

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This preliminary short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This preliminary short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

**Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the President and Corporate Secretary of Aritzia Inc. at Suite 118 – 611 Alexander Street, Vancouver, British Columbia, Canada, V6A 1E1, telephone: (604) 251-3132, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PRELIMINARY SHORT FORM PROSPECTUS

Secondary Offering

July 23, 2018

# ARITZIA

## ARITZIA INC.

\$100,127,500

### 6,050,000 Subordinate Voting Shares

This preliminary short form prospectus qualifies the distribution (the "**Offering**") of an aggregate of 6,050,000 subordinate voting shares (the "**Subordinate Voting Shares**") of Aritzia Inc. (the "**Company**", "**Aritzia**", "**us**", "**we**" or "**our**") by Canada Retail Holdings, L.P. (as successor in interest to CanLux AB Investments One S.à r.l.), an investment vehicle managed by Berkshire Partners LLC (the "**Berkshire Shareholder**"), and Sweet Park Holdings Inc., an entity indirectly controlled by Aldo Bensadoun, one of our directors (the "**Bensadoun Shareholder**", and together with the Berkshire Shareholder, the "**Selling Shareholders**"), at a price of \$16.55 per Subordinate Voting Share (the "**Offering Price**"). **We will not receive any of the proceeds from the Offering.** See "Plan of Distribution" and "Selling and Principal Shareholders".

We have two classes of issued and outstanding shares: Subordinate Voting Shares which are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**"), and multiple voting shares (the "**Multiple Voting Shares**" and, together with the Subordinate Voting Shares, the "**Shares**"). All of the issued and outstanding Multiple Voting Shares are, directly or indirectly, held or controlled by the Berkshire Shareholder and AHI Holdings Inc., an entity controlled by Brian Hill, our Founder, Chief Executive Officer and Chairman (together with its affiliates, the "**Hill Shareholder**", and together with the Berkshire Shareholder and their respective Permitted Holders (as defined in the Investor Rights Agreement referenced below), the "**Principal Shareholders**"). The terms and conditions of the Subordinate Voting Shares and the Multiple Voting Shares are substantially identical with the exception of the voting and conversion rights attached to the Multiple Voting Shares. In addition, holders of the Multiple Voting Shares are entitled to certain contractual pre-emptive rights to subscribe for additional Multiple Voting Shares provided for in an investor rights agreement entered into among us and the Principal Shareholders (the "**Investor Rights Agreement**"). Each Subordinate Voting Share is entitled to one vote and each Multiple Voting Share is entitled to 10 votes on all matters upon which the holders of Shares are entitled to vote. The Multiple Voting Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. The holders of Subordinate Voting Shares benefit from "coattail" provisions that give

them certain rights in the event of a take-over bid for the Multiple Voting Shares. The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable securities laws in Canada. We are exempt from the requirements of Section 12 of National Instrument 41-101 – *General Prospectus Requirements* on the basis that the Subordinate Voting Shares were distributed under a previous prospectus that was filed by Aritzia at a time when we were a private issuer.

The Berkshire Shareholder currently holds 31,218,653 Multiple Voting Shares, representing approximately 27.6% of our issued and outstanding Shares and approximately 50.8% of the voting power attached to all outstanding Shares. Upon completion of the Offering and assuming no exercise of the Over-Allotment Option (as defined herein), the Berkshire Shareholder will, directly or indirectly, own or control approximately 22.4% of the issued and outstanding Shares and approximately 45.1% of the voting power attached to all of the Shares (approximately 21.6% and 44.1%, respectively, if the Over-Allotment Option is exercised in full).

The Bensadoun Shareholder currently holds 1,754,120 Subordinate Voting Shares, representing approximately 1.6% of our issued and outstanding Shares and approximately 0.3% of the voting power attached to all outstanding Shares. Upon completion of the Offering and assuming no exercise of the Over-Allotment Option (as defined herein), the Bensadoun Shareholder will, directly or indirectly, own or control approximately 1.4% of the issued and outstanding Shares and approximately 0.3% of the voting power attached to all of the Shares (approximately 1.4% and 0.3%, respectively, if the Over-Allotment Option is exercised in full).

The Hill Shareholder currently holds 24,828,049 Shares, representing approximately 22.0% of our issued and outstanding Shares and approximately 40.0% of the voting power attached to all outstanding Shares. The Hill Shareholder will not be participating in the Offering, but, as a result of the Offering, the voting power attached to the 24,828,049 Shares owned or controlled, directly or indirectly, by the Hill Shareholder, will increase from 40.0% to approximately 43.7% (from 40.0% to approximately 44.4% if the Over-Allotment Option is exercised in full). Consequently, the Principal Shareholders will have significant influence over us and our affairs. See “Selling and Principal Shareholders” and “Risk Factors”.

The outstanding Subordinate Voting Shares are listed and posted for trading on the TSX under the trading symbol “ATZ”. On July 20, 2018, the last full trading day prior to the filing of this short form prospectus, the closing price of the Subordinate Voting Shares on the TSX was \$16.08 per Subordinate Voting Share.

CIBC World Markets Inc. (“**CIBC Capital Markets**”) and RBC Dominion Securities Inc. (“**RBC**”, and collectively with CIBC Capital Markets, the “**Joint Bookrunners**”) and Merrill Lynch Canada Inc. (“**Merrill**”), BMO Nesbitt Burns Inc. (“**BMO**”), Scotia Capital Inc. (“**Scotia**”), TD Securities Inc. (“**TD**”), Canaccord Genuity Corp. and Haywood Securities Inc. (together with the Joint Bookrunners, the “**Underwriters**”) have agreed to purchase the Subordinate Voting Shares qualified under this short form prospectus from the Selling Shareholders subject to the terms and conditions set forth in an underwriting agreement dated July 23, 2018 among us, the Selling Shareholders and the Underwriters (the “**Underwriting Agreement**”) referred to under “Plan of Distribution”. Subject to applicable laws and in connection with this Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

## Price: \$16.55 per Subordinate Voting Share

	Price to the Public	Underwriters’ Commission	Net Proceeds to the Selling Shareholders <sup>(2)</sup>
Per Subordinate Voting Share .....	\$ 16.55 <sup>(1)</sup>	\$ 0.662	\$ 15.888
Total Offering <sup>(3)</sup> .....	\$100,127,500	\$4,005,100	\$96,122,400

(1) The Offering Price was determined by negotiation between the Selling Shareholders and the Underwriters with reference to the market price of the Subordinate Voting Shares.

(2) After deducting the aggregate Underwriters’ commission payable by the Selling Shareholders. In accordance with the terms of the Registration Rights Agreement (as defined herein), we will bear all reasonable expenses of the Offering (excluding the Underwriters’ commission), estimated at \$400,000. See “Proceeds to the Selling Shareholders”.

