

ARITZIA

Aritzia Inc.

Consolidated Financial Statements
March 2, 2025 and March 3, 2024
(in thousands of Canadian dollars)



Independent auditor's report

To the Shareholders of Aritzia Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aritzia Inc. and its subsidiaries (together, the Company) as at March 2, 2025 and March 3, 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at March 2, 2025 and March 3, 2024;
- the consolidated statements of operations for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 2, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Inventory</p> <p><i>Refer to note 2 – Material accounting policies, note 4 – Judgments and estimates and note 5 – Inventory to the consolidated financial statements.</i></p> <p>As at March 2, 2025, the Company held inventory of \$379.3 million including finished goods in transit of \$64.5 million. Inventory is carried at the lower of cost and net realizable value. Cost is determined using weighted average costs. Cost of inventory includes the cost of merchandise and all costs incurred to deliver inventory to the Company's distribution centres.</p> <p>We considered this a key audit matter due to the magnitude of the inventory balance and the audit effort involved in testing the inventory.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested the operating effectiveness of relevant controls relating to the accounting for inventory, including the mathematical accuracy of the weighted average cost method.• Tested a sample of inventory items to purchase invoices.• Observed the inventory count process for a sample of distribution centres and for a sample of boutiques near year-end and performed independent test counts.• Tested on a sample basis, the finished goods in transit as at year-end by agreeing to third party shipment documents, receipt of inventory to distribution centres, and purchase invoices.• Tested on a sample basis, inventory received post year-end to receiving documents to assess whether inventory was recorded appropriately as at year-end.• Tested how management determined net realizable value, which included testing a sample of inventory items to the most recent retail prices of the inventory items.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information,



other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Paulina Prokop.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 1, 2025

Aritzia Inc.
Consolidated Statements of Financial Position
As at March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars)

	Note	March 2, 2025	March 3, 2024
Assets			
Cash and cash equivalents		\$ 285,635	\$ 163,277
Accounts receivable		26,311	18,473
Income taxes recoverable		4,342	7,055
Inventory	5	379,316	340,145
Prepaid expenses and other current assets	12	61,239	37,270
Total current assets		\$ 756,843	\$ 566,220
Property and equipment	6	656,966	431,365
Intangible assets	7	104,221	84,975
Goodwill	7	198,846	198,846
Right-of-use assets	8	722,558	632,291
Other assets	12	11,564	5,164
Deferred tax assets	18	4,816	27,272
Total assets		\$ 2,455,814	\$ 1,946,133
Liabilities			
Accounts payable and accrued liabilities	9, 12	\$ 293,412	\$ 221,030
Income taxes payable		12,983	1,606
Current portion of lease liabilities	8	107,755	107,322
Deferred revenue		111,158	81,669
Total current liabilities		\$ 525,308	\$ 411,627
Lease liabilities	8	811,468	698,564
Other non-current liabilities	10	3,829	5,256
Deferred tax liabilities	18	20,626	23,191
Total liabilities		\$ 1,361,231	\$ 1,138,638
Shareholders' equity			
Share capital	13	\$ 383,482	\$ 307,737
Contributed surplus		101,568	96,249
Retained earnings		609,695	407,337
Accumulated other comprehensive loss		(162)	(3,828)
Total shareholders' equity		1,094,583	807,495
Total liabilities and shareholders' equity		\$ 2,455,814	\$ 1,946,133

Commitments and contingencies 20

Approved on behalf of the Board of Directors

Brian Hill Director

John Currie Director

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

Aritzia Inc.
Consolidated Statements of Operations
For the years ended March 2, 2025 and March 3, 2024

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

	Note	March 2, 2025	March 3, 2024
Net revenue	16, 19	\$ 2,738,112	\$ 2,332,350
Cost of goods sold	17	1,557,493	1,433,369
Gross profit		1,180,619	898,981
Selling, general and administrative		837,456	708,783
Stock-based compensation expense	14, 17	48,373	31,784
Income from operations		294,790	158,414
Finance expense	8, 11, 17	48,800	49,091
Other expense (income)	12, 17	(44,463)	(5,287)
Income before income taxes		290,453	114,610
Income tax expense	18	82,663	35,830
Net income		\$ 207,790	\$ 78,780
Net income per share			
Basic	15	\$ 1.85	\$ 0.71
Diluted	15	\$ 1.78	\$ 0.69
Weighted average number of shares outstanding (thousands)			
Basic	15	112,551	110,653
Diluted	15	116,731	114,194

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

Aritzia Inc.
Consolidated Statements of Comprehensive Income
For the years ended March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars)

