

## Aritzia Reports Second Quarter 2018 Financial Results

**VANCOUVER, October 5, 2017** — Aritzia Inc. ("Aritzia" or the "Company") (TSX: ATZ), an innovative design house and fashion retailer of exclusive brands, today announced financial results for the second quarter of fiscal 2018.

"We are pleased with our strong financial results for the second quarter as we continued to deliver double digit revenue growth, in addition to significant normalized margin expansion. Our net revenue was driven by our new and expanded stores, meaningful growth in our eCommerce business and continued growth in our comparable store sales," said Brian Hill, Aritzia's Founder, Chief Executive Officer and Chairman.

Mr. Hill added, "Looking ahead, I believe we remain well positioned to deliver significant growth as we continue to focus on identifying premier locations, meaningfully growing our eCommerce business, and consistently delivering product that our customers want. We plan to support our long term growth objectives through strategic investments in technology, infrastructure and talent. Overall we see continued momentum in our business and are pleased with the progress we are making on executing our strategic initiatives which keeps us on track to achieve our stated 2021 performance targets."

*Unless otherwise indicated, all amounts are expressed in Canadian dollars. Certain metrics, including those expressed on an adjusted or comparable basis, are non-IFRS measures. See "Non-IFRS Measures including Retail Industry Metrics" and "Selected Consolidated Financial Information" further below.*

### Highlights for the Second Quarter

- Net revenue increased by 10.2% to \$174.0 million from \$157.9 million in Q2 last year
- Comparable sales growth was 5.4%, following 16.4% growth in Q2 last year
- Gross profit margin was 36.3% during the quarter. Continued improvement in product costs and lower markdowns were partially offset by additional straight-line rent expense from the new Vancouver distribution centre under construction, as well as rent expense related to flagship stores not yet open during the quarter. Excluding these items, gross profit margin for Q2 was 37.4%, compared to 35.9% in Q2 last year
- Adjusted EBITDA increased by 4.5% to \$20.7 million from \$19.8 million in Q2 last year. Included in Adjusted EBITDA are the straight-line rent expense related to the new distribution centre and flagship stores not yet opened during the quarter, along with unrealized operational foreign exchange losses. Excluding these items, Adjusted EBITDA increased by 23.0% to \$24.3 million from \$19.8 million in Q2 last year
- Net income increased to \$5.0 million, compared to a net loss of \$67.3 million in Q2 last year
- Adjusted Net Income increased by 11.8% to \$10.4 million, or \$0.09 per diluted share (treasury stock method<sup>(1)</sup>), from \$9.3 million or \$0.08 per diluted share (treasury stock method<sup>(2)</sup>), in Q2 last year. Included in Adjusted Net Income are the straight-line rent expense related to the new distribution centre and flagship stores not yet opened during the quarter, along with unrealized operational foreign exchange losses, and related tax effects. Excluding these items, Adjusted Net Income increased by 39.2% to \$13.0 million, or \$0.11 per diluted share (treasury stock method<sup>(1)</sup>), compared to \$9.4 million, or \$0.08 per diluted share (treasury stock method<sup>(2)</sup>), in Q2 last year
- The Company opened two new stores (Rush Street in Chicago and Babaton Yorkdale in Greater Toronto) and expanded one store (Square One in Greater Toronto) during the second quarter of fiscal 2018

(1) Adjusted Net Income per diluted share for Q2 2018 and YTD 2018 is a non-IFRS measure and is calculated by dividing Adjusted Net Income by the total number of outstanding shares plus the total number of dilutive share options that would be included under the treasury stock method as at August 27, 2017 (or 116,745,179 diluted shares). For reconciliation of diluted shares to a reported measure, please see "Selected Consolidated Financial Information" below.

(2) The Company effected changes to its share capital in connection with the Initial Public Offering ("IPO") completed in Q3 2017. For comparative purposes, Adjusted Net Income per diluted share for Q2 2017 and YTD 2017 is based on the same diluted share count as Adjusted Net Income per diluted share for Q2 2018 and YTD 2018, respectively.