- (3) The Underwriters have been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from the closing of the Offering (the “**Closing**”), to purchase from the Berkshire Shareholder up to an aggregate of 907,500 additional Subordinate Voting Shares (representing 15.0% of the Subordinate Voting Shares offered hereunder), on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). The Berkshire Shareholder will pay the Underwriters’ commission in respect of Subordinate Voting Shares sold by it hereunder if the Over-Allotment Option is exercised. The amounts included in the table above assume no exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Underwriters’ Commission” and “Net Proceeds to the Selling Shareholders” will be \$115,146,625, \$4,605,865 and \$110,540,760, respectively. This short form prospectus qualifies both the grant of the Over-Allotment Option and the distribution of the Subordinate Voting Shares upon exercise of the Over-Allotment Option. A purchaser who acquires Subordinate Voting Shares forming part of the Underwriters’ over-allocation position acquires those shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution” and “Selling and Principal Shareholders”.

The following table sets out the number of Subordinate Voting Shares that may be sold by the Berkshire Shareholder to the Underwriters pursuant to the Over-Allotment Option:

<u>Underwriters’ Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option . . . . .	907,500 Subordinate Voting Shares	For a period of 30 days after the Closing Date (as defined herein)	\$16.55 per Subordinate Voting Share

**An investment in the Subordinate Voting Shares is subject to a number of risks that should be considered by a prospective purchaser. Prospective investors should carefully consider the risk factors described under “Risk Factors” before purchasing the Subordinate Voting Shares.**

The Underwriters, as principals, conditionally offer the Subordinate Voting Shares, subject to prior sale, if, as and when sold and delivered by the Selling Shareholders and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on our behalf by Stikeman Elliott LLP and on behalf of the Underwriters by Blake, Cassels and Graydon LLP. **The Underwriters may offer the Subordinate Voting Shares at a lower price than stated above. See “Plan of Distribution”.**

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that the Closing will occur on or about August 7, 2018, or such later date as we, the Selling Shareholders and the Underwriters may agree, but in any event not later than September 10, 2018 (the “**Closing Date**”). The Offering will be conducted under the book-based system. A purchaser of Subordinate Voting Shares will receive only a customer confirmation from the registered dealer from or through which the Subordinate Voting Shares are purchased and who is a CDS Clearing and Depository Services Inc. (“**CDS**”) depository service participant. No certificates will be issued to purchasers except in certain limited circumstances, and registration will be made in the depository service of CDS. See “Plan of Distribution – Non-Certificated Inventory System”.

**CIBC Capital Markets, RBC, Merrill, BMO, Scotia and TD are affiliates of banks or financial institutions that are members of one or more syndicates of lenders that have made credit facilities available to our subsidiaries. Accordingly, in connection with the Offering and pursuant to applicable securities legislation, we may be considered a “connected issuer” with such Underwriters for the purposes of securities regulations in certain provinces and territories of Canada. See “Description of Material Indebtedness” and “Plan of Distribution – Relationship Between Us and the Underwriters”.**

Our head office is located at Suite 118 – 611 Alexander Street, Vancouver, British Columbia, Canada, V6A 1E1 and our registered office is located at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

## TABLE OF CONTENTS

ABOUT THIS PROSPECTUS .....	1
DOCUMENTS INCORPORATED BY REFERENCE .....	1
EXCHANGE RATE DATA .....	2
PRESENTATION OF FINANCIAL INFORMATION .....	2
FORWARD-LOOKING INFORMATION .....	3
TRADEMARKS AND TRADENAMES .....	6
THE BUSINESS OF ARITZIA .....	6
DESCRIPTION OF MATERIAL INDEBTEDNESS .....	7
CONSOLIDATED CAPITALIZATION .....	7
PRIOR SALES .....	8
MARKET FOR SECURITIES AND TRADING PRICE AND VOLUME .....	8
PROCEEDS TO THE SELLING SHAREHOLDERS .....	8
SELLING AND PRINCIPAL SHAREHOLDERS .....	9
PLAN OF DISTRIBUTION .....	10
RISK FACTORS .....	13
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	13
ELIGIBILITY FOR INVESTMENT .....	15
LEGAL MATTERS .....	17
LEGAL PROCEEDINGS .....	17
AUDITOR, TRANSFER AGENT AND REGISTRAR .....	17
ENFORCEMENT OF JUDGEMENTS AGAINST FOREIGN PERSONS .....	17
EXEMPTIONS FROM NATIONAL INSTRUMENT 44-101 .....	17
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION .....	18
CERTIFICATE OF THE ISSUER .....	C-1
CERTIFICATE OF THE UNDERWRITERS .....	C-2

## ABOUT THIS PROSPECTUS

Unless otherwise noted or the context otherwise indicates, the "Company", "Aritzia", "us", "we" or "our" refer to Aritzia Inc. and its direct and indirect subsidiaries and predecessors or other entities controlled by it or them. Unless otherwise indicated, the disclosure contained in this short form prospectus assumes that the Over-Allotment Option has not been exercised.

An investor should rely only on the information contained in this short form prospectus and the information incorporated by reference in this short form prospectus. Neither we, the Selling Shareholders nor any of the Underwriters have authorized anyone to provide investors with additional or different information. The information contained on *aritzia.com* is not intended to be included in or incorporated by reference into this short form prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Subordinate Voting Shares. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this short form prospectus or the information incorporated by reference in this short form prospectus are intended only to illustrate past performance and are not necessarily indicative of our future performance or that of any other entity. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus or the date indicated, regardless of the time of delivery of this short form prospectus or of any sale of the Subordinate Voting Shares.

The Selling Shareholders and the Underwriters are not offering to sell the Subordinate Voting Shares in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside Canada, neither we, the Selling Shareholders nor any of the Underwriters have done anything that would permit the Offering or possession or distribution of this short form prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this short form prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the President and Corporate Secretary of Aritzia Inc. at Suite 118 – 611 Alexander Street, Vancouver, British Columbia, Canada, V6A 1E1, telephone: (604) 251-3132, and are also available electronically at [www.sedar.com](http://www.sedar.com).

Our following documents, filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual information form of the Company dated May 10, 2018 for its fiscal year ended February 25, 2018 (the "**AIF**");
- (b) the management information circular of the Company dated May 25, 2018 relating to the annual meeting of shareholders of the Company held on July 10, 2018;
- (c) the audited consolidated financial statements of the Company for the fiscal years ended February 25, 2018 and February 26, 2017;
- (d) the management's discussion and analysis of our financial condition and results of operations for the fiscal year ended February 25, 2018 (the "**Annual MD&A**");
- (e) the unaudited condensed interim consolidated financial statements as at and for the 13-week periods ended May 27, 2018 and May 28, 2017, together with the notes thereto (the "**Interim Financial Statements**"); and
- (f) the management's discussion and analysis of our financial condition and results of operations for the 13-week periods ended May 27, 2018 and May 28, 2017 (the "**Interim MD&A**").

