related to certain shareholders.

During the six months ended September 30, 2017, the Company expensed \$nil to an affiliate controlled by the majority shareholder of the Company for IT services (2016 - \$0.1 million).

FISCAL 2018 OUTLOOK

A discussion as to our fiscal 2018 outlook is contained in our earnings press release dated November 9, 2017 under the section entitled “Revised Fiscal 2018 Outlook”. This press release is available on the SEDAR website at www.sedar.com, on the EDGAR section of the SEC website at www.sec.gov and on our website at www.canadagoose.com.

CRITICAL ACCOUNTING POLICES AND ESTIMATES

Critical Accounting Policies and Estimates

Our Interim Financial Statements have been prepared in accordance with IFRS as issued by the IASB. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are more fully described in the notes to our Annual and Interim Financial Statements, we believe that the following accounting policies and estimates are critical to our business operations and understanding our financial results.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that we believe could have the most significant impact on the amounts recognized in the Interim Financial Statements.

Revenue recognition. Wholesale revenue from the sale of goods to third-party resellers, net of an estimated allowance for sales returns, is recognized when the significant risks and rewards of ownership of the goods have passed to the reseller, which, depending upon the terms of the agreement with the reseller, occurs when the products have been shipped to the reseller, are picked up from our third-party warehouse or arrive at the reseller’s facilities, and there is no continuing management involvement or obligation affecting the acceptance of the goods. The Company, at its discretion may cancel all or a portion of any firm wholesale sales order. We are therefore obligated to return any prepayments or deposits made by resellers for which the product is not provided. All advance payments are included in accrued liabilities in the statement of financial position. Revenue through e-commerce operations and retail stores are recognized upon delivery of the goods to the customer and when collection is reasonably assured, net of an estimated

allowance for sales returns. Management bases its estimates on historical results, taking into consideration the type of customer, transaction, and specifics of each arrangement. Our policy is to sell merchandise through the DTC channel with a limited right to return, typically within thirty days. Accumulated experience is used to estimate and provide for such returns, which are recorded as liabilities on the balance sheet.

Inventories. Inventories are carried at the lower of cost and net realizable value which requires us to use estimates related to fluctuations in obsolescence, shrinkage, future retail prices, seasonality and costs necessary to sell the inventory.

We periodically review our inventories and make provisions as necessary to appropriately value obsolete or damaged raw materials and finished goods. In addition, as part of inventory valuations, we accrue for inventory shrinkage for lost or stolen items based on historical trends from physical inventory counts.

Impairment of non-financial assets (goodwill, intangible assets, and property, plant and equipment). We are required to use judgment in determining the grouping of assets to identify their cash generating units (“CGU”) for the purposes of testing fixed assets for impairment. Judgment is further required to determine appropriate groupings of CGUs for the level at which goodwill and intangible assets are tested for impairment. For the purpose of goodwill and intangible assets impairment testing, CGUs are grouped at the lowest level at which goodwill and intangible assets are monitored for internal management purposes. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed.

In determining the recoverable amount of a CGU or a group of CGUs, various estimates are employed. We determine value-in-use by using estimates including projected future revenues, earnings, working capital and capital investment consistent with strategic plans presented to the board of directors of the Company. Discount rates are consistent with external industry information reflecting the risk associated with the specific cash flows.

Income and other taxes. Current and deferred income taxes are recognized in the consolidated statements of income and comprehensive income, except when it relates to a business combination, or items recognized in equity or in other comprehensive income. Application of judgment is required regarding the classification of transactions and in assessing probable outcomes of claimed deductions including expectations about future operating results, the timing and reversal of temporary differences and possible audits of income tax and other tax filings by the tax authorities in the various jurisdictions in which the Company operates.

Functional currency. Items included in the consolidated financial statements of our Company’s subsidiaries are measured using the currency of the primary economic environment in which each entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, which is our functional and presentation currency.

Financial instruments. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

We enter into financial instruments with highly-rated creditworthy institutions and instruments with liquid markets and readily-available pricing information.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below.

a. Non-derivative financial assets

Non-derivative financial assets include cash and trade receivables and are classified as loans and receivables and measured at amortized cost. We initially recognize receivables and deposits on the date that they are originated. We derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or when the rights to receive the contractual cash flows on the financial asset are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

b. Non-derivative financial liabilities

Non-derivative financial liabilities include accounts payable, accrued liabilities, Revolving Facility, and Term Loan Facility. We initially recognize debt instruments issued on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which we become a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. We derecognize a financial liability when its contractual obligations are discharged or cancelled or expire.

c. Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument. When a derivative financial instrument, including an embedded derivative, is not designated and effective in a qualifying hedge relationship, all changes in its fair value are recognized immediately in the statement of income; attributable transaction costs are recognized in the statement of income as incurred. We do not use derivatives for trading or speculative purposes.

Embedded derivatives are separated from a host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

d. Hedge accounting

We are exposed to the risk of currency fluctuations and have entered into currency derivative contracts to hedge its exposure on the basis of planned transactions. Where hedge accounting is applied, the criteria are documented at the inception of the hedge and updated at each reporting date. We document the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedging transactions. We document our assessment, at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of a hedging derivative is classified as a current asset or liability when the maturity of the hedged item is less than twelve months, and as a non-current asset or liability when the maturity of the hedged item is more than twelve months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized, net of tax, in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. Amounts accumulated in other comprehensive income are transferred to the statement of income in the periods when the hedged item affects earnings. When a forecast transaction that is hedged results in the recognition of a non-financial asset or liability, such as inventory, the amounts previously recognized in other comprehensive income are reclassified and included in the initial measurement of the cost of the related asset or liability. The deferred amounts are ultimately recognized in the statement of income.

Share-based payments. Share-based payments are valued based on the grant date fair value of the awards and we record compensation expense over the corresponding service period in our stock option plan established in December 2013. The fair value of the share-based payments is determined using acceptable valuation techniques, which incorporate our discounted cash flow estimates and other market assumptions. There are two types of stock options outstanding: service-vested options are time based and generally vest over 5 years of service and performance-based options vest upon attainment of performance conditions or the occurrence of an exit event. The compensation expense related to the options is recognized ratably over the requisite service period, provided it is probable that the vesting conditions will be achieved and the occurrence of such exit event is probable.

For stock options granted subsequent to becoming a public company, we use market based inputs for share price, risk free rates, volatility and strike price for the Black-Scholes valuation method.

Warranty. The critical assumptions and estimates used in determining the warranty provision at the balance sheet date are: number of jackets expected to require repair or replacement; proportion to be repaired versus replaced; period in which the warranty claim is expected to occur; cost of repair; cost of jacket replacement and risk-free rate used to discount the provision to present value.

We update our inputs to this estimate on a quarterly basis to ensure the provision reflects the most current information regarding our products.

Sales returns. Sales returns relate primarily to goods sold through the DTC sales channel which have a limited right of return, typically within 30 days. The Company bases its estimate on historical return rates in its e-commerce and retail stores and reviews its actual returns experience periodically to assess the appropriateness of the return rates used.

Trade receivables. We do not have any customers which account for more than 10% of sales or accounts receivable. We make ongoing estimates relating to the ability to collect our accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the allowance, we consider our historical level of credit losses and make judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. To mitigate this risk, management has entered into an agreement with a third party who has insured the risk of loss for up to 90% of accounts receivable from certain designated customers based on a total deductible of fifty thousand dollars. Since we cannot predict future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from our estimates. If the financial condition of our customers were to deteriorate, resulting in their inability to make payments, a larger allowance might be required. In the event we determine that a smaller or larger allowance is appropriate, we would record a credit or a charge to selling, general and administrative expense in the period in which such a determination is made.

CHANGES IN ACCOUNTING POLICIES

The Interim Financial Statements are prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the IASB. Certain information which is considered material to the understanding of the Interim Financial Statements and which are normally included in the annual financial statements prepared in accordance with IFRS are provided in the notes to the Interim Financial Statements. These Interim Financial Statements do not include all of the information required for annual financial statements and should be read in conjunction with the Annual Financial Statements. These Interim Financial Statements and the accompanying notes have been prepared using the accounting policies described in Note 2 to the Annual Financial Statements, except as noted below.

Standards issued and adopted

The Company adopted amendments to IAS 7, *Statement of Cash Flows* which are effective for annual periods beginning on or after January 1, 2017. The amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Implementation of the standard has not had a material effect on the Interim Financial Statements.

The Company adopted amendments to IAS 12, *Income Taxes*, which are effective for the year beginning on or after January 1, 2017. The amendments clarify the requirements for recognizing

deferred tax assets on unrealized losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. Implementation of the standard has not had a material effect on the Interim Financial Statements.

Standards issued but not yet effective

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted by the Company for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations are provided below.

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") which replaces the detailed guidance on revenue recognition requirements that currently exists under IFRS. The new standard provides a comprehensive framework for the recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the accounting standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The Company, in consultation with its advisors, has implemented a process across its business segments and departments to analyze its inventory of contracts with customers using the five-step approach outlined in IFRS 15. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), replacing IAS 17, *Leases* and related interpretations. The standard provides a new framework for lessee accounting that requires substantially all assets obtained through operating leases to be capitalized and a related liability to be recorded. The new standard seeks to provide a more accurate picture of a company's leased assets and related liabilities and create greater comparability between companies who lease assets and those who purchase assets. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15 has been adopted. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* ("IFRS 9") which reflects all phases of the financial instruments project and replaces IAS 39, *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 introduces new requirements for classification and measurement, impairment, and hedge accounting and new impairment requirements that are based on a forward-looking expected credit loss model. IFRS 9 is mandatorily effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is working with its advisors to evaluate its current hedging strategy under IFRS 9. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

In June 2016, the IASB issued an amendment to IFRS 2, *Share-based Payment*, clarifying the accounting for certain types of share-based payment transactions. The amendments provide

requirements on accounting for the effects of vesting and non-vesting conditions of cash-settled share-based payments, withholding tax obligations for share-based payments with a net settlement feature, and when a modification to the terms of a share-based payment changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for the year beginning on or after January 1, 2018. The Company is currently assessing the impact of this amendment on its consolidated financial statements.

