

ARITZIA

Aritzia Inc.

Condensed Interim Consolidated
Financial Statements
Second Quarter of Fiscal 2026

For the 13-week and 26-week periods ended
August 31, 2025 and September 1, 2024

Aritzia Inc.

Condensed Interim Consolidated Statements of Financial Position

As at August 31, 2025 and March 2, 2025

(Unaudited, in thousands of Canadian dollars)

	Note	August 31, 2025	March 2, 2025
Assets			
Cash and cash equivalents		\$ 352,349	\$ 285,635
Accounts receivable		25,960	26,311
Income taxes recoverable		7,659	4,342
Inventory	5	526,561	379,316
Prepaid expenses and other current assets	12	80,711	61,239
Total current assets		\$ 993,240	\$ 756,843
Property and equipment	6	708,774	656,966
Intangible assets	7	104,619	104,221
Goodwill	7	198,846	198,846
Right-of-use assets	8	789,609	722,558
Other assets	12	3,191	11,564
Deferred tax assets	18	7,801	4,816
Total assets		\$ 2,806,080	\$ 2,455,814
Liabilities			
Accounts payable and accrued liabilities	9	\$ 457,298	\$ 293,412
Income taxes payable		9,068	12,983
Current portion of lease liabilities	8	109,629	107,755
Deferred revenue		113,484	111,158
Total current liabilities		\$ 689,479	\$ 525,308
Lease liabilities	8	894,189	811,468
Other non-current liabilities	10	3,627	3,829
Deferred tax liabilities	18	15,317	20,626
Total liabilities		\$ 1,602,612	\$ 1,361,231
Shareholders' equity			
Share capital	13	\$ 419,971	\$ 383,482
Contributed surplus		103,541	101,568
Retained earnings		687,133	609,695
Accumulated other comprehensive loss		(7,177)	(162)
Total shareholders' equity		1,203,468	1,094,583
Total liabilities and shareholders' equity		\$ 2,806,080	\$ 2,455,814
Commitments and contingencies	20		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Aritzia Inc.

Condensed Interim Consolidated Statements of Operations

For the 13-week and 26-week periods ended August 31, 2025 and September 1, 2024

(Unaudited, in thousands of Canadian dollars, except number of shares and per share amounts)

	Note	13-week periods ended		26-week periods ended	
		August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Net revenue	16, 19	\$ 812,054	\$ 615,663	\$ 1,475,370	\$ 1,114,293
Cost of goods sold	17	456,424	368,177	806,943	647,263
Gross profit		355,630	247,486	668,427	467,030
Selling, general and administrative		250,213	199,502	472,696	375,792
Stock-based compensation expense	14, 17	14,160	13,426	24,346	20,753
Income from operations		91,257	34,558	171,385	70,485
Finance expense	8, 11, 17	13,678	12,842	26,633	25,423
Other expense (income)	12, 17	(13,066)	(5,529)	(4,744)	(5,491)
Income before income taxes		90,645	27,245	149,496	50,553
Income tax expense	18	24,344	8,998	40,804	16,473
Net income		\$ 66,301	\$ 18,247	\$ 108,692	\$ 34,080
Net income per share					
Basic	15	\$ 0.58	\$ 0.16	\$ 0.95	\$ 0.30
Diluted	15	\$ 0.56	\$ 0.16	\$ 0.92	\$ 0.30
Weighted average number of shares outstanding (thousands)					
Basic	15	114,869	112,361	114,663	111,910
Diluted	15	119,101	116,035	118,664	115,412

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Aritzia Inc.

Condensed Interim Consolidated Statements of Comprehensive Income

For the 13-week and 26-week periods ended August 31, 2025 and September 1, 2024

(Unaudited, in thousands of Canadian dollars)

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Net income	\$ 66,301	\$ 18,247	\$ 108,692	\$ 34,080
Other comprehensive income				
Items that are or may be reclassified subsequently to net income:				
Foreign currency translation adjustment	(83)	(400)	(7,015)	(605)
Comprehensive income	\$ 66,218	\$ 17,847	\$ 101,677	\$ 33,475

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Aritzia Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the 26-week periods ended August 31, 2025 and September 1, 2024

(Unaudited, in thousands of Canadian dollars, except number of shares)