Any documents of the type referred to in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* subsequently filed by us with the various securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the completion or withdrawal of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

### EXCHANGE RATE DATA

The following table sets forth, for the periods indicated, the high, low, average and period-end noon spot rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada.

	52-Week Period Ended			13-Week Period Ended	
	February 25, 2018	February 26, 2017	February 28, 2016	May 27, 2018	May 28, 2017
	(\$)	(\$)	(\$)	(\$)	(\$)
Highest rate during the period .....	1.374	1.358	1.459	1.309	1.374
Lowest rate during the period .....	1.213	1.254	1.195	1.255	1.312
Average daily rate for the period .....	1.288	1.311	1.306	1.283	1.347
Rate at the end of the period .....	1.267	1.310	1.355	1.297	1.346

On July 20, 2018, the daily exchange rate posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was U.S.\$1.00 equals \$1.31. No representation is made that Canadian dollars could be converted into U.S. dollars at that rate or any other rate.

In this short form prospectus, references to "\$" are to Canadian dollars and references to "U.S. \$" or "U.S. dollars" are to United States dollars.

### PRESENTATION OF FINANCIAL INFORMATION

All references in this short form prospectus to: (a) "Fiscal 2019" are to the Company's fiscal year ended March 3, 2019; and (b) "Fiscal 2018" are to the Company's fiscal year ended February 25, 2018.

## FORWARD-LOOKING INFORMATION

This short form prospectus contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

For additional information with respect to certain of these risks or factors, reference should be made to the Company’s disclosure materials filed from time to time with Canadian securities regulatory authorities and incorporated by reference herein, including the AIF, the Annual MD&A and the Interim MD&A under the heading “Risk Factors”.

This forward-looking information includes, among other things, statements relating to:

- expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies;
- expectations for Fiscal 2019 regarding our revenue growth, Adjusted EBITDA margin, gross profit margin, selling, general and administrative (“**SG&A**”) expenses, and net capital expenditures;
- our business plans and strategies;
- expectations regarding brand expansions;
- expectations regarding North American and international net revenue;
- expectations regarding new store openings and the expansion and repositioning of existing stores;
- our competitive position in our industry;
- expectations regarding future director and executive compensation levels and plans;
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products;
- intentions with respect to the implementation of new accounting standards; and
- the completion of the Offering.

Implicit in forward-looking statements in respect of the Company’s expectations for Fiscal 2019 to deliver low to mid-teens revenue growth and consistent Adjusted EBITDA margin, as compared to Fiscal 2018, are certain current assumptions, including, among others, the opening of six new stores including the Babaton store in Square One Shopping Centre in Greater Toronto, and the Aritzia store in CrossIron Mills in Calgary, the expansion or repositioning of five stores, the continued ability to drive growth in our eCommerce business, gross profit margin benefit from sourcing initiatives will be offset by the higher raw material costs for the Fall/Winter season, SG&A will grow proportionately with revenue growth in Fiscal 2019, the continued investments in people, technology and infrastructure, primarily related to

eCommerce, net capital expenditures in the range of \$55 million to \$60 million, taxation rates consistent with historical levels, assumptions regarding the overall retail environment and currency exchange rates for Fiscal 2019. Specifically, we have assumed the following exchange rates for Fiscal 2019: USD:CAD = 1.30.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the expansion and enhancement of our store network; the growth of our eCommerce business and launch of shipping to international markets; our ability to drive comparable sales growth; our ability to maintain, enhance, and grow our appeal within our addressable market; our ability to drive ongoing development and innovation of our exclusive brands and product categories; our ability to continue directly sourcing from third party mills, trim suppliers and manufacturers for our exclusive brands; our ability to build our international presence; our ability to retain key personnel; our ability to maintain and expand distribution capabilities; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors described in greater detail under the heading entitled "Risk Factors":

- changes in the general economic conditions and consumer spending in Canada, the United States and other parts of the world;
- inability to optimize merchandise and anticipate and respond to constantly changing consumer demands and fashion trends;
- inability to protect and enhance our brands;
- actions taken by our suppliers and manufacturers;
- fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and other currencies and associated hedging risk;
- loss of members of our management team or other key personnel or an inability to attract new management team members or key personnel;
- inability to obtain merchandise on a timely basis at competitive costs;
- our highly competitive industry and the size and resources of some of our competitors;
- our need for significant capital to fund our expanding business;
- inability to manage our operations at our current size and successful execution of our growth strategies;
- risks associated with leasing store space;
- inability to successfully open and operate new stores, primarily in the United States;
- our limited operating experience and limited brand recognition outside North America;
- inability to successfully manage and grow our eCommerce business;

- material disruptions in or a security breach affecting our information technology systems and eCommerce business;
- disruptions to the operations at our support office locations;
- replacement of core information technology systems;
- inability to attract and retain quality sales staff for our stores;
- union attempts to organize our employees;
- dependence on three distribution facilities;
- reliance on third party transportation providers;
- increases in the cost of the raw materials or other inputs used in the production, manufacturing and transportation of our merchandise;
- seasonality of net revenue and inventory purchases;
- inability to grow net revenue or meet other financial targets;
- failure to reduce operating expenses in a timely manner;
- internal control over financial reporting;
- adverse impact on financial results from our equity compensation plans;
- failure to adequately connect with our customer base;
- inability to protect trademarks or other intellectual property rights and the potential infringement of trademarks or other intellectual property rights of third parties;
- financing restrictions on current and future operations;
- laws and regulations, including labour and employment, consumer protection, privacy, advertising, environmental, customs, tax and other laws that regulate retailers;
- claims made against us, which may result in litigation;
- additional taxes, which could affect our operating results;
- risks related to forward-looking information contained in this short form prospectus;
- changes in U.S. tax laws and regulations or trade rules;
- insurance-related risks;
- payment-related risks;
- natural disasters, unusual weather and geo-political events or acts of terrorism;
- operations and financial performance of our subsidiaries;
- inventory shrinkage;
- increases in the cost of employee benefits;
- insolvency risks with parties we do business with;
- changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters;
- risks associated with protestors and activists;
- the dual-class structure resulting in the concentration of voting control with certain shareholders;
- risks associated with activist shareholders;
- volatility in the market price for Subordinate Voting Shares;
- future sales of our securities by existing shareholders causing the market price for Subordinate Voting Shares to fall;

- no cash dividends for the foreseeable future;
- any issuance of preferred shares may hinder another person's ability to acquire us; and
- our trading price and volume declining if analysts publish inaccurate or unfavourable research about us or our business.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in "Risk Factors" should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this short form prospectus and in the information incorporated by reference in this short form prospectus represents our expectations as of the date of this short form prospectus (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

**All of the forward-looking information contained in this short form prospectus and in the information incorporated by reference in this short form prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Subordinate Voting Shares.**

## TRADEMARKS AND TRADENAMES

This short form prospectus and the information incorporated herein by reference include certain trade names and trademarks, such as *Aritzia*, *Wilfred*, *Babaton*, *Talula*, *TNA* and *Community*, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this short form prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights to these trademarks and trade names.