Jumpstart Our Business Startups Act (“JOBS Act”)

We will not take advantage of the extended transition period provided under Section 7(a)(2)(B) of the *Securities Act of 1933* for complying with new or revised accounting standards. Given that IFRS standards make no distinction between public and private companies for purposes of compliance with new or revised accounting standards, the requirements for our compliance as a private company and as a public company are the same.

We are required to test eligibility as an Emerging Growth Company as defined in the *Securities Act of 1933*, and compliance with the JOBS Act, at the second quarter of each fiscal year. As measured on the last business day of the second quarter, we will no longer qualify as an Emerging Growth Company as at the end of fiscal 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management’s Conclusions Regarding Effectiveness of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of our “disclosure controls and procedures” (“Disclosure Controls”), as defined by Rules 13a-15(e) and 15d-15(e) of the *Securities Exchange Act of 1934*, as amended (the “Exchange Act”), as of September 30, 2017, the end of the period covered by this MD&A. The Disclosure Controls evaluation was completed under the supervision and with the participation of management, including our President and Chief Executive Officer and Chief Financial Officer. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon this evaluation, our President and Chief Executive Officer and Chief Financial Officer concluded that, because of the material weaknesses in our internal control over financial reporting described below in “Changes in Internal Control Over Financial Reporting”, our Disclosure Controls were not effective as of September 30, 2017, such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding disclosure.

Management’s Report on Internal Control over Financial Reporting

This MD&A does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of the Company’s registered independent public

accounting firm due to a transition period established by rules of the SEC for recently listed public companies.

Changes in Internal Control over Financial Reporting

During the second quarter of fiscal 2018, there was no change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act), other than those described below, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Ongoing Remediation of Material Weakness in Internal Control over Financial Reporting

As previously disclosed in our Annual Report, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements may not be prevented or detected on a timely basis.

Prior to the IPO, we did not have in place an effective control environment with formal processes and procedures or an adequate number of accounting personnel with the appropriate technical training in, and experience with, IFRS to allow for a detailed review of complex accounting transactions that would identify errors in a timely manner, including inventory costing and business combinations. In addition, information technology controls, including end user and privileged access rights and appropriate segregation of duties, including for certain users the ability to create and post journal entries, were not designed or operating effectively.

We have taken steps to address these material weaknesses and continue to implement our remediation plan, which we believe will address their underlying causes. We have engaged external advisors to provide assistance in the areas of information technology, internal control over financial reporting, and financial accounting in the short term and to evaluate and document the design and operating effectiveness of our internal controls and assist with the remediation and implementation of our internal controls as required. We are evaluating the longer term resource needs of our various financial functions. These remediation measures may be time consuming, costly, and might place significant demands on our financial and operational resources. Although we have made enhancements to our control procedures in this area, the material weaknesses will not be remediated until the necessary controls have been implemented and are operating effectively. We do not know the specific time frame needed to fully remediate the material weaknesses identified. See "Risk Factors" in our Annual Report.

CERTIFICATION

I, Dani Reiss, certify that:

1. I have reviewed the financial statements and MD&A for the three and six months ended September 30, 2017 of Canada Goose Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) for the company and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 9, 2017

B

·
·
·

 /s/ Dani Reiss

Dani Reiss

*President and Chief Executive
Officer*

CERTIFICATION

I, John Black, certify that:

1. I have reviewed the financial statements and MD&A for the three and six months ended September 30, 2017 of Canada Goose Holdings Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) for the company and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 9, 2017

B

·
·
·

 /s/ John Black
John Black
Chief Financial Officer

Canada Goose Reports Results for Second Quarter Fiscal Year 2018



Company Increases Fiscal 2018 Outlook

Second Quarter Fiscal 2018 Highlights (in Canadian dollars):

- **Total revenue increased \$44.4 million to \$172.3 million, representing year-over-year growth of 34.7%**
- **Gross margin expanded to 50.5% from 46.4% in the prior year**
- **Adjusted EBITDA was \$46.4 million, compared to \$33.8 million in the prior year, representing year-over-year growth of 37.3%**
- **Net income was \$37.1 million, or \$0.33 per diluted share, and adjusted net income was \$32.9 million, or \$0.29 per diluted share**

TORONTO, ON (November 9, 2017) - Canada Goose Holdings Inc. (“Canada Goose” or the “Company”) today announced financial results for its second quarter ended September 30, 2017. The Company’s Management’s Discussion and Analysis and Unaudited Condensed Consolidated Interim Financial Statements for the three and six month periods ended September 30, 2017 will be filed on SEDAR at www.sedar.com, the EDGAR section of the U.S. Securities and Exchange Commission website at www.sec.gov and posted on the Company’s website at investor.canadagoose.com.

“Our performance reflects the power of our brand around the world and our disciplined approach to executing our growth strategies. We have opened e-commerce sites in all seven of the new markets planned for fiscal 2018 and we remain on-track to have seven world-class retail destinations in operation in the third quarter of fiscal 2018, including our recently opened stores in Chicago and Tokyo. I am also encouraged by the response to our first knitwear collection which embodies our function-first design philosophy and stays true to our authentic utilitarian aesthetic,” stated Dani Reiss, President & Chief Executive Officer. “With strong results across channels, geographies and categories, we continue to drive awareness and penetration while inspiring those who already know and love our brand. Most importantly, we remain deeply committed to building an enduring brand for the long term.”

Fiscal 2018 Second Quarter Results (in Canadian dollars, compared to the same period in Fiscal 2017):

- Total revenue increased by \$44.4 million from \$127.9 million to \$172.3 million in the second quarter of fiscal 2017, representing year-over-year growth of 34.7%.

- Wholesale revenue was \$152.1 million as compared to \$122.4 million in the second quarter of fiscal 2017, driven by growth across all regions. In the quarter, revenue of approximately \$13 million, which was originally expected to be earned in the third quarter, was pulled forward. Enabled by increased efficiency in manufacturing and sales planning, shipment timing was accelerated in response to requests from retail partners approaching their peak selling season. Through the first half of fiscal 2018, our pull-forward revenue in the wholesale channel was approximately \$18 million.
- Direct-to-consumer revenue was \$20.3 million as compared to \$5.5 million in the second quarter of fiscal 2017, driven by strong growth in our North American e-commerce business and incremental revenue from new retail stores and e-commerce sites which were not operating in the same period last year.
- Gross profit increased to \$87.1 million from \$59.3 million in the second quarter of fiscal 2017. As a percentage of total revenue, gross profit was 50.5% compared to 46.4% in the second quarter of fiscal 2017.
 - Wholesale gross profit was \$72.2 million, a gross margin of 47.4%, as compared to \$55.5 million a gross margin of 45.4%, in the second quarter of fiscal 2017. The increase in wholesale gross margin was the result of a shift in sales to higher margin geographies, lower cost of purchases in U.S. dollars and lower inventory reserves.
 - Direct-to-consumer gross profit increased to \$14.9 million, a gross margin of 73.7% from \$3.8 million, a gross margin of 69.2%, in the second quarter of fiscal 2017.
- Selling, general and administrative expenses were \$36.5 million compared to \$30.2 million in the second quarter of fiscal 2017, driven by the costs of retail stores in Toronto and New York which were not operating in the same period last year, as well as investments across the business to support continued growth. These increases were partially offset by an unrealized foreign exchange gain of \$5.8 million on the term loan and a timing shift in marketing investments to the remainder of fiscal 2018.
- Adjusted EBITDA was \$46.4 million compared to \$33.8 million in the prior year, representing year-over-year growth of 37.3%.
- The effective tax rate was 16.8% compared to 20.7% in the second quarter of fiscal 2017 and a statutory tax rate of 25.4%. The decrease in the effective tax rate was primarily driven by the non-taxable portion of the \$5.8 million unrealized foreign exchange gain and the timing of taxable income in jurisdictions with statutory tax rate differences.
- Net income for the second quarter was \$37.1 million, or \$0.33 per diluted share, compared to net income of \$20.0 million, or \$0.20 per share, in the second quarter of 2017.
- Adjusted net income per diluted share for the second quarter of fiscal 2018 was \$0.29, based on 111.5 million diluted shares outstanding, compared to an adjusted net income per diluted share of \$0.23, based on 101.7 million diluted shares outstanding in the second quarter of fiscal 2017. Adjusted pro forma net

income per share for the second quarter of fiscal 2017, which includes the effect of the Initial Public Offering (“IPO”) in the calculation of the weighted average number of shares outstanding as if the IPO had occurred at the beginning of fiscal 2017, was \$0.22 per share based on 106.3 million shares.

Revised Fiscal 2018 Outlook

Based on stronger than expected growth across our business, with a particular contribution from our direct-to-consumer segment, the Company expects fiscal 2018 results to exceed the long-term and fiscal year outlook which was originally provided with the release of fourth quarter and fiscal year 2017 results on June 2, 2017.

For fiscal 2018, the Company currently expects:

- Annual revenue growth on a percentage basis of at least 25% versus the previous expectation of mid-to-high teens;
- Adjusted EBITDA margin expansion of at least 50 basis points versus the previous expectation of flat to modestly expanding; and
- Annual growth in adjusted net income per diluted share on a percentage basis of at least 35% versus the previous expectation of approximately 20%. This assumes year-over-year comparison to adjusted net income per pro forma diluted share of \$0.41 in fiscal 2017 and weighted average diluted shares outstanding of 110.9 million for fiscal 2018.

Conference Call Information

A conference call to discuss second quarter fiscal 2018 results is scheduled for today, November 9, 2017, at 9:00 a.m. Eastern Time. Dani Reiss, President and Chief Executive Officer and John Black, Chief Financial Officer, will host the conference call. Those interested in participating in the call are invited to dial (866) 393-4306 or (734) 385-2616 if calling internationally. Please dial in approximately 10 minutes prior to the start of the call and reference Conference ID 5093389 when prompted. A live audio webcast of the conference call will be available online at <http://investor.canadagoose.com>.

About Canada Goose

Founded in a small warehouse in Toronto, Canada in 1957, Canada Goose has grown into one of the world’s leading makers of performance luxury apparel. Every collection is informed by the rugged demands of the Arctic and inspired by relentless innovation and uncompromised craftsmanship. From Antarctic research facilities and the Canadian High Arctic, to the streets of New York, London, Milan, Paris, and Tokyo, people are proud to wear Canada Goose products. Employing more than 2,000 people worldwide, Canada Goose is a recognized leader for its Made in Canada commitment, and is a long-time partner of Polar Bears International. Visit canadagoose.com for more information.