## Second Quarter Results

*All comparative figures below are for the 13-week period ended August 27, 2017, compared to the 13-week period ended August 28, 2016.*

**Net revenue** increased by 10.2% to \$174.0 million from \$157.9 million in the second quarter last year. The increase was primarily driven by the revenue from eight new store openings and four expanded or repositioned stores since the second quarter of fiscal 2017, as well as comparable sales growth of 5.4%. Comparable sales growth was supported by continued momentum in the Company's eCommerce business and positive in-store performance.

**Gross profit** increased by 11.4% to \$63.1 million, or 36.3% of net revenue, compared to \$56.7 million, or 35.9% of net revenue, in the second quarter last year. Continued improvement in product costs and lower markdowns were partially offset by straight-line rent expense from the new Vancouver distribution centre, which is under construction, as well as rent expense related to flagship stores not yet open during the quarter. Excluding the impact of the straight-line rent expense related to these activities, gross profit margin was 37.4% in the quarter.

**Selling, general and administrative ("SG&A") expenses** decreased by 4.0% to \$44.6 million compared to \$46.4 million in the second quarter last year. The second quarter of last year included \$4.6 million of costs related to the Company's IPO. Excluding these costs, SG&A was \$41.8 million in the second quarter last year. This increase in SG&A dollars during the quarter was primarily due to variable selling expenses driven by higher sales volume and investments in information technology. SG&A for the quarter was 25.6% of net revenue, compared to a normalized 26.5% in the second quarter last year after excluding IPO-related costs.

**Other expenses, net** were \$6.4 million, primarily driven by the significant strengthening of the Canadian dollar during the quarter, compared to \$0.1 million in the second quarter last year. Other expenses, net this quarter primarily relate to realized operational foreign exchange losses of \$0.5 million, realized foreign exchange losses on U.S. dollar forward contracts of \$1.1 million, unrealized operational foreign exchange losses of \$1.7 million and unrealized foreign exchange losses on U.S. dollar forward contracts of \$3.2 million.

**Adjusted EBITDA** increased by 4.5% to \$20.7 million, or 11.9% of net revenue, compared to \$19.8 million, or 12.5% of net revenue, in the second quarter last year. Adjusted EBITDA in the quarter excludes stock-based compensation expense of \$3.0 million and unrealized foreign exchange losses on U.S. dollar forward contracts of \$3.2 million. Adjusted EBITDA for the second quarter last year excludes stock-based compensation expense of \$90.9 million, IPO-related costs of \$4.6 million, and unrealized foreign exchange losses on U.S. dollar forward contracts of \$0.4 million.

Included in Adjusted EBITDA are the straight-line rent expense related to the new distribution centre and flagship stores not yet opened during the second quarter of 2018 of \$1.9 million, unrealized operational foreign exchange losses of \$1.7 million in the quarter and gains of \$0.1 million in the second quarter last year. Excluding these items, Adjusted EBITDA increased by 23.0% to \$24.3 million, or 14.0% of net revenue, compared to \$19.8 million, or 12.5% of net revenue, in the second quarter last year.

**Stock-based compensation expense** was \$3.0 million, consisting of \$0.6 million in expenses related to the accounting for options under the legacy option plan and \$2.4 million in expenses primarily related to the accounting of options under the new option plan.

**Net income** for the quarter was \$5.0 million, compared to a net loss of \$67.3 million in the second quarter last year, primarily due to the factors discussed above.

**Adjusted Net Income** increased by 11.8% to \$10.4 million, or \$0.09 per diluted share (treasury stock method<sup>(1)</sup>), compared to Adjusted Net Income of \$9.3 million, or \$0.08 per diluted share (treasury stock method<sup>(2)</sup>), in the second quarter last year. Adjusted Net Income excludes the impact of stock-based compensation expense, unrealized foreign exchange losses/gains on U.S. dollar forward contracts and other non-recurring items, net of related tax effects.

Included in Adjusted Net Income are the straight-line rent expense related to the new distribution centre and flagship stores not yet opened during the quarter of \$1.9 million, unrealized operational foreign exchange losses of \$1.7 million in the quarter and gains of \$0.1 million in the second quarter last year, and related tax effects.