## THE BUSINESS OF ARITZIA

### We Are Aritzia

Aritzia is a vertically integrated, innovative design house of fashion brands. We design apparel and accessories for our collection of exclusive brands. We conceive, create, develop, and sell a strategic mix of women's fashion products directly to our customers with a depth of design and quality that provides compelling value. Our unique multi-brand portfolio and product mix affords us enhanced flexibility to address evolving fashion trends, and enables us to appeal to our customers across multiple life stages, resulting in strong and enduring customer loyalty.

We connect our customers to the energy of our culture through the products we sell, the environments we create and the ways in which we communicate. We operate 65 stores in Canada and

22 stores in the United States, all of which are in prime locations within high performing retail malls and high streets. We sell our products exclusively through our stores and *aritzia.com*, giving us complete control of the presentation of our brand and the relationships with our customers. This strategy allows us to present our brand in a consistent manner, including pricing, marketing, and product presentation. We strive to offer our customers an aspirational shopping experience and exceptional level of service at every interaction. Our culture is highly focused on the customer, and our sales associates and eCommerce support teams are trained to provide shopping experiences that are personalized to exceed our customers' wants and needs.

## DESCRIPTION OF MATERIAL INDEBTEDNESS

On October 3, 2016, a fifth amended and restated credit agreement between our subsidiary, Aritzia LP, and a syndicate of lenders led by an affiliate of Canadian Imperial Bank of Commerce (the "**Credit Agreement**") became effective. The Credit Agreement provided for a revolving credit facility in the amount of \$70.0 million (the "**Revolving Credit Facility**"), and a \$145.6 million term credit facility maturing on May 13, 2019 (the "**Term Credit Facility**" and together with the Revolving Credit Facility, the "**Credit Facilities**"). During Fiscal 2018, we entered into \$75.0 million of trade finance agreements for letters of credit, secured *pari passu* with the Credit Facilities.

On June 28, 2018, we further amended our Credit Facilities (the "**Amendment**") to, among other things, reduce the Term Credit Facility from \$118.7 million to \$75.0 million and to increase the Revolving Credit Facility from \$70.0 million to \$100.0 million. As part of the Amendment, on June 27, 2018, the Company made a \$43.7 million repayment on the Term Credit Facility.

Each of the Credit Facilities has various interest rate charge options that are based on the Canadian prime rates, the US base rate, the CDOR rate and the LIBOR rate plus the applicable margin, in each case from time to time in effect.

The Credit Agreement provides for guarantees by us, Aritzia GP Inc. and Aritzia LP's direct and indirect wholly-owned subsidiaries (the "**Credit Facility Guarantors**"). Aritzia LP and each of the Credit Facility Guarantors provided a first priority lien over all property, subject only to permitted liens under the Credit Agreement, to secure the obligations under the Credit Agreement. Aritzia LP and each of the Credit Facility Guarantors pledged 100.0% of the equity interests each entity holds in the capital of their respective subsidiaries, as applicable.

The Credit Agreement contains restrictive covenants customary for credit facilities of this nature, including restrictions on Aritzia LP and each Credit Facility Guarantor, subject to certain exceptions, to incur indebtedness, grant liens, merge, amalgamate or consolidate with other companies, transfer, lease or otherwise dispose of all or substantially all of its assets, liquidate or dissolve, engage in any material business other than the fashion clothing business, make investments, acquisitions, loans, advances or guarantees, make any restricted payments, enter into transactions with affiliates, repay indebtedness, enter into restrictive agreements, enter into a sale-leaseback transactions, ensure pension plan compliance, sell or discount receivables, enter into agreements with unconditional purchase obligations, issue shares, create or acquire a subsidiary or make any hostile acquisitions. Aritzia LP is currently in compliance with all covenants contained in the Credit Agreement, and no material breach of such agreement has occurred or been waived. The foregoing summary is subject to, and qualified in its entirety by reference to: (a) the Credit Agreement, which is available on SEDAR at [www.sedar.com](http://www.sedar.com); and (b) the Amendment, which will be made available at the time of filing the final prospectus related to this Offering on SEDAR at [www.sedar.com](http://www.sedar.com).

## CONSOLIDATED CAPITALIZATION

Other than as described in this short form prospectus, there have been no material changes in our share or loan capital since May 27, 2018, the date of our most recently filed Interim Financial Statements. No material change will result from the Offering as no shares will be issued in connection with the Offering.

## PRIOR SALES

The following table summarizes all our issuances of Subordinate Voting Shares or any other securities convertible into or exchangeable for Subordinate Voting Shares in the twelve-month period preceding the date of this short form prospectus:

<u>Date of Issuances</u>	<u>Nature of Issuances</u>	<u>Number of Securities Issued</u>	<u>Average Issuance/Exercise Price per Security</u>
July 27, 2017 – July 23, 2018 . . . . .	Exercise of options to acquire Subordinate Voting Shares	3,213,615	\$3.32
October 11, 2017 – July 23, 2018 . . .	Grant of options to acquire Subordinate Voting Shares	2,159,789	\$13.72

## MARKET FOR SECURITIES AND TRADING PRICE AND VOLUME

The Subordinate Voting Shares are listed for trading on the TSX under the symbol "ATZ". The following table shows the monthly range of high and low prices per Subordinate Voting Share at the close of market on the TSX, as well as total monthly volumes of the Subordinate Voting Shares traded on the TSX for the periods indicated below:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
July 1 – 20, 2018 . . . . .	\$17.95	\$15.73	5,730,807
June 2018 . . . . .	\$15.78	\$14.22	2,830,433
May 2018 . . . . .	\$14.08	\$12.34	2,420,829
April 2018 . . . . .	\$12.48	\$11.60	1,700,271
March 2018 . . . . .	\$12.88	\$11.97	1,506,636
February 2018 . . . . .	\$13.56	\$12.44	2,734,029
January 2018 . . . . .	\$13.76	\$12.53	6,000,547
December 2017 . . . . .	\$13.12	\$12.21	3,407,559
November 2017 . . . . .	\$12.07	\$10.25	4,074,654
October 2017 . . . . .	\$14.68	\$10.95	7,043,079
September 2017 . . . . .	\$15.05	\$12.72	2,206,495
August 2017 . . . . .	\$13.18	\$12.50	3,629,635
July 2017 . . . . .	\$14.99	\$13.29	3,714,030

On July 20, 2018, the last full trading day prior to the filing of this short form prospectus, the closing price of the Subordinate Voting Shares on the TSX was \$16.08 per Subordinate Voting Share.