	Multiple voting shares		Subordinate voting shares		Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
	Shares	Amounts	Shares	Amounts				
Balance, March 3, 2024	20,437,349	\$ 14,774	90,723,027	\$ 292,963	\$ 96,249	\$ 407,337	\$ (3,828)	\$ 807,495
Net Income	—	—	—	—	—	34,080	—	34,080
Shares issued for equity settled plans (note 14)	—	—	1,554,120	32,608	(15,301)	—	—	17,307
Stock-based compensation expense on equity-settled plans (note 14)	—	—	—	—	15,269	—	—	15,269
Foreign currency translation adjustment	—	—	—	—	—	—	(605)	(605)
Balance, September 1, 2024	20,437,349	\$ 14,774	92,277,147	\$ 325,571	\$ 96,217	\$ 441,417	\$ (4,433)	\$ 873,546
Balance, March 2, 2025	19,679,244	\$ 14,226	94,702,652	\$ 369,256	\$ 101,568	\$ 609,695	\$ (162)	\$ 1,094,583
Net Income	—	—	—	—	—	108,692	—	108,692
Shares issued for equity settled plans (note 14)	—	—	1,093,792	37,382	(20,645)	—	—	16,737
Stock-based compensation expense on equity-settled plans (note 14)	—	—	—	—	18,368	—	—	18,368
Shares repurchased for cancellation (note 13)	—	—	(217,700)	(864)	—	(15,369)	—	(16,233)
Shares held in trust (note 13)	—	—	(250,000)	(975)	—	(15,885)	—	(16,860)
Shares released from trust (note 13)	—	—	242,585	946	(946)	—	—	—
Tax impact related to stock-based compensation	—	—	—	—	5,196	—	—	5,196
Foreign currency translation adjustment	—	—	—	—	—	—	(7,015)	(7,015)
Balance, August 31, 2025	19,679,244	\$ 14,226	95,571,329	\$ 405,745	\$ 103,541	\$ 687,133	\$ (7,177)	\$ 1,203,468

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Aritzia Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the 13-week and 26-week periods ended August 31, 2025 and September 1, 2024

(Unaudited, in thousands of Canadian dollars)

	Note	13-week periods ended		26-week periods ended	
		August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Operating activities					
Net income for the period		\$ 66,301	\$ 18,247	\$ 108,692	\$ 34,080
Adjustments for:					
Depreciation and amortization		27,825	19,496	52,996	38,777
Depreciation on right-of-use assets	8	25,057	26,982	48,629	53,231
Finance expense	17	13,678	12,842	26,633	25,423
Stock-based compensation expense	14, 17	14,160	13,426	24,346	20,753
Unrealized loss (gain) on equity derivative contracts	12, 17	(10,814)	(6,507)	(10,792)	(5,837)
Income tax expense	18	24,344	8,998	40,804	16,473
Other		(235)	55	(336)	845
Cash generated before non-cash working capital balances and interest and income taxes		160,316	93,539	290,972	183,745
Net change in non-cash working capital	22	24,802	(1,396)	35,551	(54,655)
Cash generated before interest and income taxes		185,118	92,143	326,523	129,090
Interest paid		(828)	(817)	(1,639)	(1,655)
Interest paid on lease liabilities	8	(14,822)	(11,950)	(28,330)	(23,618)
Income taxes paid		(24,305)	(9,354)	(51,111)	(21,523)
Net cash generated from (used in) operating activities		145,163	70,022	245,443	82,294
Financing activities					
Repayment of principal on lease liabilities	8	(23,752)	(26,896)	(48,180)	(52,718)
Proceeds from lease incentives		9,079	2,059	15,901	6,850
Proceeds from options exercised	14	12,542	10,712	16,737	17,307
Shares repurchased and held in trust	13	—	—	(16,860)	—
Shares repurchased for cancellation	13	(15,311)	—	(16,233)	—
Net cash generated from (used in) financing activities		(17,442)	(14,125)	(48,635)	(28,561)
Investing activities					
Purchase of property and equipment	6	(66,173)	(49,008)	(123,606)	(107,459)
Purchase of intangible assets	7	(2,531)	(2,721)	(4,189)	(4,618)
Cash generated from (used in) investing activities		(68,704)	(51,729)	(127,795)	(112,077)
Effect of exchange rate changes on cash and cash equivalents		721	(856)	(2,299)	(950)
Change in cash and cash equivalents		59,738	3,312	66,714	(59,294)
Cash and cash equivalents – Beginning of period		292,611	100,671	285,635	163,277
Cash and cash equivalents – End of period		\$ 352,349	\$ 103,983	\$ 352,349	\$ 103,983

Supplemental cash flow information

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The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Aritzia Inc.

Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

1 Nature of operations and basis of presentation

Nature of operations

Aritzia Inc. and its subsidiaries (collectively referred to as the "Company") are a design house with a global platform. The Company is a creator and purveyor of Everyday Luxury™, home to an extensive portfolio of exclusive brands for every function and individual aesthetic. The Company provides immersive and highly personal shopping experiences at aritzia.com and in 134 boutiques throughout Canada and the United States.

Aritzia Inc. is a corporation governed by the Business Corporations Act (British Columbia). The address of its registered office is 1055 Dunsmuir Street, Suite 3000, Vancouver, B.C., Canada, V7X 1K8.

The Company's subordinate voting shares are listed on the Toronto Stock Exchange ("TSX") under the stock symbol "ATZ".

Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, on a basis consistent with those accounting policies followed by the Company in the most recent audited annual consolidated financial statements for the fiscal year ended March 2, 2025 ("Fiscal 2025") except as noted in notes 2 and 3. Certain information, in particular the accompanying notes normally included in the audited annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, has been omitted or condensed. Accordingly, these unaudited condensed interim consolidated financial statements do not include all the information required for full audited annual consolidated financial statements, and, therefore, should be read in conjunction with the Fiscal 2025 audited annual consolidated financial statements and the notes thereto. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

Seasonality of operations

The Company's business is affected by the pattern of seasonality common to most retail apparel businesses. Historically, the Company has recognized a significant portion of its operating profit in the third and fourth quarters of each fiscal year as a result of increased net revenue during the back-to-school and holiday seasons.

These unaudited condensed interim consolidated financial statements were authorized for issue on October 9, 2025 by the Audit Committee on behalf of the Company's Board of Directors.

2 Summary of material accounting policies

These unaudited condensed interim consolidated financial statements have been prepared using the accounting policies as outlined in note 2 of the Fiscal 2025 audited consolidated financial statements, with the exception of any accounting standards adopted in Fiscal 2026.

Employee benefits

The Company maintains a voluntary deferred compensation plan, whereby eligible employees may elect to defer a portion of their compensation to be held by the Company and received at a future date, along with related returns. The amount voluntarily deferred is expensed in the period it is earned and included in other non-current liabilities. The amount held by the Company is recorded in other assets,

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Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

3 Accounting policy developments

IFRS 9 Financial Instruments ("IFRS 9") and IFRS Financial Instruments: Disclosures ("IFRS 7")

In May 2024, the International Accounting Standards Board ("IASB") issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as instruments with features linked to the achievement of environmental and social targets), and update the disclosure of equity instruments designated at fair value through other comprehensive income ("FVOCI"). These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets. The Company is currently assessing the impact of these amendments on the consolidated financial statements.

IFRS 18 - Presentation and Disclosure to the Financial Statements ("IFRS 18")

The IASB issued IFRS 18 - Presentation and Disclosure in the Financial Statements, in April 2024 which is effective for annual reporting periods beginning on or after January 1, 2027. The new standard will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. The standard will be applied retroactively, with certain transition provisions. The Company is currently assessing the impact of IFRS 18 on the consolidated financial statements.

4 Judgements and estimates

The preparation of unaudited condensed interim consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are continuously evaluated and are based on management's best judgements and experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied in note 4 of the Fiscal 2025 audited annual consolidated financial statements.

5 Inventory

	August 31, 2025	March 2, 2025
Finished goods	\$ 388,425	\$ 310,234
Finished goods-in-transit	133,513	64,469
Raw materials	4,623	4,613
Inventory	\$ 526,561	\$ 379,316

The Company records a reserve to value inventory to its estimated net realizable value. This resulted in an expense to cost of goods sold of \$10.1 million and \$13.3 million, for the 13-week and 26-week periods ended August 31, 2025 (13-week and 26-week periods ended September 1, 2024 - \$6.7 million and \$12.7 million, respectively). No inventory write-downs recorded in previous periods were reversed.

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Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

All of the Company's inventory is pledged as security for the Company's revolving credit facility (note 11).

6 Property and equipment

During the 13-week and 26-week periods ended August 31, 2025, the Company had property and equipment additions of \$84.1 million and \$122.3 million, respectively (13-week and 26-week periods ended September 1, 2024 - \$74.0 million and \$133.5 million, respectively), the majority of which were related to leasehold improvements made to its boutiques and distribution centers, and the respective purchase of furniture and equipment for those spaces. Additions include capitalized right-of-use depreciation and borrowing costs totaling \$10.3 million and \$15.2 million for the 13-week and 26-week periods ended August 31, 2025 (13-week and 26-week periods ended September 1, 2024 - \$nil).