Note Regarding Non-IFRS Financial Measures

This press release includes references to adjusted net income, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income per share and per diluted share, and adjusted pro forma net income per share and per

diluted share. The Company presents these measures because its management uses these as supplemental measures in assessing its operating performance, and believes they are helpful to investors, securities analysts and other interested parties, in evaluating the Company's performance. The measures referenced above are not measurements of financial performance under IFRS and they should not be considered as alternatives to measures of performance derived in accordance with IFRS. In addition, these measures should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items. These measures have limitations as analytical tools, and you should not consider such measures either in isolation or as substitutes for analyzing the Company's results as reported under IFRS. The Company's definitions and calculations of these measures are not necessarily comparable to other similarly titled measures used by other companies. These non-IFRS financial measures are defined and reconciled to the most comparable IFRS measures in the tables at the end of this press release.

Cautionary Note Regarding Forward-Looking Statements

The foregoing financial information as at and for the three and six months ended September 30, 2017 are unaudited and subject to quarter-end and year-end adjustments in connection with the completion of our customary financial closing procedures. Such changes could be material.

This press release includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as "anticipate," "expect," "plan," "could," "may," "will," "believe," "estimate," "forecast," "goal," "project," and other words of similar meaning. These forward-looking statements address various matters including our growth plans and anticipated financial performance for fiscal 2018, which are referred to under the heading Revised Fiscal 2018 Outlook. Each forward-looking statement contained in this press release is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others, our expectations regarding industry trends, our business plan and growth strategies, our expectations regarding seasonal trends, our ability to implement our growth strategies, our ability to keep pace with changing consumer preferences, our ability to maintain the strength of our brand and protect our intellectual property, as well as the risks identified under the heading "Risk Factors" in our Annual Report on Form 20-F for the fiscal year ended March 31, 2017, and filed with the Securities and Exchange Commission ("SEC"), and the securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada ("Canadian securities regulatory authorities"), as well as the other information we file with the SEC and Canadian securities regulatory authorities. We caution investors not to rely on the forward-looking statements contained in this press release when making an investment decision in our securities. You are encouraged to read our filings with the SEC, available at www.sec.gov, and our filings with Canadian securities regulatory authorities available at www.sedar.com for a discussion of these and other risks and uncertainties. The forward-looking statements in this press release speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements. Our business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

**Condensed Consolidated Interim Statements of Income and Comprehensive Income
(unaudited)**

(in thousands of Canadian dollars, except per share amounts)

	Three months ended September 30		Six months ended September 30	
	2017	2016	2017	2016
Revenue	172,330	127,935	200,535	143,630
Cost of sales	85,237	68,601	100,200	79,637
Gross profit	87,093	59,334	100,335	63,993
<i>Gross margin</i>	50.5%	46.4%	50.0%	44.6%
Selling, general and administrative expenses	36,545	30,172	62,377	48,265
<i>SG&A expenses as % of revenue</i>	21.2%	23.6%	31.1%	33.6%
Depreciation and amortization	2,314	1,490	4,482	2,936
Operating income	48,234	27,672	33,476	12,792
<i>Operating income as % revenue</i>	28.0%	21.6%	16.7%	8.9%
Net interest and other finance costs	3,599	2,438	6,691	5,533
Income before income taxes	44,635	25,234	26,785	7,259
Income tax expense	7,508	5,216	1,747	1,277
<i>Effective tax rate</i>	16.8%	20.7%	6.5%	17.6%
Net income	37,127	20,018	25,038	5,982
Other comprehensive income (loss)	1,259	(415)	1,301	(407)
Total comprehensive income	38,386	19,603	26,339	5,575
Earnings per share				
Basic	\$ 0.35	\$ 0.20	\$ 0.23	\$ 0.06
Diluted	0.33	0.20	0.23	0.06
Weighted average number of shares outstanding				
Basic	106,992,382	100,000,000	106,747,784	100,000,000
Diluted	111,478,881	101,704,270	110,700,260	101,702,032
Other data: ⁽¹⁾				
EBITDA	51,181	29,705	39,486	16,724
Adjusted EBITDA	46,399	33,790	32,833	26,308
Adjusted EBITDA margin	26.9%	26.4%	16.4%	18.3%
Adjusted net income	32,877	23,740	19,647	14,248
Adjusted net income per diluted share	\$ 0.29	\$ 0.23	\$ 0.18	\$ 0.14

(1) EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income and adjusted net income per share and per diluted share are non-IFRS financial measures. See — “Note Regarding Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure

Condensed Consolidated Interim Statements of Financial Position**(unaudited)****As at September 30, 2017 and March 31, 2017**

(in thousands of Canadian dollars)

	September 30	March 31
	2017	2017
	\$	\$
Assets		
Current assets		
Cash	13,314	9,678
Trade receivables	99,587	8,710
Inventories	154,464	125,464
Income taxes receivable	3,809	4,215
Other current assets	12,144	15,156
Total current assets	283,318	163,223
Deferred income taxes	10,217	3,998
Property, plant and equipment	46,096	36,467
Intangible assets	134,656	131,912
Goodwill	45,269	45,269
Total assets	519,556	380,869
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	63,810	58,223
Provisions	6,914	6,046
Total current liabilities	70,724	64,269
Provisions	10,225	9,526
Deferred income taxes	13,439	10,888
Revolving facility	116,775	6,642
Term loan	131,285	139,447
Other long-term liabilities	3,673	3,929
Total liabilities	346,121	234,701
Shareholders' equity	173,435	146,168
Total liabilities and shareholders' equity	519,556	380,869

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)
For the six months ended September 30
(in thousands of Canadian dollars)

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	25,038	5,982
Items not affecting cash		
Depreciation and amortization	6,010	3,932
Income tax expense	1,747	1,277
Interest expense	6,574	4,486
Unrealized (gain) loss on forward contracts	(442)	120
Unrealized foreign exchange gain	(9,304)	—
Write off of deferred financing charges on refinancing revolving facility	—	946
Share-based compensation	721	1,499
	<u>30,344</u>	<u>18,242</u>
Changes in non-cash operating items	(112,681)	(76,856)
Income taxes paid	(5,411)	(12,353)
Interest paid	(5,214)	(1,444)
	<u>(92,962)</u>	<u>(72,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,175)	(11,000)
Investment in intangible assets	(3,473)	(3,971)
Business combination	(560)	(500)
	<u>(13,208)</u>	<u>(15,471)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on revolving facility	110,036	146,790
Repayment of credit facility	—	(55,203)
Deferred financing fees on term loan syndication	(437)	—
Exercise of stock options	207	—
	<u>109,806</u>	<u>91,587</u>
Increase in cash	3,636	3,705
Cash, beginning of period	9,678	7,226
Cash, end of period	<u>13,314</u>	<u>10,931</u>

Reconciliation of Non-IFRS Measures

The tables below reconciles net income to EBITDA, adjusted EBITDA, and adjusted net income for the periods presented:

CAD \$000s (unaudited)	Three months ended September 30		Six months ended September 30	
	2017	2016	2017	2016
Net income	37,127	20,018	25,038	5,982
<i>Add the impact of:</i>				
Income tax expense	7,508	5,216	1,747	1,277
Net interest and other finance costs	3,599	2,438	6,691	5,533
Depreciation and amortization	2,947	2,033	6,010	3,932
EBITDA	51,181	29,705	39,486	16,724
<i>Add (deduct) the impact of:</i>				
Bain Capital management fees (a)	—	63	—	212
Transaction costs (b)	218	1,910	1,546	2,734
Unrealized gain on derivatives (c)	—	—	—	4,422
Unrealized foreign exchange gain on Term Loan Facility (d)	(5,814)	—	(9,580)	—
International restructuring costs (e)	—	80	—	175
Share-based compensation (f)	310	1,374	390	1,499
Agent terminations and other (g)	—	—	—	(116)
Non-cash rent expense (h)	504	658	991	658
Adjusted EBITDA	46,399	33,790	32,833	26,308

CAD \$000s (unaudited)	Three months ended September 30		Six months ended September 30	
	2017	2016	2017	2016
Net income	37,127	20,018	25,038	5,982
<i>Add (deduct) the impact of:</i>				
Bain Capital management fees (a)	—	63	—	212
Transaction costs (b)	218	1,910	1,546	2,734
Unrealized gain on derivatives (c)	—	—	—	4,422
Unrealized foreign exchange gain on Term Loan Facility (d)	(5,814)	—	(9,580)	—
International restructuring costs (e)	—	80	—	175
Share-based compensation (f)	310	1,374	390	1,499
Agent terminations and other (g)	—	—	—	(116)
Non-cash rent expense (h)	504	658	991	658
Amortization on intangible assets acquired by Bain Capital (i)	544	544	1,088	1,088
Total adjustments	(4,238)	4,629	(5,565)	10,672
Tax effect of adjustments	(12)	(907)	174	(2,406)
Adjusted net income	32,877	23,740	19,647	14,248

- (a) In connection with Bain's purchase of a 70% equity interest in our business on December 9, 2013 (the "Acquisition"), we entered into a management agreement with certain affiliates of Bain Capital for a term of five years ("Management Agreement"). This amount represents payments made pursuant to the Management Agreement for ongoing consulting and other services. In connection with the IPO on March 21, 2017, the Management Agreement was terminated in consideration for a termination fee of \$9.6 million and Bain Capital no longer receives management fees from the Company.
- (b) In connection with the IPO in March 2017 and Secondary Offering in June 2017, we incurred expenses related to professional fees, consulting, legal, and accounting that would otherwise not have been incurred. These fees are reflected in the first quarter of fiscal 2017 and fiscal 2018, respectively, and are not indicative of our ongoing costs.
- (c) Represents non-cash unrealized gains on foreign exchange forward contracts recorded in fiscal 2016 that relate to fiscal 2017. We manage our exposure to foreign currency risk by entering into foreign exchange forward contracts. Management forecasts its net cash flows in foreign currency using expected revenue from orders it receives for future periods. The unrealized gains and losses on these contracts are recognized in net income from the date of inception of the contract, while the cash flows to which the derivatives related are not realized until the contract settles. Management believes that reflecting these adjustments in the period in which the net cash flows occur is more appropriate.
- (d) Represents non-cash unrealized gains on the translation of the Term Loan Facility from USD to CAD.
- (e) Represents expenses incurred to establish our international headquarters in Zug, Switzerland, including closing several smaller offices across Europe, relocating personnel, and incurring temporary office costs.
- (f) Represents non-cash share-based compensation expense on stock options issued prior to the IPO. Adjustments reflect management's estimate that certain tranches of outstanding option awards will vest.
- (g) Represents accrued expenses related to termination payments to be made to our third-party sales agents. As part of a strategy to transition certain sales functions in-house, we terminated the majority of our third party sales agents and certain distributors, primarily during fiscal 2015 and 2016, which resulted in indemnities and other termination payments. As sales agents have now largely been eliminated from the sales structure, management does not expect these charges to recur in future fiscal periods.
- (h) Represents non-cash lease amortization charges during pre-opening periods for new store leases.
- (i) As a result of the Acquisition we recognized an intangible asset for customer lists in the amount of \$8.7 million, which has a useful life of four years, and will expire in the third quarter of fiscal 2018.