## PROCEEDS TO THE SELLING SHAREHOLDERS

The aggregate net proceeds to the Selling Shareholders from the sale of the Subordinate Voting Shares under this short form prospectus are estimated to be \$96,122,400 after deduction of the Underwriters' commission of \$4,005,100 (net proceeds of \$110,540,760 assuming the exercise of the Over-Allotment Option in full). For a discussion of the nature of our relationship with the Selling Shareholders, please see "Selling and Principal Shareholders" below.

We will not receive any of the proceeds from the Offering. In accordance with the terms and conditions of the second amended and restated registration rights agreement entered into among us and certain of our shareholders on October 3, 2016 (the "**Registration Rights Agreement**"), we will bear all reasonable expenses of the Offering, estimated at \$400,000, excluding the Underwriters' commission.

## SELLING AND PRINCIPAL SHAREHOLDERS

The Selling Shareholders under this Offering are Canada Retail Holdings, L.P. and Sweet Park Holdings Inc. The Selling Shareholders have agreed to sell an aggregate of 6,050,000 Subordinate Voting Shares to the Underwriters pursuant to the Underwriting Agreement (5,880,000 Subordinate Voting Shares by the Berkshire Shareholder and 170,000 Subordinate Voting Shares by the Bensadoun Shareholder), as described under the heading "Plan of Distribution". The Berkshire Shareholder and the Bensadoun Shareholder will receive net proceeds of \$93,421,440 and \$2,700,960, respectively, from the sale of the Subordinate Voting Shares under this Offering (net proceeds of \$107,839,800 and \$2,700,960, respectively, if the Over-Allotment Option is exercised in full).

After giving effect to the Offering (and assuming no exercise of the Over-Allotment Option), the Subordinate Voting Shares will represent approximately 55.8% of the total issued and outstanding Shares and approximately 11.2% of the voting power attached to all of our Shares (approximately 56.6% of our total issued and outstanding Shares and approximately 11.6% of the voting power attached to all of our Shares if the Over-Allotment Option is exercised in full).

The Hill Shareholder will not be participating in the Offering, but, as a result of the Offering, the voting power attached to the 24,828,049 Shares owned or controlled, directly or indirectly, by the Hill Shareholder, will increase from 40.0% to approximately 43.7% (from 40.0% to approximately 44.4% if the Over-Allotment Option is exercised in full).

The Shares being sold and distributed under this Offering by the Selling Shareholders were acquired through certain pre-closing capital reorganization transactions (the "**Pre-Closing Capital Changes**") completed immediately prior to the closing of the Company's initial public offering on October 3, 2016 (the "**IPO**"). The Pre-Closing Capital Changes are described in further detail in our long form prospectus dated September 26, 2016 prepared in connection with our IPO.

The following table sets forth information with respect to the ownership of Shares by the shareholders listed below as of the date hereof, as adjusted to reflect the completion of the Offering assuming no exercise of the Over-Allotment Option. The sale of Subordinate Voting Shares by the Berkshire Shareholder will be preceded by the conversion of Multiple Voting Shares into the number of Subordinate Voting Shares to be sold.

Name	Immediately Prior to the Closing		Number of Subordinate Voting Shares to be Sold in the Offering <sup>(4)</sup>	Immediately Following the Closing			
	Number of Multiple Voting Shares Owned	Number of Subordinate Voting Shares Owned		Number of Multiple Voting Shares Owned	Number of Subordinate Voting Shares Owned	Percentage of Outstanding Shares	Percentage of Total Voting Rights
Berkshire Shareholder . . . . .	31,218,653 <sup>(1)</sup>	—	5,880,000	25,338,653	—	22.4% <sup>(5)</sup>	45.1% <sup>(5)</sup>
Bensadoun Shareholder . . . . .	—	1,754,120 <sup>(3)</sup>	170,000	—	1,584,120	1.4% <sup>(6)</sup>	0.3% <sup>(6)</sup>
Hill Shareholder . . . . .	24,537,349 <sup>(2)</sup>	290,700 <sup>(2)</sup>	—	24,537,349	290,700	22.0% <sup>(7)</sup>	43.7% <sup>(7)</sup>

(1) Represents an aggregate of 30,443,504 Multiple Voting Shares held by Canada Retail Holdings, L.P. and 775,149 Multiple Voting Shares held by Sixth Berkshire Associates LLC ("**6BA**"), which is the general partner of Canada Retail Holdings, L.P. 6BA is managed by a number of individuals who are managing directors of Berkshire Partners LLC (the "**Berkshire Principals**"). Marni Payne is a Berkshire Principal. Kevin T. Callaghan is also a Berkshire Principal and managing member of 6BA. Ms. Payne and Mr. Callaghan also serve on our directors. By virtue of these relationships, each of the Berkshire Principals may be deemed to have shared control or direction over the Multiple Voting Shares held by the Berkshire Shareholder and 6BA. Each of the Berkshire Principals disclaims any beneficial ownership of any such Multiple Voting Shares.

(2) Represents 24,537,349 Multiple Voting Shares owned by AHI Holdings Inc., a company controlled by Brian Hill, and 290,700 Subordinate Voting Shares owned by Sven Holdings Inc., a company controlled by Brian Hill. Voting and investment determinations with respect to the Shares held by the Hill Shareholder are made by Brian Hill.

(3) Represents an aggregate of 1,703,316 Subordinate Voting Shares owned by Sweet Park Holdings Inc., a holding company indirectly controlled by Aldo Bensadoun, and 50,804 Subordinate Voting Shares held directly by Aldo Bensadoun. Voting and investment determinations with respect to the Shares held by the Bensadoun Shareholder are made by Aldo Bensadoun. In advance of Closing, it is expected that the Bensadoun Shareholder will transfer by gift all of its Shares pursuant to this Offering to The Bensadoun Family Foundation (the "**Foundation**"), which Foundation will thereafter become the Selling Shareholder in place of the Bensadoun Shareholder. A joinder agreement to the Underwriting Agreement is anticipated to be entered into by the Bensadoun Shareholder and the Foundation pursuant to which the Foundation will agree to be bound by the terms of the Underwriting Agreement as if it had entered into the Underwriting Agreement in the place of the Bensadoun Shareholder.