7 Goodwill and intangible assets

During the 13-week and 26-week periods ended August 31, 2025, the Company had intangible asset additions of \$2.0 million and \$3.8 million, respectively (13-week and 26-week periods ended September 1, 2024 - \$2.5 million and \$5.0 million, respectively), the majority of which was related to internally developed computer software.

8 Leases

The Company has the right to use real estate properties for its boutiques, distribution centers and support offices under non-cancellable lease agreements, together with periods covered by an option to extend or terminate, if the Company is reasonably certain it will exercise those options.

The following table reconciles the change in right-of-use assets for the 26-week periods ended August 31, 2025 and September 1, 2024:

	August 31, 2025	September 1, 2024
Cost		
Opening balance	\$ 1,182,364	\$ 996,699
Additions, net of lease incentives	102,732	120,770
Modifications and other	21,017	5,420
Foreign exchange	(28,042)	(3,762)
Closing balance	\$ 1,278,071	\$ 1,119,127
Accumulated depreciation		
Opening balance	\$ 459,806	\$ 364,408
Depreciation	48,629	52,859
Amortization of fair value adjustment on CYC Design corporation ("CYC") leases	—	372
Modifications and other	(6,122)	142
Foreign exchange	(13,851)	(1,644)
Closing balance	\$ 488,462	\$ 416,137
Net carrying value, closing balance	\$ 789,609	\$ 702,990

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Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

The following table reconciles the change in the lease liabilities for the 26-week periods ended August 31, 2025 and September 1, 2024:

	August 31, 2025	September 1, 2024
Opening balance	\$ 919,223	\$ 805,886
Additions	139,417	127,711
Interest expense on lease liabilities	24,843	23,618
Repayment of interest and principal on lease liabilities	(76,510)	(76,336)
Modifications and other	24,841	5,323
Foreign exchange	(27,996)	(3,136)
Closing balance	\$ 1,003,818	\$ 883,066
Current portion of lease liabilities	109,629	92,473
Long-term portion of lease liabilities	894,189	790,593
Lease liabilities	\$ 1,003,818	\$ 883,066

The following table summarizes the Company's rent and rent-related expenses:

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Depreciation on right-of-use assets, excluding fair value adjustments	\$ 25,057	\$ 26,743	\$ 48,629	\$ 52,859
Interest expense on lease liabilities (note 17)	12,774	11,950	24,843	23,618
Variable lease expense	8,856	4,938	16,074	10,231
Lease payments relating to short-term or low value leases	203	414	504	1,024
Common area maintenance, property taxes and other	18,785	16,886	38,509	33,736
Total rent and rent-related expenses	\$ 65,675	\$ 60,931	\$ 128,559	\$ 121,468

9 Accounts payable and accrued liabilities

	August 31, 2025	March 2, 2025
Trade accounts payable	\$ 340,511	\$ 189,222
Employee benefits payable	69,133	64,692
Other non-trade payables	32,054	21,790
Restricted Share Unit ("RSU") and Deferred Share Unit ("DSU") plans liabilities (note 14)	15,600	17,708
Accounts payable and accrued liabilities	\$ 457,298	\$ 293,412

As at August 31, 2025, \$44.6 million of trade accounts payable was outstanding as part of a payable services arrangement with a third party financial institution (March 2, 2025 - \$nil). Balances outstanding under the payable services arrangement allows eligible suppliers to elect to be paid by the financial institution earlier than the maturity date (generally 90 days) of the invoices subject to a discount. The Company's rights and obligations to suppliers with respect to those invoices are not impacted. The Company will pay the full amount

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Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

owing to the financial institution according to the maturity dates and terms negotiated with the supplier. The amounts paid by the Company to the financial institution related to this program is classified as an operating activity within the condensed interim consolidated statements of cash flows.