**Pro forma income per share and adjusted net income per share
(unaudited)**

CAD \$000s (except per share data)	Three months ended September 30 2016	Six months ended September 30 2016
Pro forma income per share		
Net income	\$ 20,018	\$ 5,982
Weighted average number of common shares	100,000,000	100,000,000
Pro forma for IPO as at April 1, 2016	6,308,154	6,308,154
Pro forma weighted average number of common shares outstanding over the year	106,308,154	106,308,154
Pro forma income per share	\$ 0.19	\$ 0.06
Pro forma adjusted net income per share		
Adjusted net income	\$ 23,740	\$ 14,248
Pro forma weighted average number of shares	106,308,154	106,308,154
Pro forma adjusted net income per share	\$ 0.22	\$ 0.13

For Information Contact:

ICR, Inc.

Investors:

Allison Malkin/Caitlin Morahan

203-682-8200

Allison.Malkin@ICRinc.com/Caitlin.Morahan@ICRinc.com

or

Media:

Julia Young

646-277-1280

Julia.Young@ICRinc.com

**CANADA GOOSE HOLDINGS INC.
EMPLOYEE SHARE PURCHASE PLAN**

1. Purpose

This Plan is intended to provide employees of the Corporation and other Participating Entities with an opportunity to acquire a proprietary interest in the Corporation through the purchase of Subordinate Voting Shares. The Corporation, by means of this Plan, seeks to retain the services of such eligible employees, to secure and retain the services of new employees and to provide incentives for such persons to exert maximum effort for the success of the Corporation.

2. Definitions

"**Administrative Agent**" means the financial services firm or other agent designated by the Corporation to maintain ESPP Accounts on behalf of Participants who have purchased Subordinate Voting Shares under the Plan;

"**Affiliate**" has the meaning attributed thereto in National Instrument 45-106 - *Prospectus Exemptions*;

"**Blackout Period**" means a period of time when, pursuant to any policies of the Corporation (including the Corporation's insider trading policy), any securities of the Corporation may not be traded by certain persons designated by the Corporation;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario and New York, New York, for the transaction of banking business;

"**Compensation**" means the base salary or base hourly wages for non-overtime work paid to an Eligible Employee by a Participating Entity as compensation for services to a Participating Entity, before deduction for any contributions made by the Eligible Employee to any tax-qualified or nonqualified deferred compensation plan or contributions for any health or welfare benefit programs;

"**Corporate Transaction**" means a sale or conveyance of all or substantially all of the property and assets of the Corporation or any merger, consolidation, amalgamation, combination, plan of arrangement or offer to acquire all of the outstanding Subordinate Voting Shares or other similar transaction;

"**Corporation**" means Canada Goose Holdings Inc. and its respective successors and assigns, and any reference in the Plan to action by the Corporation means action by or under the authority of the Board or any person or committee that has been designated for the purpose by the Board;

"**Eligible Employee**" means a permanent Employee who is customarily employed for at least twenty-five (25) hours per week and is not participating in another equity based incentive program of the Corporation. Notwithstanding the foregoing, the Board may exclude from participation in the Plan or in any Offering Period Employees who are

"officers" of any Participating Entity and Employees whose principal duties consist of supervising the work of other Employees. The Board may from time to time establish different eligibility standards for Employees;

"**Employee**" means any person who renders services to a Participating Entity as an employee pursuant to an employment relationship with such employer. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on military leave, sick leave or other leave of absence approved by a Participating Entity. Where the period of leave exceeds three (3) months, and the individual's right to re-employment is not guaranteed by statute or contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three-month period;

"**Enrollment Form**" means an agreement pursuant to which an Eligible Employee may elect to enroll in the Plan, to authorize a new level of payroll deductions, or to stop payroll deductions and withdraw from an Offering Period;

"**ESPP Account**" means an account into which Subordinate Voting Shares purchased with the accumulated Participant's Contribution and the applicable Employer Contribution at the end of an Offering Period are held on behalf of a Participant;

"**Fair Market Value**" means, as of any date, (i) the closing price of the Subordinate Voting Shares on the TSX, in relation to Participants whose Compensation is paid in Canadian dollars, (ii) the closing price of the Subordinate Voting Shares on the NYSE, in relation to Participants whose Compensation is paid in U.S. dollars or any other foreign currency, or (iii) if the Subordinate Voting Shares are not listed on such stock exchanges, the value as is determined solely by the Board, acting in good faith;

"**Multiple Voting Share**" means a multiple voting share in the capital of the Corporation;

"**NYSE**" means the New York Stock Exchange;

"**Offering Date**" means the first Trading Day of each Offering Period as designated by the Board;

"**Offering Period**" means the period of time Participants' Contributions are accumulated for the purchase of Subordinate Voting Shares under this Plan. Pursuant to Section 9, the Board may change the duration of future Offering Periods and/or the start and end dates of future Offering Periods;

"**Participant**" means an Eligible Employee who is actively participating in the Plan;

"**Participating Entity**" means the Corporation and any Affiliate of the Corporation which is designated by the Board from time to time in its sole discretion;

"**Plan**" means this Canada Goose Holdings Inc. Employee Share Purchase Plan, as set forth herein, and as amended from time to time;

"**Purchase Period**" means the last three Trading Days of each Offering Period;

"Share Compensation Arrangement" means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Subordinate Voting Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, including this Plan;

"Stock Exchange" means the TSX or the NYSE or, if the Subordinate Voting Shares are not listed or posted for trading on any of such stock exchanges at a particular date, any other stock exchange on which the majority of the trading volume and value of the Subordinate Voting Shares are listed or posted for trading;

"Subordinate Voting Share" means a subordinate voting share in the capital of the Corporation;

"Tax Act" means the Income Tax Act (Canada) and its regulations thereunder, as amended from time to time;

"Termination Date" means the earlier of: (i) the date specified in the written notice of termination or resignation of a Participant; and (ii) the last day worked by the Participant, provided such date shall not be prior to the last day of any minimum statutory notice period, if applicable;

"Trading Day" means any day on which each of the TSX and NYSE is open for trading;

"Treasury Regulations" means the tax regulations promulgated by the United States Internal Revenue Service under the United States Internal Revenue Code of 1986, as amended; and

"TSX" means the Toronto Stock Exchange.

3. Interpretation

3.1 Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.

3.2 The division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan. As used herein, the expressions "Article", "Section" and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.

3.3 In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.

3.4 The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation".

3.5 Unless otherwise specified, all references to money amounts are to Canadian currency.

- 3.6 For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant's estate or will.
- 3.7 If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

4. Administration

- 4.1 This Plan will be administered by the Board and the Board has complete authority, in its discretion, to interpret the provisions of this Plan. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval. In administering and interpreting the Plan, the Board may adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan, including adopting sub-plans applicable to particular Participating Entities or locations, which the Board determines, in its discretion, are necessary or advisable. The Board's determinations and actions within its authority under this Plan are final, conclusive and binding on the Corporation, its Affiliates and all other persons, including all Participants, Eligible Employees and their respective legal representatives and beneficiaries.
- 4.2 The Corporation shall pay all expenses incurred in the administration of the Plan except for brokerage fees or expenses associated with the sale or transfer of Subordinate Voting Shares by a Participant, which fees and expenses shall be borne by such Participant.
- 4.3 In any case where the strict application of any provision of the Plan may cause hardship to a Participant, the Board may in its sole discretion waive or partially waive such strict application, on such terms as it deems appropriate, provided that such a waiver shall not constitute a general waiver of such provision.

5. Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to any committee of the Board or to an officer or officers of the Corporation all or any of the powers conferred on the Board under the Plan. In such event, references to the Board mean and include such committee or such officer or officers and such committee or each such officer will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decisions made or actions taken by such committee or by any such officer or officers arising out of or in connection with the administration or interpretation of this Plan within its authority under this Plan, are final, conclusive and binding on the Participating Entities and all other persons, including all Participants, Eligible Employees and their respective personal representatives and beneficiaries. Any such delegation by the Board may be revoked at any time by the Board at its sole discretion.

6. Liability

No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board and each such person shall be entitled to indemnification by the Corporation with respect to any such action or determination. For greater clarity, this indemnification is in addition to any rights of indemnification a member of the Board may have as director of the Corporation or otherwise.

7. Allotment or Issuance of Shares

The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Subordinate Voting Shares or any other securities of the Corporation (including Multiple Voting Shares) other than as specifically provided for in the Plan.

8. Eligibility

Unless otherwise determined by the Board in a manner that is consistent with this Plan, any individual who is an Eligible Employee as of the first day of the enrollment period designated by the Board for a particular Offering Period shall be eligible to participate in such Offering Period.

9. Offering Periods.

The Plan shall be implemented by a series of Offering Periods. The initial Offering Period shall be as determined by the Board. Thereafter, each Offering Period shall be three (3) months in duration, with new Offering Periods commencing on June 30, September 30, December 31 and March 31 of each year (or such other times as determined by the Board). The Board shall have the authority to change the duration, frequency, start and end dates of Offering Periods, including to make possible participation by Eligible Employees who would otherwise be subject to certain restrictions during a Blackout Period pursuant to Section 12.6.