- (4) If the Over-Allotment Option is exercised in full, the Underwriters will purchase an incremental 907,500 Subordinate Voting Shares from the Berkshire Shareholder.
- (5) On a fully-diluted basis, assuming the exercise in full of outstanding options, approximately 20.4% of the issued and outstanding Shares and approximately 44.2% of the total voting power of the issued and outstanding Shares. If the Over-Allotment Option is exercised in full: (a) the Berkshire Shareholder will own approximately 21.6% (approximately 19.6% on a fully-diluted basis) of the issued and outstanding Shares immediately following the Closing; and (b) the Berkshire Shareholder's Shares will represent approximately 44.1% (approximately 43.2% on a fully-diluted basis) of the total voting power of the issued and outstanding Shares immediately following the Closing.
- (6) On a fully-diluted basis, assuming the exercise in full of outstanding options, approximately 1.3% of the issued and outstanding Shares and approximately 0.3% of the total voting power of the issued and outstanding Shares. If the Over-Allotment Option is exercised in full: (a) the Bensadoun Shareholder will own approximately 1.4% (approximately 1.3% on a fully-diluted basis) of the issued and outstanding Shares immediately following the Closing; and (b) the Bensadoun Shareholder's Shares will represent approximately 0.3% (approximately 0.3% on a fully-diluted basis) of the total voting power of the issued and outstanding Shares immediately following the Closing.
- (7) On a fully-diluted basis, assuming the exercise in full of outstanding options, approximately 20.0% of the issued and outstanding Shares and approximately 42.9% of the total voting power of the issued and outstanding Shares. If the Over-Allotment Option is exercised in full: (a) the Hill Shareholder will own approximately 22.0% (approximately 20.0% on a fully-diluted basis) of the issued and outstanding Shares immediately following the Closing; and (b) the Hill Shareholder's Shares will represent approximately 44.4% (approximately 43.5% on a fully-diluted basis) of the total voting power of the issued and outstanding Shares immediately following the Closing.

## **PLAN OF DISTRIBUTION**

### **General**

Pursuant to the Underwriting Agreement dated July 23, 2018 among us, the Selling Shareholders and the Underwriters, the Selling Shareholders have agreed to sell and the Underwriters have severally agreed to purchase on Closing an aggregate of 6,050,000 Subordinate Voting Shares at a price of \$16.55 per Subordinate Voting Share, payable in cash to the Selling Shareholders against delivery of the Subordinate Voting Shares for aggregate gross proceeds of \$100,127,500. In consideration for their services in connection with the Offering, the Selling Shareholders have agreed to pay the Underwriters a fee equal to \$0.662 per Subordinate Voting Share (being 4.0% of the Offering Price), including any Subordinate Voting Shares forming part of the Over-Allotment Option. It is estimated that the total expenses of the Offering, not including the Underwriters' commission, will be approximately \$400,000. All such expenses of the Offering will be paid by us, as required by the terms of the Registration Rights Agreement. We will not be entitled to any of the proceeds from the sale of the Subordinate Voting Shares offered by this short form prospectus.

The Offering Price of \$16.55 per Subordinate Voting Share was determined by negotiation among the Selling Shareholders and the Underwriters and the Underwriters propose to offer the Subordinate Voting Shares initially at the Offering Price. Pursuant to applicable securities laws, after the Underwriters have made a reasonable effort to sell all of the Subordinate Voting Shares at the price specified on the cover page of this short form prospectus, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page of this short form prospectus, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Subordinate Voting Shares is less than the price paid by the Underwriters to the Selling Shareholders. Any such reduction will not affect the net proceeds received by the Selling Shareholders. The Underwriters may form a selling group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Underwriters out of their fees.

The Berkshire Shareholder has granted to the Underwriters the Over-Allotment Option, which is exercisable, in whole or in part, at any time for a period of 30 days after Closing to purchase from the Selling Shareholders up to an additional 907,500 Subordinate Voting Shares (representing 15.0% of the aggregate number of Subordinate Voting Shares sold in the base Offering) on the same terms as set forth above for the purpose of covering the Underwriters' over-allocation position, if any, and consequent market stabilization. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Subordinate Voting Shares to be delivered upon the exercise of the Over-Allotment Option. A purchaser who acquires Subordinate Voting Shares forming part of the

Underwriters' over-allocation position acquires such Subordinate Voting Shares under this short form prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Under the terms of the Underwriting Agreement, the Underwriters may, at their discretion, terminate the Underwriting Agreement upon the occurrence of certain events, including "material change out", "disaster out" and "proceedings to restrict distribution out" clauses. The Underwriters are, however, severally obligated to take up and pay for all of the Subordinate Voting Shares that they have agreed to purchase if any of the Subordinate Voting Shares are purchased under the Underwriting Agreement.

Under applicable securities laws in Canada, certain persons and individuals, including us, the Selling Shareholders and the Underwriters, have statutory liability for any misrepresentation in this short form prospectus, subject to available defences. We and the Selling Shareholders have severally agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities, including, without restriction, civil liabilities under applicable securities laws in Canada, and to contribute to any payments that the Underwriters may be required to make in respect thereof. Pursuant to the Registration Rights Agreement, we have agreed to indemnify the Selling Shareholders against certain liabilities, including, without limitation, any misrepresentation contained in this short form prospectus and any violation by the Company of any applicable securities laws, and to contribute to any payments that the Selling Shareholders may be required to make in respect thereof.

Subscriptions for Subordinate Voting Shares will be received subject to rejection or allocation in whole or in part and the right is reserved to close the subscription books at any time without notice. The Closing is expected to occur on or about August 7, 2018 or such other date as we, the Selling Shareholders and the Underwriters may agree, but in any event not later than September 10, 2018.

The Subordinate Voting Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Each Underwriter has agreed that it will not offer or sell Subordinate Voting Shares within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Subordinate Voting Shares that they have acquired pursuant to the Underwriting Agreement in the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in accordance with Rule 144A under the U.S. Securities Act.

The Underwriting Agreement also provides that the Underwriters may offer and sell the Subordinate Voting Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Subordinate Voting Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

In connection with the Offering, certain of the Underwriters or securities dealers may distribute this short form prospectus electronically.