10 Other non-current liabilities

	August 31, 2025	March 2, 2025
Deferred lease inducements	2,760 \$	3,323
Asset retirement obligations and other	867	506
Other non-current liabilities	\$ 3,627 \$	3,829

11 Bank indebtedness

The Company has a \$300.0 million revolving credit facility which bore interest at Canadian Overnight Repo Rate Average ("CORRA"), Secured Overnight Financing Rate ("SOFR") (prior to June 30, 2023, London Inter-Bank Offered Rate ("LIBOR")) or Canadian prime or base rate, plus a marginal rate between 0.75% and 2.75% (March 2, 2025 – 0.75% and 2.75%). Up to \$10.0 million of the facility can be drawn upon by way of a swingline loan. As at August 31, 2025, no amounts were drawn under the revolving credit facility (March 2, 2025 - \$nil). The revolving credit facility previously matured on October 27, 2026. On October 8, 2025, the Company extended the maturity date to October 8, 2030, along with marginal rates reduction to between 0.45% to 2.45% and a new \$25.0 million cash-secured letter of credit.

The Company also has a revolving line of credit with a limit of US\$10.0 million and expiring on December 14, 2025. The revolving line of credit bears interest at the daily SOFR, plus a marginal rate between 1.75% and 2.75% (March 2, 2025 – 1.75% and 2.75%). As at August 31, 2025, no amounts were drawn under the revolving line of credit (March 2, 2025 - \$nil).

The Company also has letters of credit facilities of CAD\$30.0 million and US\$25.0 million (March 2, 2025 - CAD\$30.0 million and US\$25.0 million) secured pari passu with the revolving credit facility and the revolving line of credit. The interest rate for the letters of credit is between 1.17% and 2.75%. As at August 31, 2025, the amount available under these facilities was increased to \$59.7 million (March 2, 2025 - \$57.8 million) by certain open letters of credit (note 20).

The revolving credit facility is collateralized by a first priority lien on all property and equipment, leased real property interests and inventory. In addition, the Company is required to maintain certain financial covenants. As at August 31, 2025 and March 2, 2025, the Company was in compliance with all financial covenants.

12 Financial instruments

Equity derivative contracts

The Company has equity derivative contracts (total return swaps) to hedge the share price exposure on its cash-settled DSUs and RSUs and open market-settled RSUs and PSUs, as applicable. These contracts are not designated as hedging instruments for accounting purposes.

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Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Unrealized loss (gain) on equity derivative contracts	\$ (10,814)	\$ (6,507)	\$ (10,792)	\$ (5,837)
			As at	
			August 31, 2025	March 2, 2025
Fair value of equity derivative contracts, asset (liability)			\$ 32,002	\$ 21,210

Unrealized gains and losses for the change in fair value for equity derivative contracts are recorded in other expense (income) in the condensed interim consolidated statements of operations. The positive and negative fair values of these contracts are recorded in prepaid expenses and other current assets and accounts payable and accrued liabilities, respectively, in the condensed interim consolidated statements of financial position.

100% Acquisition of CYC

On May 26, 2023, as part of the acquisition of the remaining 25% ownership interest of CYC, the Company issued 419,047 subordinate voting shares ("Upfront Shares") and the right to receive additional subordinate voting shares ("Additional Shares") by March 31, 2026. The Upfront Shares were recognized in share capital (\$15.4 million) and the Additional Shares with an estimated value up to \$9.4 million were treated as compensation for future services with a portion recognized in contributed surplus (\$6.6 million) and the remainder, net of any changes estimated or final value, to be recognized over the period ending in Fiscal 2026.

The Upfront Shares are also subject to an escrow agreement with one third to be released at the end of each of Fiscal 2024, 2025 and 2026 (or earlier as agreed to by the Company and the CYC exchangeable shareholders) and subject to future adjustments ("Share Adjustments"). The Share Adjustments are treated as an embedded derivative and recorded within prepaid expenses and other current assets with a value of \$8.5 million as at August 31, 2025 (March 2, 2025 - \$8.5 million).

13 Share capital

Secondary offering

From time to time, the Company will announce a secondary offering on a bought deal basis of its subordinate voting shares through a secondary sale of shares by certain entities owned and/or controlled, directly or indirectly, by Brian Hill, Founder and Executive chair of Aritzia and the ultimate owner, or Brian Hill and his immediate family (collectively, the "Selling Shareholders"). The Company does not receive any proceeds from the secondary offerings. Underwriting fees are paid by the Selling Shareholders and other expenses related to the secondary offerings are paid by the Company.