Excluding these items, Adjusted Net Income increased by 39.2% to \$13.0 million, or \$0.11 per diluted share (treasury stock method<sup>(1)</sup>), compared to \$9.4 million, or \$0.08 per diluted share (treasury stock method<sup>(2)</sup>), in the second quarter last year.

## Year-to-Date Results

*All comparative figures below are for the 26-week period ended August 27, 2017, compared to the 26-week period ended August 28, 2016.*

**Net revenue** increased by 12.2% to \$319.0 million from \$284.3 million in the prior year. The increase was primarily driven by comparable sales growth of 7.1%, driven by continued momentum in the Company's eCommerce business and positive in-store performance, as well as the revenue from non-comparable stores.

**Gross profit** increased by 11.9% to \$120.7 million, or 37.8% of net revenue, compared to \$107.9 million, or 37.9% of net revenue, in the prior year. Continued improvement in product costs and lower markdowns were partially offset by straight-line rent expense from the new Vancouver distribution centre, which is under construction, as well as rent expense related to flagship stores not yet open during the period. Excluding the impact of the straight-line rent expense related to these activities, gross profit margin was 38.8% in this period.

**SG&A expenses** increased by 5.7% to \$85.4 million, compared to \$80.8 million in the prior year. Excluding the impact of the IPO-related costs of approximately \$4.6 million incurred in the second quarter last year, SG&A expenses, as a percentage of net revenue, were flat at 26.8% compared to the prior year.

**Other expenses, net** were \$4.2 million, primarily driven by the significant strengthening of the Canadian dollar during the second quarter of fiscal 2018, compared to \$0.2 million in the prior year. Other expenses, net this year primarily relate to realized operational foreign exchange losses of \$0.5 million, realized foreign exchange losses on U.S. dollar forward contracts of \$0.7 million, unrealized operational foreign exchange losses of \$0.9 million and unrealized foreign exchange losses on U.S. dollar forward contracts of \$2.4 million.

**Adjusted EBITDA** increased by 11.8% to \$44.7 million, or 14.0% of net revenue, as compared to \$40.0 million, or 14.1% of net revenue, in the prior year.

Included in Adjusted EBITDA are the straight-line rent expense related to the new distribution centre and flagship stores not yet opened during the period of \$3.2 million, unrealized operational foreign exchange losses of \$0.9 million in the period and losses of \$0.7 million in the prior year. Excluding these items, Adjusted EBITDA increased by 20.1% to \$48.8 million, or 15.3% of net revenue, compared to \$40.6 million, or 14.3% of net revenue, in the prior year.

**Stock-based compensation expense** was \$7.7 million, consisting of \$2.9 million in expenses related to the accounting for options under the legacy option plan and \$4.8 million in expenses primarily related to the accounting of options under the new option plan.

**Net income** was \$13.1 million, compared to a net loss of \$59.5 million in the prior year, primarily due to the factors discussed above.

**Adjusted Net Income** increased by 20.9% to \$22.9 million, or \$0.20 per diluted share (treasury stock method<sup>(1)</sup>), compared to Adjusted Net Income of \$18.9 million, or \$0.16 per diluted share (treasury stock method<sup>(2)</sup>), in the prior year.

Included in Adjusted Net Income are the straight-line rent expense related to the new distribution centre and flagship stores not yet opened during the period of \$3.2 million, unrealized operational foreign exchange losses of \$0.9 million in the period and losses of \$0.7 million in the prior year, and related tax effects. Excluding these items, Adjusted Net Income increased by 31.7% to \$25.7 million, or \$0.22 per diluted share (treasury stock method<sup>(1)</sup>), compared to \$19.5 million, or \$0.17 per diluted share (treasury stock method<sup>(2)</sup>), in the prior year.

## Outlook

The Company remains pleased with the performance of its new fall product which is being well received among customers. At the start of the third quarter, comparable sales were trending higher than in the second quarter until the unseasonably warm weather across the continent arrived in the latter half of September. The resulting pressure on outerwear sales impacted comparable sales growth such that third quarter to date, comparable sales are trending slightly below that of the second quarter. However, based on product trends to date, the Company currently expects sales to regain the prior momentum once seasonable weather patterns return.