### **Price Stabilization, Short Positions and Passive Market Making**

In connection with the Offering, the Underwriters may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Subordinate Voting Shares while the Offering is in progress. These transactions may also include over-allocating or making short sales of the Subordinate Voting Shares, which involves the sale by the Underwriters of a greater number of Subordinate Voting Shares than they are required to purchase in the Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Subordinate Voting Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Subordinate Voting Shares available for purchase in the open market compared with the price at which they may purchase Subordinate Voting Shares from the Berkshire Shareholder through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Subordinate Voting Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Subordinate Voting Shares in the open market. Any naked short sales will form part of the Underwriters’ over-allocation position. A purchaser who acquires Subordinate Voting Shares forming part of the Underwriters’ over-allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such Subordinate Voting Shares under this short form prospectus, regardless of whether the Underwriters’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In addition, in accordance with rules and policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces (“UMIR”), the Underwriters may not, at any time during the period of distribution, bid for or purchase Subordinate Voting Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of the Subordinate Voting Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including UMIR, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Subordinate Voting Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Subordinate Voting Shares are listed, in the over-the-counter market, or otherwise.

### **Non-Certificated Inventory System**

No certificates representing the Subordinate Voting Shares to be sold in the Offering will be issued to purchasers under this short form prospectus. Registration will be made in the depository service of CDS, or to its nominee, and electronically deposited with CDS on the Closing Date. Each purchaser of Subordinate Voting Shares will receive only a customer confirmation of purchase from the participants in the CDS depository service (“**CDS Participants**”) from or through which such Subordinate Voting Shares are purchased, in accordance with the practices and procedures of such CDS Participant. Transfers of ownership of Subordinate Voting Shares in Canada will be effected through records maintained by the CDS Participants, which include securities brokers and dealers, banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions that maintain custodial relationships with a CDS Participant, either directly or indirectly.

## Lock-Up Arrangements

Pursuant to the Underwriting Agreement, each of the directors and reporting insiders of the Company, and each of the Selling Shareholders, has agreed not to, directly or indirectly, without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters, such consent not to be unreasonably withheld, issue, offer or sell or grant any option, warrant or other right to purchase or agree to issue or sell or otherwise lend, transfer, assign or dispose of any of our equity securities, or other securities convertible or exchangeable into or otherwise exercisable into our equity securities or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our equity securities, or agree or publicly announce any intention to do any of the foregoing for a period commencing on the date hereof and ending 90 days after the Closing Date, subject to certain limited exceptions, including in connection with the sale of our securities pursuant to the Offering (including the exercise of the Over-Allotment Option), or the grants of employee stock options, grants under other security-based compensation arrangements in the ordinary course and securities issued upon their exercise or settlement.

## Relationship Between Us and the Underwriters

CIBC Capital Markets, RBC, Merrill, BMO, Scotia and TD are affiliates of banks that have made credit facilities available to us under the Credit Agreement. Consequently, we may be considered a “connected issuer” of each CIBC Capital Markets, RBC, Merrill, BMO, Scotia and TD under applicable securities laws in Canada. See “Description of Material Indebtedness”.

The terms of the Offering, including the Offering Price, were determined by negotiation between the Joint Bookrunners, on their own behalf and on behalf of each of the other Underwriters, and the Selling Shareholders. None of the banks with which any of the Underwriters are affiliates were involved in the determination of the terms of the Offering. As a consequence of the Offering, each of such Underwriters will receive its proportionate share of the Underwriters’ commission.

## RISK FACTORS

Any investment in the Subordinate Voting Shares involves a high degree of risk. Before investing, prospective investors should carefully consider, in light of their own financial circumstances, the information contained in or incorporated by reference in this short form prospectus, including in the AIF, the Annual MD&A and the Interim MD&A under the heading “Risk Factors”. The risks, uncertainties and information incorporated by reference herein are those we currently believe to be material, but they may not be the only ones we face. If any of the identified risks actually occur, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of the Subordinate Voting Shares could be materially and adversely affected. In all these cases, the trading price of the Subordinate Voting Shares could decline, and prospective investors could lose all or part of their investment.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, our counsel, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (“**Tax Act**”) generally applicable to a shareholder who acquires Subordinate Voting Shares pursuant to this Offering and who at all relevant times, for purposes of the Tax Act, (a) is resident or deemed to be resident in Canada, (b) holds the Subordinate Voting Shares as capital property, and (c) deals at arm’s length with us, the Selling Shareholders and the Underwriters and is not affiliated with us, the Selling Shareholders or the Underwriters (a “**Holder**”). Generally, the Subordinate Voting Shares will be considered to be capital

property to a Holder unless they are held or acquired in the course of carrying on a business of trading in or dealing in securities or as part of an adventure or concern in the nature of trade. Certain Holders who are residents of Canada and whose Subordinate Voting Shares do not otherwise qualify as capital property may in certain circumstances make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Subordinate Voting Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property.

This summary is not applicable to: (a) a Holder that is a “financial institution”, as defined in the Tax Act for purposes of the mark-to-market rules, (b) a Holder an interest in which would be a “tax shelter investment” as defined in the Tax Act, (c) a Holder that is a “specified financial institution” as defined in the Tax Act, or (d) a Holder which has made an election under the Tax Act to determine its Canadian tax results in a foreign currency. This summary does not apply to a Holder who has entered or will enter into a “derivative forward agreement” under the Tax Act with respect to Subordinate Voting Shares. This summary does not address the possible application of the “foreign affiliate dumping” rules that may be applicable to a Holder that is a corporation resident in Canada (for the purposes of the Tax Act) that is, or that becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Subordinate Voting Shares, controlled by a non-resident corporation for purposes of the rules in section 212.3 of the Tax Act. Any such Holder to which this summary does not apply should consult its own tax advisor with respect to the tax consequences of the Offering.

This summary is based on the facts set out in this short form prospectus, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (“**Tax Proposals**”) before the date of this short form prospectus and the current published administrative practices of the Canada Revenue Agency. No assurance can be made that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder of a Subordinate Voting Share, and no representation concerning the tax consequences to any particular Holder or prospective Holder are made. Accordingly, prospective Holders of Subordinate Voting Shares should consult their own tax advisors with respect to an investment in the Subordinate Voting Shares having regard to their particular circumstances. Purchasers of Subordinate Voting Shares who are non-residents, or deemed to be non-residents, of Canada for purposes of the Tax Act should consult their own tax advisors regarding their particular circumstances.**

## **Taxation of Holders of Subordinate Voting Shares**

### ***Dividends on Subordinate Voting Shares***

In the case of a Holder who is an individual (other than certain trusts), dividends received or deemed to be received on the Subordinate Voting Shares will be included in computing the Holder’s income and will be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations. Provided that appropriate designations are made by us, such dividend will be treated as an “eligible dividend” for the purposes of the Tax Act and a Holder who is an individual will be entitled to an enhanced dividend tax credit in respect of such dividend. There may be limitations on our ability to designate dividends and deemed dividends as eligible dividends.