On February 11, 2025, the Company announced a secondary offering (the "Secondary Offering"). As part of the Secondary Offering, the Selling Shareholders exchanged 758,105 of their multiple voting shares for subordinate voting shares. Details relating to the Secondary Offering are summarized in the following table:

Completion date	February 28, 2025
Number of subordinate voting shares	1,045,000
Price per subordinate voting share	\$ 69.85
Gross proceeds to the Selling Shareholders	\$ 72,993
Other expenses paid by the Company	\$ 550

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Notes to Condensed Interim Consolidated Financial Statements

August 31, 2025

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

Normal course issuer bid ("NCIB") and Automatic Share Purchase Plan ("ASPP")

The TSX approved the Company's NCIB on May 5, 2025 ("2025 NCIB") allowing the Company to purchase up to 4,226,994 subordinate voting shares during the twelve-month period commencing May 7, 2025 and ending May 6, 2026. On May 27, 2025, the Company entered into an ASPP ("2025 ASPP") with its designated broker and which commenced immediately and will terminate upon the termination of the 2025 NCIB, unless terminated earlier in accordance with the terms of the ASPP.

During the 26 weeks ended August 31, 2025, the Company repurchased a total of 217,700 subordinate voting shares for cancellation under the 2025 NCIB at an average price of \$74.56 per subordinate voting share for total cash consideration of \$16.2 million (26-week period ended September 1, 2024 - no shares were repurchased under the NCIB).

As at August 31, 2025, there were 19,679,244 multiple voting shares and 95,571,329 subordinate voting shares issued and outstanding. There were no preferred shares issued and outstanding as at August 31, 2025. Neither the multiple voting shares nor the subordinate voting shares issued have a par value.

Shares held in trust

The Company established a trust for the RSU and PSU equity-settled plans to facilitate the purchase of shares for future settlement upon vesting of RSU and PSU grants. The Company is the sponsor of the trust and has assigned TSX Trust Company as the trustee. The trust is considered a structured entity and is consolidated in the Company's financial statements with the cost of the acquired shares recorded as a reduction to equity until released into circulation when the RSUs and PSUs settle. During the 26-week period ended August 31, 2025, the Company purchased 250,000 subordinate voting shares for \$16.9 million, of which 242,585 shares were released.

14 Stock-based compensation

Reflected in the condensed interim consolidated statements of operations as stock-based compensation expense are the following amounts:

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Equity-settled plans				
Stock options	\$ 4,252	\$ 4,940	\$ 9,257	\$ 9,835
Restricted Share Units	3,315	2,276	5,230	3,763
Performance Share Units	1,252	1,261	3,881	1,671
Cash-settled plans	5,341	4,949	5,978	5,484
Stock-based compensation expense	\$ 14,160	\$ 13,426	\$ 24,346	\$ 20,753

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Notes to Condensed Interim Consolidated Financial Statements

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Stock Options

Legacy Plan

Transactions for options granted under the Legacy Plan for the 26-week periods ended August 31, 2025 and September 1, 2024 were as follows:

	August 31, 2025		September 1, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of period	703,039	6.23	1,703,211	5.56
Exercised	(481,307)	5.98	(460,921)	4.47
Outstanding, at end of period	221,732	6.79	1,242,290	5.97
Exercisable, at end of period	221,732	6.79	1,242,290	5.97

Omnibus Plan

Transactions for options granted under the Omnibus Plan for the 26-week periods ended August 31, 2025 and September 1, 2024 were as follows:

	August 31, 2025		September 1, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of period	6,602,692	\$ 31.72	8,239,589	\$ 26.32
Granted	663,147	73.74	843,863	47.05
Exercised	(548,463)	25.68	(967,704)	15.76
Forfeited	(204,795)	31.77	(168,338)	32.49
Outstanding, at end of period	6,512,581	\$ 36.45	7,947,410	\$ 29.59
Exercisable, at end of period	2,996,530	\$ 29.87	3,420,832	\$ 25.08

The weighted average fair value of stock options estimated at the grant date for the 26-week period ended August 31, 2025 was \$35.60 (26-week period ended September 1, 2024 - \$22.50), based on the Black-Scholes option pricing model using the following assumptions:

Dividend yield	0.0%
Expected volatility	44.8% to 47.0%
Risk-free interest rate	2.8% to 3.3%
Expected life	5.0 to 8.0 years
Exercise price	\$56.42 to \$75.14

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Director Deferred Share Unit Plan

The following table summarizes information related to DSUs:

	26-week periods ended	
	August 31, 2025	September 1, 2024
Number of units		
Outstanding, at beginning of period	239,902	232,207
Granted	11,199	18,695
Settled and issued	(62,422)	—
Outstanding, at end of period	188,679	250,902

The fair value of the DSU liability as at August 31, 2025 was \$15.5 million (March 2, 2025 - \$16.0 million).