10. Assets of the Plan

The Participants' Contributions and the Employer Contribution, if any, shall be remitted to the Administrative Agent as soon as may be required by the Administrative Agent prior to the Purchase Period. Such contributions, all Subordinate Voting Shares purchased with such contributions, such portion of the cash from the contributions which could not be used to purchase Subordinate Voting Shares, together with all income therefrom from the date of receipt by the Administrative Agent, shall constitute the assets of the Plan and shall be held, invested, managed, administered and dealt with by the Administrative Agent pursuant to the terms of the Plan.

11. Allocation to Participants

The Administrative Agent shall maintain a separate ESPP Account for each Participant and shall credit to the ESPP Account of a Participant, in addition to the Subordinate Voting Shares purchased under this Plan, the applicable Employer Contribution made with respect to such Participant in accordance with Section 12.3, as well as such Participant's Contribution, and such portion of the cash from the contributions which could not be used to purchase Subordinate Voting Shares. The Administrative Agent shall allocate to each Participant all income received, capital gains realized and capital losses sustained on such Participant's ESPP Account at such time or

times as the Administrative Agent may determine but in any event, within ninety (90) days after the end of the Offering Period in which they are received, realized or sustained.

12. Participation

12.1 Enrollment; Payroll Deductions.

- (a) *Participation.* An Eligible Employee may elect to participate in the Plan in an Offering Period by properly completing and submitting to the Corporation an Enrollment Form not later than 5 Business Days following the first day of such Offering Period. Such Enrollment Form shall be submitted in accordance with the enrollment procedures established by the Board from time to time in its sole discretion.
- (b) *No Effect on Employment.* Participation in the Plan is entirely voluntary and any decision not to participate in an Offering Period shall not affect an Employee's employment with any Participating Entity. Notwithstanding any express or implied term of this Plan to the contrary, the participation of an Eligible Employee in an Offering Period shall in no way be construed as a guarantee of employment by any Participating Entity, and shall not impose upon such Participating Entity any obligation to retain the Participant in its employ in any capacity. Nothing contained in this Plan shall interfere in any way with the rights of the relevant Participating Entity in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Subordinate Voting Shares granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (c) *Deduction.* By submitting an Enrollment Form, the Eligible Employee authorizes payroll deductions from his or her Compensation in an amount equal to at least one percent (1%), but not more than ten percent (10%) of his or her Compensation on a gross basis on each pay day occurring during an Offering Period (or such other maximum percentage as the Board may establish from time to time before an Offering Period begins); provided, however, that in no event shall a Participant's payroll deductions in any calendar year exceed \$15,000 (or such lower amount as determined from time to time by the Board) (the "**Participant's Contribution**"). The Participant's Contribution shall commence as of the first practicable payroll date following the Offering Period and end on the last practicable payroll date before the Purchase Period in respect of the applicable Offering Period. The Corporation shall maintain records of all Participant's Contributions but shall have no obligation to pay interest on Participant's Contributions or to hold such amounts in a trust or in any segregated account. Unless expressly permitted by the Board, a Participant may not make any separate contributions or payments to the Plan and/or any retroactive contribution to the Plan. To the extent a payroll date occurs after the last practicable payroll date before the Purchase Period and prior to the end of such Offering Period, the Participant's Contribution in respect of such payroll date will (i)

for Participants whose participation in the Plan continues in the subsequent Offering Period, be carried over into the subsequent Offering Period or (ii) for Participants whose participation in the Plan is withdrawn or terminated, be paid or delivered, as applicable, to the Participant in accordance with the Plan.

- 12.2 Currency Exchange Rates. In the case of Participants whose salary is paid in a currency other than Canadian or U.S. dollars, the necessary conversions to Canadian or U.S. dollars, as applicable, for the purpose of any acquisition or sale of Subordinate Voting Shares in connection with the Plan shall be made at the end of the Offering Period on the basis of the exchange rates obtained by the relevant Participating Entities or the Administrative Agent at the time of each conversion.
- 12.3 Employer Contributions. With the approval of the Board, a Participating Entity may provide a Participant with cash contributions to purchase Subordinate Voting Shares (the "**Employer Contribution**"). Each Employer Contribution, if made, shall be credited to a Participant's ESPP Account on the same date as the corresponding Participant's Contribution, and shall vest on such date. Such Employer Contribution shall be combined with the Participant's Contributions and shall be used to purchase Subordinate Voting Shares during the Purchase Period. Such Employer Contribution shall not exceed 50% of the Participant's Contribution for the applicable Offering Period.
- 12.4 Election Changes. A Participant may decrease or increase his or her rate of Participant's Contribution for any current Offering Period by submitting a new Enrollment Form (or by following any other applicable procedures prescribed by the Corporation and the Administrative Agent for such purpose) authorizing the new rate of Participant's Contribution not later than five (5) Business Days following the first day of such Offering Period (or within such other timeframe as determined from time to time by the Board). Any change made after such time will not become effective until the next Offering Period. Notwithstanding the foregoing, to the extent necessary to comply with any applicable limits on the amount of Participant's Contribution, a Participant's rate of Participant's Contribution may be decreased by the Corporation to as low as 0% at any time during an Offering Period.
- 12.5 Automatic Re-enrollment. The deduction rate selected in the Enrollment Form shall remain in effect for subsequent Offering Periods unless the Participant (i) submits a new Enrollment Form authorizing a new level of Participant's Contribution in accordance with Section 12.4 (or follows any other applicable procedures prescribed by the Corporation and the Administrative Agent for such purpose), (ii) withdraws from the Plan in accordance with Section 15, or (iii) terminates employment or otherwise becomes ineligible to participate in the Plan.
- 12.6 Blackout Periods. Notwithstanding any other provision of the Plan, if a Blackout Period is in effect, (i) an Eligible Employee subject to the Blackout Period may not enroll until after the end of the Blackout Period, and (ii) a Participant subject to the Blackout Period may not make changes to authorized Participant's Contribution, or voluntarily withdraw from the Plan until after the end of the Blackout Period.

13. Grant of Right.

On each Offering Date, each Participant in the applicable Offering Period shall be granted a right to purchase, during the Purchase Period, a number of Subordinate Voting Shares determined by dividing the accumulated Participant's Contribution and any applicable Employer Contribution made in accordance with Section 12.3 for the applicable Offering Period by the applicable Fair Market Value.

14. Exercise of Right/Purchase of Shares.

- 14.1 A Participant's right to purchase Subordinate Voting Shares will be exercised automatically during the Purchase Period in respect of each Offering Period (or, in exceptional cases, as soon as practicable following the Purchase Period). The Participant's Contribution and any applicable Employer Contribution made in accordance with Section 12.3 prior to the applicable Purchase Period will be used to purchase, at their Fair Market Value, the maximum number of whole Subordinate Voting Shares that can be purchased with the amounts in the Participant's notional account. No fractional Subordinate Voting Shares may be purchased. However, the Participant's ESPP Account will be credited with notional fractional Subordinate Voting Shares which will be aggregated with other notional fractional Subordinate Voting Shares credited from other Purchase Periods and any resulting whole Subordinate Voting Shares from such aggregation will be delivered to the Participant, subject to earlier withdrawal by the Participant in accordance with Section 15 or termination of employment in accordance with Section 16.
- 14.2 If prior to the Purchase Period the Corporation determines that all or a portion of the Subordinate Voting Shares to which a Participant is entitled shall be issued from treasury, then:
- (a) the Corporation shall in writing advise the Corporation's registrar and transfer agent and the Administrative Agent of such determination and the price therefor, showing the number of Subordinate Voting Shares that shall be issued to such Participant;
 - (b) the Administrative Agent shall forward from such Participant's ESPP Account to the Corporation on or before the last Trading Day of the Purchase Period, a cash amount equal to the applicable purchase price including any fees, and, subject to Section 12.2, the Corporation shall issue to such Participant from treasury the applicable number of Subordinate Voting Shares as determined by dividing the aggregate cash amount so transferred from the Participant's ESPP Account by the Fair Market Value; and
 - (c) such Subordinate Voting Shares shall be issued as fully paid and non-assessable Subordinate Voting Shares in the capital of the Corporation.
- 14.3 The Administrative Agent shall allocate all Subordinate Voting Shares issued or purchased on behalf of a Participant to such Participant's ESPP Account, immediately following the Purchase Period, pending distribution to such Participant. All Subordinate Voting Shares so allocated to the Participant's ESPP Account shall be registered in the name of the Administrative Agent or its nominee

or held in book-entry form for the benefit of the Participant. The Participant for whose account such Subordinate Voting Shares are held by the Administrative Agent shall be entitled to all rights of ownership incidental thereto, including the right to receive dividends and other distributions payable in respect of the Subordinate Voting Shares and to receive notice of, attend and vote at meetings of shareholders of the Corporation.

- 14.4 Any dividend or other income or distribution received on the Subordinate Voting Shares paid with respect to the Subordinate Voting Shares held in an ESPP Account, if any, shall be automatically reinvested in Subordinate Voting Shares from time to time in accordance with the provisions of this Plan. The Board shall have the right at any time or from time to time upon notice to Participants to change the default dividend reinvestment policy.

15. Withdrawal

- 15.1 Withdrawal Procedure. A Participant may withdraw from an Offering Period by submitting to the Corporation a revised Enrollment Form indicating his or her election to withdraw (or by following any other applicable procedures prescribed by the Corporation and the Administrative Agent for such purpose) at least thirty (30) Business Days (or within such other timeframe as determined from time to time by the Board) before the Purchase Period. The accumulated Participant's Contribution that have not been used to purchase Subordinate Voting Shares (but not any Employer Contribution that have not been used to purchase Subordinate Voting Shares, which shall be deemed forfeited) shall be paid or delivered, as applicable, to the Participant promptly following receipt of the Participant's Enrollment Form indicating his or her election to withdraw (or appropriate instructions pursuant to any other applicable procedures prescribed by the Corporation and the Administrative Agent for such purpose) and the Participant's rights under this Plan shall be automatically terminated. If a Participant withdraws from an Offering Period, no additional Participant's Contribution will be made during any succeeding Offering Period, unless the Participant re-enrolls in accordance with Section 12.1 of the Plan.
- 15.2 Effect on Succeeding Offering Periods. A Participant's election to withdraw from an Offering Period will not have any effect upon his or her eligibility to participate in succeeding Offering Periods that commence following the completion of the Offering Period from which the Participant withdraws.