Dividends received or deemed to be received on the Subordinate Voting Shares by a Holder that is a corporation will be required to be included in computing the corporation’s income for the taxation year in which such dividends are received, but such dividends will generally be deductible in computing the

corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Subordinate Voting Shares to the extent that such dividends are deductible in computing the Holder's taxable income for the taxation year.

Dividends received by a Holder who is an individual (including certain trusts) may result in such Holder being liable for minimum tax under the Tax Act. Holders who are individuals should consult their own tax advisors in this regard.

### ***Dispositions of Subordinate Voting Shares***

Upon a disposition or deemed disposition of Subordinate Voting Shares, a capital gain (or loss) will generally be realized by a Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of the Subordinate Voting Shares to the Holder immediately before the disposition and any reasonable costs of disposition. The adjusted cost base of a Subordinate Voting Share to a Holder will be determined in accordance with certain rules in the Tax Act by averaging the cost to the Holder of a Subordinate Voting Share with the adjusted cost base of all other Subordinate Voting Shares held by the Holder and by making certain other adjustments required under the Tax Act. The Holder's cost for purposes of the Tax Act of Subordinate Voting Shares will include all amounts paid or payable by the Holder for the Subordinate Voting Shares, subject to certain adjustments under the Tax Act.

### ***Taxation of Capital Gains and Capital Losses***

One-half of a capital gain (a "**taxable capital gain**") must be included in a Holder's income. One-half of a capital loss (an "**allowable capital loss**") will generally be deductible by a Holder against taxable capital gains realized in that year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or in any subsequent year (against taxable capital gains realized in such years) to the extent and under the circumstances described in the Tax Act. If the Holder is a corporation, any such capital loss realized on the sale of shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares. Analogous rules apply to a partnership or certain trusts of which a corporation is a member or beneficiary. Taxable capital gains realized by a Holder who is an individual may give rise to alternative minimum tax depending on the Holder's circumstances. A "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including an amount in respect of a taxable capital gain arising from the disposition of a Subordinate Voting Share.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Stikeman Elliott LLP, our counsel, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, provided that, on the Closing Date, the Subordinate Voting Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), the Subordinate Voting Shares acquired pursuant to the Offering on the Closing Date will be, at that time, qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), deferred profit sharing plan, registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), and a tax-free savings account ("**TFSA**").

Notwithstanding that Subordinate Voting Shares may be qualified investments for a trust governed by a RRSP, RRIF, TFSA, RESP or RDSP, the holder of such TFSA or RDSP, annuitant under such RRSP or RRIF, or subscriber under such RESP, as the case may be, will be subject to a penalty tax in respect of the Subordinate Voting Shares if such Subordinate Voting Shares are a "prohibited investment" and not "excluded property" for the TFSA, RRSP, RRIF, RESP or RDSP for purposes of the Tax Act. Subordinate Voting Shares will generally be a "prohibited investment" if the holder of a TFSA or RDSP, annuitant under a RRSP or RRIF, or subscriber under a RESP, as the case may be, (i) does not deal at arm's length with us for purposes of the Tax Act or (ii) has a "significant interest" (within the meaning of the Tax Act) in us. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in us provided the holder, annuitant or subscriber, together with persons with whom the holder, annuitant or subscriber does not deal at arm's length, does not own (and is not deemed to own pursuant to the Tax Act), directly or indirectly, 10.0% or more of the issued shares of any class of our capital stock or of any other corporation that is related to us (for purposes of the Tax Act). Individuals who hold or intend to hold Subordinate Voting Shares in a TFSA, RRSP, RRIF, RESP or RDSP should consult their own tax advisors as to whether such securities will be a "prohibited investment" in their particular circumstances, including with respect to whether the Subordinate Voting Shares would be "excluded property" in their particular circumstances.

## **LEGAL MATTERS**

The matters referred to under “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations”, as well as certain other legal matters relating to the issue and sale of the Subordinate Voting Shares, will be passed upon on our behalf by Stikeman Elliott LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP. As at the date of this short form prospectus, the partners and associates of each of Stikeman Elliott LLP and Blake, Cassels & Graydon LLP beneficially own, directly and indirectly, less than 1.0% of our issued and outstanding securities or securities of our affiliates or associates.

## **LEGAL PROCEEDINGS**

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, located at 250 Howe Street, Suite 700, Vancouver, British Columbia, V6C 3S7, is our auditor and has confirmed that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The transfer agent and registrar for the Subordinate Voting Shares and the Multiple Voting Shares is TSX Trust Company at its principal office in Vancouver, British Columbia.

## **ENFORCEMENT OF JUDGEMENTS AGAINST FOREIGN PERSONS**

The Berkshire Shareholder is an entity incorporated, continued or otherwise organized under the laws of a jurisdiction outside of Canada. In addition, certain of our operations and assets are located outside of Canada, and Kevin Callaghan, Marni Payne and Glen Senk, who are each directors of Aritzia, reside outside of Canada. Although the Berkshire Shareholder and our current directors and officers who reside outside of Canada either have an office in Canada or have appointed Aritzia, Suite 1700 – 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8, as their agent for service of process in Canada, it may not be possible for purchasers to enforce against such persons judgments obtained in Canadian courts.

Purchasers are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## **EXEMPTIONS FROM NATIONAL INSTRUMENT 44-101**

Pursuant to a decision of the Autorité des marchés financiers dated July 20, 2018, we were granted temporary relief from the requirement to file, together with this preliminary short form prospectus, French language versions of the AIF, Interim MD&A and the Interim Financial Statements, each of which is incorporated by reference in this short form prospectus, provided that such documents in their French language version are filed no later than the filing of the final prospectus related to this Offering. Accordingly, for the purposes of this preliminary short form prospectus only, we were not required to file French versions of the AIF, Interim MD&A and the Interim Financial Statements.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

## **CERTIFICATE OF THE ISSUER**

Dated: July 23, 2018

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) Brian Hill  
Chief Executive Officer

(Signed) Todd Ingledew  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Marni Payne  
Director

(Signed) Jennifer Wong  
Director

## **CERTIFICATE OF THE UNDERWRITERS**

Dated: July 23, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

### **CIBC WORLD MARKETS INC.**

(Signed) Kathy Butler

### **RBC DOMINION SECURITIES INC.**

(Signed) Carrie Cook

### **MERRILL LYNCH CANADA INC.**

(Signed) Jason Stanger

### **BMO NESBITT BURNS INC.**

(Signed) Carter Hohmann

### **SCOTIA CAPITAL INC.**

(Signed) Andrew McLenan

### **TD SECURITIES INC.**

(Signed) Philip Lucchese

### **CANACCORD GENUITY CORP.**

(Signed) Jamie Brown

### **HAYWOOD SECURITIES INC.**

(Signed) Beng Lai

# ARITZIA