Restricted Share Unit Plan

The following tables summarize information related to RSUs:

	26-week periods ended			
	August 31, 2025		September 1, 2024	
	Cash-settled	Equity-settled	Cash-settled	Equity-settled
Number of units				
Outstanding, at beginning of period	1,046	1,074,896	319,699	786,568
Granted	4,581	254,256	—	339,517
Settled and issued	(4,581)	(271,330)	(245,335)	—
Forfeited	—	(49,940)	(7,415)	(33,532)
Outstanding, at end of period	1,046	1,007,882	66,949	1,092,553

The fair value of the cash-settled RSU liability as at August 31, 2025 was \$82 thousand (March 2, 2025 - \$56 thousand).

Performance Share Unit Plan

The following table summarizes information related to PSUs:

	26-week periods ended	
	August 31, 2025	September 1, 2024
Number of units		
Outstanding, at beginning of period	550,644	497,746
Granted	139,553	178,393
Settled and issued	(34,741)	(125,495)
Outstanding, at end of period	655,456	550,644

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15 Net income per share

Basic

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Net income attributable to shareholders of the Company	\$ 66,301	\$ 18,247	\$ 108,692	\$ 34,080
Weighted average number of shares outstanding during the period (thousands)	114,869	112,361	114,663	111,910
Basic net income per share	\$ 0.58	\$ 0.16	\$ 0.95	\$ 0.30

Diluted

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Net income attributable to shareholders of the Company	\$ 66,301	\$ 18,247	\$ 108,692	\$ 34,080
Weighted average number of shares for net income per diluted share (thousands)	119,101	116,035	118,664	115,412
Net income per diluted share	\$ 0.56	\$ 0.16	\$ 0.92	\$ 0.30

For the 13-week and 26-week periods ended August 31, 2025, 1,512,384 and 1,599,876 stock options and equity-settled RSUs and PSUs, respectively, along with the Additional Shares were not included in the calculation of diluted net income per share as they were anti-dilutive or contingently issuable (13-week and 26-week periods ended September 1, 2024 – 1,965,080 and 3,462,477, stock options and equity-settled RSUs and PSU's, respectively, along with the Additional Shares).

16 Net Revenue

Net revenue disaggregated for boutiques and eCommerce was as follows:

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Retail net revenue	\$ 571,717	\$ 425,621	\$ 1,052,023	\$ 783,464
eCommerce net revenue	240,337	190,042	423,347	330,829
Net revenue	\$ 812,054	\$ 615,663	\$ 1,475,370	\$ 1,114,293

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17 Expenses by nature

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Cost of goods sold				
Inventory and product-related costs and occupancy costs	\$ 411,759	\$ 328,362	\$ 720,411	\$ 568,569
Depreciation on right-of-use assets	23,118	24,891	44,775	49,163
Depreciation on property and equipment	21,547	14,924	41,757	29,531
Cost of goods sold	\$ 456,424	\$ 368,177	\$ 806,943	\$ 647,263

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Personnel expenses				
Salaries, wages and employee benefits	\$ 186,763	\$ 148,043	\$ 356,670	\$ 281,538
Stock-based compensation expense relating to employees (note 14)	10,337	10,132	20,179	17,381
Personnel expenses	\$ 197,100	\$ 158,175	\$ 376,849	\$ 298,919

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Finance expense				
Interest expense on lease liabilities (note 8)	\$ 12,774	\$ 11,950	\$ 24,843	\$ 23,618
Interest expense and banking fees	828	816	1,638	1,653
Amortization of deferred financing fees	76	76	152	152
Finance expense	\$ 13,678	\$ 12,842	\$ 26,633	\$ 25,423

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Other expense (income)				
Realized foreign exchange loss (gain)	\$ 4,727	\$ (983)	\$ 7,172	\$ (2,299)
Unrealized foreign exchange loss (gain)	(4,220)	3,003	3,651	3,113
Unrealized loss (gain) on equity derivative contracts (note 12)	(10,814)	(6,507)	(10,792)	(5,837)
CYC integration costs and other	—	376	218	2,621
Interest and other income	(2,759)	(1,418)	(4,993)	(3,089)
Other expense (income)	\$ (13,066)	\$ (5,529)	\$ (4,744)	\$ (5,491)

18 Income taxes

The income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year. To the extent that forecasts differ from actual results, adjustments are recognized in subsequent periods. The tax rates for the 13-week and 26-week periods ended August 31, 2025 were as follows:

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	13-week periods ended		39-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Statutory income tax rate	26.8%	26.8%	26.8%	26.8%
Effective income tax rate	26.9%	33.0%	27.3%	32.6%

The effective tax rates are driven largely by the proportionate amount of deductible and non-deductible stock-based compensation expense on equity settled plans relative to net income for the 13-week and 26-week periods ended August 31, 2025 and September 1, 2024.