The Company has already opened one new store in the third quarter, a Babaton store in Vancouver's Pacific Centre Mall, and expanded an Aritzia store in Toronto Eaton Centre Mall. In addition, the Company currently plans to open two new stores and expand or reposition three to four existing locations through the remainder of fiscal 2018. This includes the repositioning of an existing San Francisco location into a flagship store on Market Street.

For the remainder of fiscal 2018, the Company intends to continue making meaningful strategic investments in infrastructure and technology, as well as people – where it believes there are unprecedented opportunities to recruit exceptional talent. The Company believes these investments will position Aritzia to meet and/or exceed all of its five-year growth targets.

For additional information, please see the "Outlook" section of the Management's Discussion and Analysis for the second quarter ended August 27, 2017.

## Conference Call

A conference call to discuss second quarter results is scheduled for Thursday, October 5, 2017, at 1:30 p.m. PDT / 4:30 p.m. EDT. A replay will be available shortly after the conclusion of the call and will remain available until October 19<sup>th</sup>, 2017. To access the replay, please dial 1-855-669-9658 and use replay access code 1711. A live and archived webcast will be available and will remain on Aritzia's investor relations website at [investors.aritzia.com](http://investors.aritzia.com) for 30 days.

## About Aritzia

Aritzia is an innovative design house and fashion retailer of exclusive brands. The Company designs apparel and accessories for its collection of exclusive brands and sells them under the Aritzia banner. The Company's expansive and diverse range of women's fashion apparel and accessories addresses a broad range of style preferences and lifestyle requirements. Aritzia is well known and deeply loved by its customers in Canada with growing customer awareness and affinity in the United States and outside of North America. Aritzia aims to delight its customers through an aspirational shopping experience and exceptional customer service that extends across its more than 80 retail stores and our eCommerce business, [aritzia.com](http://aritzia.com).

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## Non-IFRS Measures including Retail Industry Metrics

This press release makes reference to certain non-IFRS measures including certain retail industry metrics. These measures are not recognized measures under IFRS do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "EBITDA", "Adjusted EBITDA", "Adjusted Net Income", "Adjusted Net Income per diluted share", and "gross profit margin". This press release also makes reference to "comparable sales growth", which is a commonly used operating metric in the retail industry but may be calculated differently compared to other retailers. Beginning Q1 2018, we changed our calculation methodology by applying the prior year's average quarterly exchange rate to both current year and prior year comparable sales to achieve a consistent basis for comparison. Prior to Q1 2018, comparable sales growth was calculated using a U.S. dollar to Canadian dollar exchange rate of 1:1. These non-IFRS measures including retail industry metrics are used to provide investors with supplemental measures of our operating performance and thus

highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures including retail industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures including retail industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Definitions and reconciliations of non-IFRS measures to the relevant reported measures can be found in our MD&A. Such reconciliations can also be found in this press release under the heading “Selected Consolidated Financial Information”.

## **Forward-Looking Information**

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements may relate to our future financial outlook and anticipated events or results and include, but are not limited to, expectations regarding industry trends, overall market growth rates, our growth rates and growth strategies, expectations regarding our capital expenditures, operations and use of future cash flow, our financial position, financial results, business plans and strategies, expectations regarding brand expansions, expectations regarding eCommerce growth, expectations regarding new store openings and the expansion and repositioning of existing stores, our ability to recruit exceptional talent, our belief that our business model will enable us to deliver consistent sales and profitability growth and in turn, increase shareholder value over the long term and intentions with respect to the implementation of new accounting standards and other statements that are not historical facts. Particularly, information regarding our expectations of future results, targets, performance achievements, prospects or opportunities is forward-looking information. As the context requires, this may include certain targets as disclosed in the prospectus for our initial public offering, which are based on the factors and assumptions, and subject to the risks, as set out therein and herein. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “may” “will”, “expect”, “believe”, “estimate”, “plan”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue” or the negative of these terms or variations of them or similar terminology. Forward-looking statements are made current as of the date they are made and are based on applicable estimates and assumptions made by us at the relevant time in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances. However, we do not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. There can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in the “Risk Factors” section of the Company’s annual information form dated May 10, 2017 for the fiscal year ended February 26, 2017 (the “AIF”). A copy of the AIF and the Company’s other publicly filed documents can be accessed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com). The Company cautions that the list of risk factors and uncertainties described in the AIF is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.