16. Termination of Employment; Change in Employment Status

- 16.1 Upon termination of a Participant's employment with a Participating Entity as a result of the Participant's death or disability or a change in the Participant's employment status following which the Participant is no longer an Eligible Employee (other than as set forth in Section 16.2), which in any case occurs at least five (5) Business Days before the Purchase Period, the Participant will be deemed to have withdrawn from the Plan as of the Termination Date and the accumulated Participant's Contribution and any applicable Employer Contribution made in accordance with Section 12.3 (that have not been used to purchase Subordinate

Voting Shares) shall be returned to the Participant, or in the case of the Participant's death, to the person(s) entitled to such amounts under Section 24, and the Participant's rights under this Plan shall be automatically terminated as of the Termination Date. If the Participant's Termination Date occurs within five (5) Business Days before the Purchase Period, the accumulated Participant's Contribution and any applicable Employer Contribution made in accordance with Section 12.3 shall be used to purchase Subordinate Voting Shares during the Purchase Period.

- 16.2 Upon termination of a Participant's employment with a Participating Entity as a result of the Participant's resignation, retirement or termination (with or without cause), which in any case occurs at least five (5) Business Days before the Purchase Period, the Participant will be deemed to have withdrawn from the Plan as of the Termination Date and the accumulated Participant's Contribution that have not been used to purchase Subordinate Voting Shares shall be returned to the Participant (but not any Employer Contribution that have not been used to purchase Subordinate Voting Shares, which shall be deemed forfeited), and the Participant's rights under this Plan shall be automatically terminated as of the Termination Date. If the Participant's Termination Date occurs within five (5) Business Days before the Purchase Period, the accumulated Participant's Contribution (but not any Employer Contribution, which shall be deemed forfeited) shall be used to purchase Subordinate Voting Shares during the Purchase Period.
- 16.3 A Participant whose participation in the Plan has terminated as provided in Section 16.1 or 16.2 or his or her executors or administrators, as the case may be, may elect to deal with the Subordinate Voting Shares in such Participant's ESPP Account by completing a notice in the form prescribed by the Corporation and filing it with the Administrative Agent within ninety (90) days after termination of the Participant's participation in the Plan requesting that:
- (a) share certificates or other evidence of beneficial ownership for all of the whole Subordinate Voting Shares in the Participant's ESPP Account be issued in his or her name or as directed, in which case the Administrative Agent shall make the necessary arrangements for the issuance and delivery of the appropriate certificates or other evidence of beneficial ownership representing the Subordinate Voting Shares as soon as practicable following receipt of any such notice, and the Participant or his or her executors or administrators, as the case may be, will be responsible for paying any applicable fees in connection therewith (which may be effected by deduction from their personal account prior to issuance of the share certificates or other evidence of beneficial ownership); or
 - (b) all of the Subordinate Voting Shares in the Participant's ESPP Account be sold and the proceeds distributed to him or her or as directed, in which case the Administrative Agent shall sell all such Subordinate Voting Shares as directed and forward the proceeds (net of any brokerage commissions and sales administration fees) to such Participant or as otherwise directed, or to his or her executors or administrators, as the case may be, as soon as practicable following receipt of any such notice.

- 16.4 If no notice is filed pursuant to Section 16.3 within ninety (90) days after the termination of a Participant's participation in the Plan, the Participant or his or her executors or administrators, as the case may be, shall be deemed to have elected to request that the whole Subordinate Voting Shares in the Participant's ESPP Account be sold and the proceeds distributed to him or her or as directed, in which case the Administrative Agent shall sell all such Subordinate Voting Shares as directed and forward proceeds (net of any brokerage commissions and sales administration fees) to such Participant or as otherwise directed, or his to or her executors or administrators, as the case may be, as soon as practicable following the end of such period.
- 16.5 The Participant or his or her executors or administrators, as the case may be, shall be responsible for ensuring compliance with the provisions of applicable securities laws and applicable tax laws in respect of the tax consequences resulting from any transfer or sale of Subordinate Voting Shares pursuant to Section 16.
- 16.6 In all instances contemplated by this Section 16, the Participant shall receive the cash equivalent of any fractional Subordinate Voting Share credited to his or her ESPP Account.

17. Termination for Inactivity

Where a Participant has not made a Participant's Contribution in the previous twenty-four (24) months, the Corporation may direct the Administrative Agent to terminate that Participant's participation in the Plan.

18. Leave of Absence

- 18.1 If a Participant ceases to be an Eligible Employee as a result of an approved paid leave of absence, the Participant's participation in the Plan shall continue, and accordingly, the Participant shall remit payment for the purchase of Subordinate Voting Shares as contemplated in Section 12.1 (and the Participant shall remain eligible for any applicable Employer Contribution determined in accordance with Section 12.3 hereof, unless determined otherwise by the Board), unless such Participant has updated his or her Participant's Contribution by completing and delivering to the Corporation a new Enrollment Form in accordance with Section 12.4, stating that he or she wishes that his or her Participant's Contribution to the Plan be suspended during the period of such absence (or by following any other applicable procedures prescribed by the Corporation and the Administrative Agent for such purpose), in which case such suspension shall apply until the Participant returns to active status.
- 18.2 If a Participant ceases to be an Eligible Employee as a result of an approved unpaid leave of absence, the Participant's participation in the Plan shall continue only if the Participant makes alternative arrangements for the remittance of payments for the purchase of Subordinate Voting Shares, in which case the Participant shall remain eligible for any applicable Employer Contribution determined in accordance with Section 12.3 hereof, unless determined otherwise by the Board.

19. Shares Reserved for Plan

- 19.1 Number of Shares. A total of 500,000 Subordinate Voting Shares have been reserved as authorized for issuance under the Plan. The Subordinate Voting Shares purchased under the Plan may be Subordinate Voting Shares issued from treasury or Subordinate Voting Shares acquired on the open market. Subordinate Voting Shares purchased on the open market will be deemed to have been issued pursuant to the Plan for the purpose of the share reserve set forth in this Section 19.1.
- 19.2 Over-Subscribed Offerings. The number of Subordinate Voting Shares which a Participant may purchase during an Offering Period may be reduced if the offering is over-subscribed. No right granted under the Plan shall permit a Participant to purchase Subordinate Voting Shares which, if added together with the total number of Subordinate Voting Shares purchased by all other Participants in such offering would exceed the total number of Subordinate Voting Shares remaining available under the Plan. If the Board determines that, in connection with a particular Purchase Period, the number of Subordinate Voting Shares with respect to which rights are to be exercised exceeds the number of Subordinate Voting Shares then available under the Plan, the Corporation shall make a pro rata allocation of the Subordinate Voting Shares remaining available for purchase in as uniform a manner as practicable and as the Board determines to be equitable.

20. Participation Limits

- 20.1 The grant of rights under the Plan is subject to the following limitations:
- (a) No more than 10% of the Corporation's outstanding Subordinate Voting Shares and Multiple Voting Shares (calculated on a non-diluted basis) may be issued under the Plan or pursuant to any other Share Compensation Arrangements of the Corporation in any one (1) year period.
 - (b) No more than 5% of the Corporation's outstanding Subordinate Voting Shares and Multiple Voting Shares (calculated on a non-diluted basis) may be issued under the Plan or pursuant to any other Share Compensation Arrangements of the Corporation to any one Participant.

21. Transferability

- 21.1 No Participant's Contribution or Employer's Contribution, if any, credited to a Participant, nor any rights to receive Subordinate Voting Shares hereunder may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in Section 24 hereof) by the Participant. Any attempt to assign, transfer, pledge or otherwise dispose of such rights or amounts shall be without effect.
- 21.2 All of the Subordinate Voting Shares purchased by the Administrative Agent on behalf of a Participant pursuant to the provisions hereof shall be subject to a one-year contractual hold from the date such Subordinate Voting Shares are acquired by the Administrative Agent on behalf of the Participant. Notwithstanding the foregoing, in the case of a Participant whose employment with a Participating Entity

has been terminated as provided for in Section 16 (other than in the event of a non-termination change in employment status following which the Participant is no longer an Eligible Employee), such contractual hold restriction shall expire as of the date of such termination.

22. Application of Funds

All Participant's Contributions received or held by the Corporation under the Plan may be used by the Corporation for any corporate purpose to the extent permitted by applicable law, and the Corporation shall not be required to segregate such Participant's Contribution or Employer Contribution.

23. Statements

A statement of account shall be issued by the Administrative Agent to each Participant as soon as is practical following the end of each Offering Period. The statement of account shall indicate for the relevant Offering Period the number of Subordinate Voting Shares allocated to the Participant's ESPP Account (including all whole and fractional shares), the number of Subordinate Voting Shares withdrawn from the ESPP Account, all cash dividends received in respect of the Subordinate Voting Shares held on the Participant's ESPP Account, if any, and the amount of any lump sum Participant's Contribution received by the Administrative Agent.

24. Designation of Beneficiary

A Participant may file, on forms supplied by the Board, a written designation of beneficiary who is to receive any Subordinate Voting Shares and cash in respect of any fractional Subordinate Voting Shares, if any, from the Participant's ESPP Account under the Plan in the event of such Participant's death. In addition, a Participant may file a written designation of beneficiary who is to receive any cash withheld through Participant's Contributions in the event of the Participant's death prior to the Purchase Period in respect of an Offering Period.

25. Adjustments Upon Changes in Capitalization; Dissolution or Liquidation; Corporate Transactions

- 25.1 Adjustments. In the event that any special dividend or other special distribution (whether in the form of cash, securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares, or other change in the Corporation's structure affecting the Subordinate Voting Shares occurs, then in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, the Board shall conclusively determine the appropriate equitable adjustments, if any, to be made under the Plan, including adjustments to the number of Subordinate Voting Shares which have been authorized for issuance under the Plan.
- 25.2 Dissolution or Liquidation. Unless otherwise determined by the Board, in the event of a proposed dissolution or liquidation of the Corporation, any Offering Period then in progress will be shortened by setting a new Purchase Period and the Offering Period will end immediately prior to the proposed dissolution or liquidation. The new Purchase Period will be before the date of the Corporation's proposed

dissolution or liquidation. Before the new Purchase Period, the Board will provide each Participant with written notice, which may be electronic, of the new Purchase Period and that the Participant's right will be exercised automatically on such date, unless before such time, the Participant has withdrawn from the Offering Period in accordance with Section 15.