19 Segment information

The Company defines an operating segment on the same basis that it uses to evaluate performance internally and to allocate resources by the Chief Operating Decision Maker (the "CODM"). The Company has determined that the Chief Executive Officer together with the Founder, Executive Chair are its CODM and there is one operating segment. Therefore, the Company reports as a single segment. This includes all sales channels accessed by the Company's clients, including sales through the Company's eCommerce website and sales at the Company's boutiques.

The following table summarizes net revenue by geographic location of the Company's clients:

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
United States	\$ 486,089	\$ 345,395	\$ 899,076	\$ 630,056
Canada	325,965	270,268	576,294	484,237
Net revenue	\$ 812,054	\$ 615,663	\$ 1,475,370	\$ 1,114,293

The Company's non-current, non-financial assets (property and equipment, intangible assets, goodwill, and right-of-use assets) are geographically located as follows:

	August 31, 2025	March 2, 2025
United States	\$ 949,040	\$ 891,160
Canada	852,808	791,431
Non-current, non-financial assets	\$ 1,801,848	\$ 1,682,591

20 Commitments and contingencies

Product purchase obligations

At August 31, 2025, the Company had purchase obligations of \$120.2 million (March 2, 2025 - \$157.2 million), which represent commitments for fabric expected to be used during upcoming seasons, made in the normal course of business.

Letters of credit

At August 31, 2025, the Company had open letters of credit of \$4.7 million (March 2, 2025 - \$8.3 million).

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21 Related party transactions

The Company is ultimately controlled by AHI Holdings Inc. and related entities which are controlled by a director and officer of the Company.

The Company entered into the following transactions with related parties:

- a) During the 13-week and 26-week periods ended August 31, 2025, the Company made payments of \$2.4 million and \$5.3 million, respectively (13-week and 26-week periods ended September 1, 2024 - \$2.5 million and \$5.1 million, respectively), for lease of premises and management services and \$0.3 million and \$0.6 million, respectively (13-week and 26-week periods ended September 1, 2024 - \$0.3 million and \$0.8 million, respectively) for the use of an asset wholly or partially owned by companies that are owned by a director and officer of the Company. As at August 31, 2025, \$0.6 million was included in accounts payable and accrued liabilities (March 2, 2025 - \$0.6 million) and \$0.8 million was included in prepaid expenses and other current assets for the lease of premises (March 2, 2025 - \$0.8 million). As at August 31, 2025, the outstanding balance of lease liabilities owed to these companies was \$71.6 million (March 2, 2025 - \$40.5 million). These transactions were measured at the amount of consideration established at market terms.
- b) Key management includes the Company's directors and executive team. Compensation awarded to key management includes:

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Salaries, directors' fees and short-term benefits	\$ 3,210	\$ 1,508	\$ 5,608	\$ 2,897
Stock-based compensation expense	7,125	5,728	10,452	7,479
Key management compensation	\$ 10,335	\$ 7,236	\$ 16,060	\$ 10,376

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22 Supplemental cash flow information

The net change in non-cash working capital balances for the 13-week and 26-week periods ended August 31, 2025 and September 1, 2024 were as follows:

	13-week periods ended		26-week periods ended	
	August 31, 2025	September 1, 2024	August 31, 2025	September 1, 2024
Accounts receivable	\$ (405)	\$ (8,600)	\$ 2,234	\$ (4,228)
Inventory	(117,159)	(87,553)	(154,303)	(143,468)
Prepaid expenses and other current assets	(2,751)	(4,459)	(681)	(3,738)
Other assets	226	(129)	(288)	90
Accounts payable and accrued liabilities	136,563	94,839	182,439	93,675
Deferred revenue	8,328	4,506	6,150	3,014
Net change in non-cash working capital balances	\$ 24,802	\$ (1,396)	\$ 35,551	\$ (54,655)
Accrued purchases of property and equipment			\$ 29,880	\$ 50,462
Accrued purchases of intangible assets			\$ 878	\$ 398