## Selected Consolidated Financial Information

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS:

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)

	Q2 2018 13 weeks		Q2 2017 13 weeks		YTD 2018 26 weeks		YTD 2017 26 weeks	
<b>Net revenue</b>	\$ 173,968	100.0%	\$ 157,918	100.0%	\$ 319,014	100.0%	\$ 284,325	100.0%
<b>Cost of goods sold</b>	110,838	63.7%	101,247	64.1%	198,346	62.2%	176,443	62.1%
Gross profit	63,130	36.3%	56,671	35.9%	120,668	37.8%	107,882	37.9%
<b>Operating expenses</b>								
Selling, general and administrative	44,572	25.6%	46,411	29.4%	85,415	26.8%	80,838	28.4%
Stock-based compensation expense	3,044	1.7%	90,946	57.6%	7,711	2.4%	94,666	33.3%
<b>Income (loss) from operations</b>	15,514	8.9%	(80,686)	(51.1%)	27,542	8.6%	(67,622)	(23.8%)
Finance expense	1,382	0.8%	2,274	1.4%	2,648	0.8%	4,558	1.6%
Other expenses, net	6,420	3.7%	145	0.1%	4,194	1.3%	178	0.1%
<b>Income (loss) before income taxes</b>	7,712	4.4%	(83,105)	(52.6%)	20,700	6.5%	(72,358)	(25.4%)
Income tax expense (recovery)	2,722	1.6%	(15,817)	(10.0%)	7,581	2.4%	(12,818)	(4.5%)
<b>Net income (loss)</b>	\$ 4,990	2.9%	\$ (67,288)	(42.6%)	\$ 13,119	4.1%	\$ (59,540)	(20.9%)
<b>Other Performance Measures:</b>								
Year-over-year net revenue growth	10.2%		30.1%		12.2%		29.4%	
Comparable sales growth	5.4%		16.4%		7.1%		14.7%	
Capital expenditures	\$ 12,968		\$ 6,142		\$ 29,418		\$ 13,222	
Number of stores, end of period	83		75		83		75	
New stores added	2		1		4		1	
Stores expanded or repositioned	1		1		2		3	

### RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA:

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)

	Q2 2018 13 weeks		Q2 2017 13 weeks		YTD 2018 26 weeks		YTD 2017 26 weeks	
Net income (loss)	\$ 4,990		\$ (67,288)		\$ 13,119		\$ (59,540)	
Depreciation and amortization	5,379		4,709		10,854		9,284	
Finance expense	1,382		2,274		2,648		4,558	
Income tax expense (recovery)	2,722		(15,817)		7,581		(12,818)	
<b>EBITDA</b>	14,473		(76,122)		34,202		(58,516)	
Adjustments to EBITDA:								
Stock-based compensation expense	3,044		90,946		7,711		94,666	
Unrealized foreign exchange loss (gain) on forward contracts	3,183		385		2,379		(794)	
IPO costs	-		4,600		-		4,600	
Other non-recurring items <sup>(1)</sup>	-		-		361		-	
<b>Adjusted EBITDA</b>	\$ 20,700		\$ 19,809		\$ 44,653		\$ 39,956	
<b>Adjusted EBITDA as a Percentage of Net Revenue</b>	11.9%		12.5%		14.0%		14.1%	
<b>Reconciliation of Net Income (Loss) to Adjusted Net Income:</b>								
Net income (loss)	\$ 4,990		\$ (67,288)		\$ 13,119		\$ (59,540)	
Adjustments to net income (loss):								
Stock-based compensation expense	3,044		90,946		7,711		94,666	
Unrealized foreign exchange loss (gain) on forward contracts	3,183		385		2,379		(794)	
IPO costs	-		4,600		-		4,600	
Other non-recurring items <sup>(1)</sup>	-		-		361		-	
Related tax effects	(837)		(19,362)		(720)		(20,031)	
<b>Adjusted Net Income</b>	\$ 10,380		\$ 9,281		\$ 22,850		\$ 18,901	
<b>Adjusted Net Income as a Percentage of Net Revenue</b>	6.0%		5.9%		7.2%		6.6%	
<b>Adjusted Net Income per Diluted Share<sup>(2)(3)</sup></b>	\$ 0.09		\$ 0.08		\$ 0.20		\$ 0.16	