- 25.3 Corporate Transaction. In the event of a Corporate Transaction, each outstanding right will be assumed or an equivalent right substituted by the successor corporation or a parent or subsidiary of such successor corporation. If the successor corporation refuses to assume or substitute the right, the Offering Period with respect to which the right relates will be shortened by setting a new Purchase Period on which the Offering Period will end. The new Purchase Period will occur before the date of the Corporate Transaction. Prior to the new Purchase Period, the Board will provide each Participant with written notice, which may be electronic, of the new Purchase Period and that the Participant's right will be exercised automatically on such date, unless before such time, the Participant has withdrawn from the Offering Period in accordance with Section 15.

26. General Provisions

- 26.1 Rights As Shareholder. A Participant will become a shareholder with respect to the Subordinate Voting Shares that are purchased pursuant to rights granted under the Plan when the Subordinate Voting Shares are transferred to such Participant's ESPP Account. A Participant will have no rights as a shareholder with respect to Subordinate Voting Shares for which an election to participate in an Offering Period has been made until such Participant becomes a shareholder as provided above.
- 26.2 Successors and Assigns. The Plan shall be binding on the Corporation and its successors and assigns. Rights and obligations under this Plan may be assigned by the Corporation to a successor in the business of the Corporation, any corporation resulting from any amalgamation, reorganization combination, merger or arrangement of the Corporation, or any corporation acquiring all or substantially all of the assets or business of the Corporation.
- 26.3 Rights of Corporation. The provisions contained in this Plan and any rights available hereunder shall not affect in any way the right of the Corporation or its shareholders or Affiliates to take any action, including any change in the Corporation's capital structure or its business, or any acquisition, disposition, amalgamation, combination, merger or consolidation, or the creation or issuance of any bonds, debentures, shares or other securities of the Corporation or of an Affiliate thereof or the determination of the rights and conditions attaching thereto, or the dissolution or liquidation of the Corporation or of any of its Affiliates or any sale or transfer of all or any part of their respective assets or businesses, whether or not any such corporate action or proceeding would have an adverse effect on this Plan or any rights hereunder.
- 26.4 Market Fluctuations. No amount will be paid to, or in respect of, a Participant under this Plan (including any Subordinate Voting Shares that have not been issued), to compensate for a downward fluctuation in the price of the Subordinate Voting

Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation and Administrative Agent make no representations or warranties to the Participants with respect to this Plan or the Subordinate Voting Shares whatsoever. In seeking the benefits of participation in this Plan, a Participant agrees to exclusively accept all risks associated with a decline in the Fair Market Value of the Subordinate Voting Shares and all other risks associated with the rights hereunder. Neither the Corporation, any other Participating Entities or the Administrative Agent shall be liable to any Participant for any loss resulting from a decline in the Fair Market Value of any Subordinate Voting Share purchased by a Participant pursuant to the Plan, any change in the market price of the Subordinate Voting Shares between the time of the Participant's Contribution or the Employer Contribution and the time a purchase of Subordinate Voting Shares using such contributions takes place, as well as any change in the market price of the Subordinate Voting Shares between the time any dividends are paid in respect of the Subordinate Voting Shares, if any, and the time a purchase of Subordinate Voting Shares using such dividends takes place.

- 26.5 Purchase of Shares. To the extent the purchase of Subordinate Voting Shares is not completed within the Purchase Period in respect of a given Offering Period, the purchase of Subordinate Voting Shares shall occur as soon as practicable after such Purchase Period or as part of a subsequent Purchase Period, as determined by the Board. For greater certainty, Section 26.5 shall apply to any failure to complete the purchase of Subordinate Voting Shares in any Purchase Period.
- 26.6 Compliance With Law. The obligations of the Corporation under the Plan are subject to compliance with all applicable laws and regulations. Subordinate Voting Shares shall not be issued with respect to any right granted under the Plan unless the issuance and delivery of the Subordinate Voting Shares pursuant thereto shall comply with all applicable laws and the requirements of any Stock Exchange upon which the Subordinate Voting Shares may then be listed. The Corporation shall have no obligation to issue any Subordinate Voting Shares pursuant to this Plan unless upon official notice of issuance such Subordinate Voting Shares shall have been duly listed with a Stock Exchange. If Subordinate Voting Shares cannot be issued to a Participant due to legal or regulatory restrictions, the obligation of the Corporation to issue such Subordinate Voting Shares shall terminate.
- 26.7 Registration. No Subordinate Voting Shares shall be issued or sold hereunder, where such grant, issue, or sale would require registration of the Plan or of the Subordinate Voting Shares under the securities laws of any foreign jurisdiction (other than Canada and the United States) or the filing of any prospectus for the qualification of same thereunder, and any purported issue or sale of Subordinate Voting Shares hereunder in violation of this provision shall be void.
- 26.8 Quotation of Shares. So long as the Subordinate Voting Shares are listed on one or more Stock Exchanges, the Corporation must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Subordinate Voting Shares purchased under the Plan, however, the Corporation cannot guarantee that such Subordinate Voting Shares will be listed or quoted on any Stock Exchange.

26.9 Effective Date. The Plan shall become effective on March 13, 2017 (the "**Effective Date**").

26.10 Amendment or Termination. Subject to the final sentence of this Section 26.10, the Board may amend, suspend or terminate the Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including the applicable rules, regulations and policies of any Stock Exchange) that require the approval of shareholders of the Corporation or any governmental or regulatory body. The Board may, from time to time, in its absolute discretion and without seeking shareholder approval, make the following amendments (i) any amendment necessary to comply with applicable law or the requirements of the TSX, the NYSE or any other regulatory body; (ii) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan; (iii) any amendment regarding the administration of the Plan; (iv) any amendment to add an insider participation limit; and (v) any other amendment that does not require the approval of the shareholders of the Corporation as provided for under the following sentence. Notwithstanding the foregoing, the Board shall be required to obtain shareholder approval to make the following amendments:

- (a) any amendment increasing the number of Subordinate Voting Shares reserved for issuance under the Plan;
- (b) any amendment lowering the purchase price payable for Subordinate Voting Shares under the Plan;
- (c) any amendment increasing the Employer Contribution;
- (d) any amendment amending the provisions of this Section 26.10;
- (e) any amendment extending eligibility to participate in the Plan to non-Employees: or
- (f) any amendment that is required to be approved by shareholders under applicable laws, regulations or Stock Exchange rules.

Except as expressly set forth in the Plan, no action of the Board may adversely alter or impair the rights that have accrued to a Participant on or prior to the date of amendment, suspension or termination without the consent of the affected Participant.

26.11 Governing Law. This Plan shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

26.12 Withholding. To satisfy any applicable income and/or payroll tax withholding requirement (including with respect to the Employer Contribution), the Corporation may withhold such income and/or payroll taxes from the Participant's Compensation. Each Participating Entity is authorized to deduct or withhold from

any amount payable or credited hereunder such taxes and other amounts as it may be required by applicable law to deduct or withhold and to remit the amounts deducted or withheld to the applicable governmental authority as required by applicable law. If the Participating Entity is required under applicable law to deduct or withhold and remit to the applicable government authority an amount on account of tax in respect of any amount paid hereunder and there is insufficient cash paid hereunder from which to make the required deduction or withholding, the Participant shall: (a) pay to the Participating Entity sufficient cash as is reasonably determined by the Participating Entity to be the amount necessary to permit the required remittance; (b) authorize Participating Entity, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Participating Entity determines, a portion of the Subordinate Voting Shares issued hereunder to realize cash proceeds to be used to satisfy the required tax remittance; or (c) make other arrangements acceptable to the Participating Entity to fund the required tax remittance, including authorizing additional tax withholding from other sources of compensation.

- 26.13 Unfunded and Unsecured Plan. Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of any Participating Entity. No asset of any Participating Entity shall be held in any way as collateral security for the fulfillment of the obligations of the Participating Entities under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Subordinate Voting Shares under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.
- 26.14 Other Employee Benefits. The amount of any compensation deemed to be received by a Participant as a result of participating in the Plan will not constitute compensation with respect to which any other employee benefits of that Participant are determined including benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board in writing.
- 26.15 Tax Consequences. It is the responsibility of the Participant to complete and file any tax returns and pay all taxes that may be required under Canadian, U.S. or other tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Entity shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan. For the avoidance of doubt, the Plan is not intended to qualify as an "employee stock purchase plan" within the meaning of Section 1.423-2(a) of the Treasury Regulations.
- 26.16 Severability. If any provision of the Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed as if such invalid or unenforceable provision were omitted.

* * *



October 10, 2017

Ms. Jodi Butts

Dear Ms. Butts:

Canada Goose Holdings Inc., a company incorporated under the laws of British Columbia and listed on the Toronto Stock Exchange and New York Stock Exchange (the "Company"), is delighted to invite you to join the Board of Directors of the Company and of its wholly-owned subsidiary Canada Goose Inc. (the "Board of Directors") as a director, effective November 1, 2017.

During your service as a director on the Board of Directors, the Company shall pay you an annual retainer fee in the amount of C\$75,000 subject to any applicable withholding taxes (the "Board Fee"), payable at the end of each quarter that you have served as a director on the Board of Directors. In addition to the Board Fee, the Company shall reimburse you for reasonable travel expenses incurred by you in providing service to the Company. The Board Fee shall be prorated for any partial periods of service, and you shall not be entitled to receive any Board Fee for any period after you are no longer serving as a director on the Board of Directors.

In addition, you will receive equity grants under the Company's Long Term Incentive Plan for your service. You will receive an initial grant valued at C\$300,000 expected to be granted after the Company's next earnings release. Such grant will be made in accordance with the Company's policies and procedures and subject to applicable blackout periods. You will be entitled to an annual grant under the Company's Long Term Incentive Plan valued at C\$100,000 ("Annual Equity Grant"). The annual grant will be issued after the release of the Company's annual results and will be prorated to your length of service during your first fiscal year of service on the Board of Directors. All grants are subject to plan terms which may be modified from time to time.

As a condition to the payment of the Board Fee and Annual Equity Grant for your service as a director on the Board of Directors, you acknowledge and agree that you will devote approximately one to two days per month (but not less than one day per month) of your time to providing service to the Company as a director on the Board of Directors.

During your service as a director for the Company, the Company shall maintain a policy for Directors' and Officers' Liability Insurance with coverage that meets or exceeds standard coverage limits for similarly situated companies. Furthermore, the Company hereby agrees to defend, indemnify and hold you harmless for any and all claims, damages, lawsuits or other liabilities, including reasonable attorneys' fees, arising out of your service as a director for the Company.

As a condition to your commencement of service as a director on the Board of Directors and the Company's payment of any Board Fee, you hereby agree to sign the form of confidentiality,

nondisclosure and assignment agreement attached hereto as Exhibit A (the "Confidentiality and Assignment Agreement") on the date of this letter agreement.

Jodi, we very much look forward to working with you. Assuming that this letter is acceptable to you, you may indicate your agreement with the terms of this letter agreement and accept this offer by signing and dating this letter agreement and returning it to the undersigned.

Very truly yours,
CANADA GOOSE HOLDINGS INC.

/s/ Dani Reiss

Dani Reiss
President & Chief Executive Officer

/s/ Ryan Cotton

Ryan Cotton
Director

AGREED:

/s/ Jodi Butts _____

Jodi Butts

Dated: October 24, 2017 _____

EXHIBIT A

CONFIDENTIALITY, NONDISCLOSURE AND ASSIGNMENT AGREEMENT

This **CONFIDENTIALITY, NONDISCLOSURE AND ASSIGNMENT AGREEMENT** (this "**Agreement**") is made and entered into as of October 10, 2017 (the "**Effective Date**") by and between Canada Goose Holdings Inc., a company incorporated under the laws of British Columbia ("**Company**"), and Jodi Butts ("**Director**"). In consideration for, and as a condition of, the Company engaging Director to serve as a director on the Board of Directors of the Company (including, without limitation, the compensation described in that certain letter agreement, dated as of October 10, 2017, to be paid to Director in connection with such service), the Company and Director hereby agree as follows:

1. DEFINITIONS. As used in this Agreement:

1.1 "Company Parties" means the Company and its direct and indirect subsidiaries.

1.2 "Confidential Information" means any and all proprietary information and any business concept including any idea in whatever form, tangible or intangible, related to the business of any of the Company Parties, including, without limitation, trade secrets, technical information, business information, financial information, information relating to any products, services, formulations, strategies, marketing plans, operations, customers, clients, payors, suppliers, vendors, employees, consultants or business associates, and any other confidential or proprietary information. Notwithstanding the foregoing, "Confidential Information" shall not be deemed to include information that is or becomes (other than directly or indirectly as a result of any act or omission of Director) publicly known.

1.3 "Director's Confidential Information" means any and all proprietary information and any proprietary business concepts including any idea in whatever form, tangible or intangible, related to Director's business interests outside of his Services to the Company Parties, including, without limitation, trade secrets, technical information, business information, financial information, industry information, information relating to any products, services, formulations, strategies, marketing plans, operations, customers, clients, payors, suppliers, vendors, employees, consultants or business associates, and any other confidential or proprietary information. Notwithstanding the foregoing, "Confidential Information" shall not be deemed to include information that is or becomes (other than directly or indirectly as a result of any act or omission of Company) publicly known.

1.1 "Intellectual Property" means all Confidential Information, documentation, drawings, ideas, inventions, know-how, materials, works of authorship, and other forms of technology or intellectual property.

1.2 "Intellectual Property Rights" means all copyrights, trademark rights, patent rights, trade secret rights, and other proprietary rights in any jurisdiction.

1.3 "Services" means Director's service to the Company as a director on the Board of Directors of the Company and any other services provided by Director to the Company or any of its direct or indirect subsidiaries during Director's service as a director on the Board of Directors of the Company.

1.4 "Work Product" means (a) all reports, analyses and other writings (including, without limitation, in electronic form or other medium or format) and all other items and work product provided by Director to Company in connection with Director providing the Services, (b) all Intellectual Property, in any stage of development, that Director conceives, creates, develops, or reduces to practice in connection with performing the Services, and (c) all tangible embodiments (including, without limitation, models, presentations, prototypes, reports, samples, and summaries) of each item of such Intellectual Property. Work Product shall not include any Intellectual Property conceived, created, developed or reduced to practice prior to Director's association with the Company or conceived, created, developed or reduced to practice outside of Director's performance of the Services.

2. CONFIDENTIALITY; NONDISCLOSURE. During the term of Director's performance of Services and at all times thereafter, Director will (a) hold all Confidential Information in strict trust and confidence, and (b) refrain from disclosing, using, publishing, furnishing or making accessible or permitting others to disclose, use, publish, furnish or make accessible any Confidential Information to any third party without obtaining Company's express prior written consent. Director will protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Director protects Director's own confidential or proprietary information of a similar nature, and with no less than the greater of reasonable care and industry-standard care. Additionally, Director will be permitted to disclose Confidential Information to the extent that such disclosure is expressly approved in writing by Company, or is required by law or court order, provided that Director immediately notifies Company in writing of such required disclosure and cooperates with Company, at Company's request, in any lawful action to contest or limit the scope of such required disclosure, including, without limitation, filing motions and otherwise making appearances before a court. Director will not remove any tangible embodiment of any Confidential Information from Company's facilities or premises without Company's express prior written consent. Upon Company's request and upon any termination or expiration of the Letter Agreement, Director will promptly (x) return to Company or, if so directed by Company in its discretion, destroy all tangible embodiments of the Confidential Information (in every form and medium), (y) permanently erase all electronic files containing or summarizing any Confidential Information, and (z) certify to Company in writing that Director has fully complied with the foregoing obligations.

3. CONFIDENTIAL INFORMATION OF DIRECTOR. During the term of Director's performance of Services and at all times thereafter, Company will (a) hold all Director's Confidential Information in strict trust and confidence, and (b) refrain from disclosing, using, publishing, furnishing or making accessible or permitting others to disclose, use, publish, furnish or make accessible any Director's Confidential Information to any third party without obtaining Director's express prior written consent. Company will protect the Director's Confidential Information from unauthorized use, access, or disclosure in the same manner as Company protects its own confidential or proprietary information of a similar nature, and with no less than the greater of

reasonable care and industry-standard care. Additionally, Company will be permitted to disclose Director's Confidential Information to the extent that such disclosure is expressly approved in writing by Director, or is required by law or court order, provided that Company immediately notifies Director in writing of such required disclosure and cooperates with Director, at Director's request, in any lawful action to contest or limit the scope of such required disclosure, including, without limitation, filing motions and otherwise making appearances before a court.

1. WORK PRODUCT. Director agrees that all Work Product will be the sole and exclusive property of Company. In performing the Services, Director will not disclose to Company, or use on Company's behalf, any Intellectual Property of any third party. All elements in the Work Product that are protected by copyright are "works made for hire" for which Company is the "author". Company will exclusively own the copyright in all such works upon their creation. To the extent that any aspect of such Work Product is found as a matter of law not to be a "work made for hire" as contemplated above or embody intellectual property other than copyright, Director hereby irrevocably and unconditionally assigns to Company all right, title, and interest worldwide in and to the Work Product and all Intellectual Property Rights thereto. Director understands and agrees that Director has no right to use the Work Product except as necessary to perform the Services for Company. If any Intellectual Property Rights, including, without limitation, moral rights, in the Work Product, cannot (as a matter of law) be assigned by Director to Company as provided above, then (a) Director unconditionally and irrevocably waives the enforcement of such rights and all claims and causes of action of any kind against Company with respect to such rights, and (b) to the extent Director cannot (as a matter of law) make such waiver, Director unconditionally grants to Company an exclusive, perpetual, irrevocable, worldwide, fully-paid license, with the right to sublicense through multiple levels of sublicensees, under any and all such rights (i) to reproduce, create derivative works of, distribute, publicly perform, publicly display, digitally transmit, and otherwise use the Work Product in any medium or format, whether now known or hereafter discovered, (ii) to use, make, have made, sell, offer to sell, import, and otherwise exploit any product or service based on, embodying, incorporating, or derived from the Work Product, and (iii) to exercise any and all other present or future rights in the Work Product.

2. GENERAL PROVISIONS

2.1 Governing Law; Severability. This Agreement is governed by the laws of the province of Ontario and the federal laws of Canada applicable therein, without reference to any conflict of laws principles that would require the application of the laws of any other jurisdiction. If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement will be unimpaired and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.

2.2 Remedies. Director acknowledges that any breach of this Agreement by Director would cause irreparable injury to Company for which monetary damages would not be an adequate remedy and, therefore, Company will be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to preliminary and permanent injunctive relief, specific performance and other equitable relief, without any requirement to post bond. Director acknowledges, however, that no specification in this Agreement of a particular legal or equitable

remedy may be construed as a waiver of, or prohibition against, pursuing other legal or equitable remedies in the event of a breach of this Agreement by Director.

2.3 Waiver. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Any agreement on the part of a party to a waiver of any provision of this Agreement shall be valid only if set forth in writing and signed by such party. No waiver of any term, provision or condition of this Agreement in any one or more instances will be deemed to be, or may be construed as, a further or continuing waiver of any such term, provision or condition.

2.4 Entire Agreement; Amendments; Assignment. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject hereof, and fully supersedes any prior agreements or understandings, both written and oral, between the parties with respect thereto. No change, modification or amendment to this Agreement will be valid unless in writing and signed by the parties to this Agreement. This Agreement and your rights and/or obligations hereunder may not be assigned, delegated or transferred by you (whether voluntarily or involuntarily).

[Signature Page Follows]

1.



IN WITNESS WHEREOF, the parties hereto have duly executed this Confidentiality, Nondisclosure and Assignment Agreement as of the Effective Date.

"COMPANY"

CANADA GOOSE HOLDINGS INC.

By: /s/ Dani Reiss__

Name: Dani Reiss__

Title: President & Chief Executive Officer__

"DIRECTOR"

/s/ Jodi Butts__
Jodi Butts

By: /s/ Ryan Cotton_____

Name: Ryan Cotton_____

Title: Director_____