## Notes:

- (1) Other non-recurring items include separation costs related to a senior Company executive departure.
- (2) Adjusted Net Income per diluted share for Q2 2018 and YTD 2018 is a non-IFRS measure and is calculated by dividing Adjusted Net Income by the total number of outstanding shares plus the total number of dilutive share options that would be included under the treasury stock method as at August 27, 2017 (or 116,745,179 diluted shares). For reconciliation of diluted shares to a reported measure, please see below.
- (3) The Company effected changes to its share capital in connection with the IPO completed in Q3 2017. For comparative purposes, Adjusted Net Income per diluted share for Q2 2017 and YTD 2017 is based on the same diluted share count as Adjusted Net Income per diluted share for Q2 2018 and YTD 2018, respectively.

**RECONCILIATION OF DILUTED SHARES TO SHARES OUTSTANDING**  
**(for purposes of Adjusted Net Income per diluted share):**

<i>(Unaudited)</i>	<b>Q2 2018 13 weeks</b>	<b>YTD 2018 26 weeks</b>
Weighted average number of basic shares outstanding	109,593,759	109,238,499
Adjustment to account for difference in weighted average number of shares outstanding and actual number of shares outstanding	605,740	961,000
Total number of shares outstanding	110,199,499	110,199,499
Dilutive share options under the treasury stock method	6,545,680	6,545,680
Total number of diluted shares for purposes of Adjusted Net Income per diluted share	116,745,179	116,745,179

**CONDENSED INTERIM CONSOLIDATED CASH FLOWS:**

<i>(Unaudited, in thousands of Canadian dollars)</i>	<b>Q2 2018 13 weeks</b>	<b>Q2 2017 13 weeks</b>	<b>YTD 2018 26 weeks</b>	<b>YTD 2017 26 weeks</b>
<b>Cash Flows:</b>				
Net cash generated from operating activities	\$ 8,966	\$ 7,660	\$ 3,331	\$ 21,321
Net cash generated from (used in) financing activities	2,580	(196)	2,903	(361)
Net cash used in investing activities	(12,968)	(6,142)	(29,418)	(13,222)
Effect of exchange rate changes on cash and cash equivalents	(263)	(7)	(181)	(17)
(Decrease) increase in cash and cash equivalents	\$ (1,685)	\$ 1,315	\$ (23,365)	\$ 7,721

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION:**
*(Unaudited, in thousands of Canadian dollars)*

	<b>As at August 27, 2017</b>	<b>As at February 26, 2017</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 56,162	\$ 79,527
Accounts receivable	1,381	2,624
Income taxes recoverable	5,655	-
Prepaid expenses and other current assets	13,203	12,743
Inventory	97,164	74,184
Total current assets	173,565	169,078
<b>Property and equipment</b>	111,217	95,695
<b>Intangible assets</b>	59,617	58,484
<b>Goodwill</b>	151,682	151,682
<b>Other assets</b>	1,878	2,052
<b>Deferred tax assets</b>	9,502	9,854
Total assets	\$ 507,461	\$ 486,845
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 64,542	\$ 50,484
Income taxes payable	256	19,222
Current portion of lease obligations	462	766
Current portion of long-term debt	15,296	15,288
Deferred revenue	14,953	15,749
Total current liabilities	95,509	101,509
<b>Other non-current liabilities</b>	51,931	47,711
<b>Deferred tax liabilities</b>	15,715	16,555
<b>Lease obligations</b>	165	983
<b>Long-term debt</b>	118,542	118,479
Total liabilities	281,862	285,237
<b>Shareholders' equity</b>		
Share capital	147,159	131,853
Contributed surplus	84,437	88,612
Retained earnings (deficit)	(5,361)	(18,480)
Accumulated other comprehensive loss	(636)	(377)
Total shareholders' equity	225,599	201,608
Total liabilities and shareholders' equity	\$ 507,461	\$ 486,845