	March 2, 2025	March 3, 2024
Net income	\$ 207,790	\$ 78,780
Other comprehensive income		
Items that are or may be reclassified subsequently to net income:		
Foreign currency translation adjustment	3,666	(144)
Comprehensive income	\$ 211,456	\$ 78,636

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

Aritzia Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended March 2, 2025 and March 3, 2024

(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, February 26, 2023	20,437,349	\$ 14,774	90,005,261	\$ 250,745	\$ 68,682	\$ 355,270	\$ (3,684)	\$ 685,787
Net Income	—	—	—	—	—	78,780	—	78,780
Options exercised (note 14)	—	—	1,388,360	30,139	(9,418)	—	—	20,721
Stock-based compensation expense on equity-settled plans (note 14)	—	—	—	—	30,339	—	—	30,339
Shares repurchased for cancellation (note 13)	—	—	(1,089,641)	(3,275)	—	(26,713)	—	(29,988)
Shares issued to settle non-controlling interest in exchangeable shares liability (note 12)	—	—	419,047	15,354	6,646	—	—	22,000
Foreign currency translation adjustment	—	—	—	—	—	—	(144)	(144)
Balance, March 3, 2024	20,437,349	\$ 14,774	90,723,027	\$ 292,963	\$ 96,249	\$ 407,337	\$ (3,828)	\$ 807,495
Net Income	—	—	—	—	—	207,790	—	207,790
Shares issued for equity settled plans (note 14)	—	—	3,355,720	76,219	(30,781)	—	—	45,438
Stock-based compensation expense on equity-settled plans (note 14)	—	—	—	—	33,972	—	—	33,972
Shares exchanged at secondary offering (note 13)	(758,105)	(548)	758,105	548	—	—	—	—
Shares repurchased for cancellation (note 13)	—	—	(134,200)	(474)	—	(5,432)	—	(5,906)
Tax impact related to stock-based compensation	—	—	—	—	2,128	—	—	2,128
Foreign currency translation adjustment	—	—	—	—	—	—	3,666	3,666
Balance, March 2, 2025	19,679,244	\$ 14,226	94,702,652	\$ 369,256	\$ 101,568	\$ 609,695	\$ (162)	\$ 1,094,583

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

Aritzia Inc.

Consolidated Statements of Cash Flows

For the years ended March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars)

	Note	March 2, 2025	March 3, 2024
Operating activities			
Net income for the period		\$ 207,790	\$ 78,780
Adjustments for:			
Depreciation and amortization		84,415	64,515
Depreciation on right-of-use assets	8	102,238	103,524
Impairment of right-of-use assets	8, 17	—	5,043
Finance expense	17	48,800	49,091
Stock-based compensation expense	14, 17	48,373	31,784
Unrealized (gain) loss on equity derivative contracts	12, 17	(16,929)	5,189
Income tax expense	18	82,663	35,830
Fair value adjustments related to acquisition of CYC Design Corporation ("CYC")	12, 17	(7,500)	(14,500)
Other		649	(1,090)
Cash generated before non-cash working capital balances and interest and income taxes		550,499	358,166
Net change in non-cash working capital	22	4,173	97,002
Cash generated before interest and income taxes		554,672	455,168
Interest paid		(3,883)	(6,132)
Interest paid on lease liabilities	8	(49,949)	(42,679)
Income taxes paid		(45,203)	(47,534)
Net cash generated from (used in) operating activities		455,637	358,823
Financing activities			
Payment of financing fees	11	—	(611)
Repayment of principal on lease liabilities	8	(110,432)	(110,197)
Proceeds from lease incentives		10,527	21,405
Proceeds from options exercised	14	45,438	20,721
Shares repurchased for cancellation	13	(5,906)	(29,988)
Net cash generated from (used in) financing activities		(60,373)	(98,670)
Investing activities			
Purchase of property and equipment	6	(256,031)	(173,687)
Purchase of intangible assets	7	(21,085)	(2,974)
Contingent consideration payout, net relating to the acquisition of CYC	12	—	(6,303)
Cash generated from (used in) investing activities		(277,116)	(182,964)
Effect of exchange rate changes on cash and cash equivalents		4,210	(422)
Change in cash and cash equivalents		122,358	76,767
Cash and cash equivalents – Beginning of year		163,277	86,510
Cash and cash equivalents – End of year		\$ 285,635	\$ 163,277
Supplemental cash flow information	22		

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

Aritzia Inc.

Notes to Consolidated Financial Statements

March 2, 2025 and March 3, 2024

(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 vertically integrated design house. 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 130 boutiques throughout Canada and the United States.

On June 25, 2021, the Company acquired 75% of the common shares in CYC Design Corporation ("CYC") and on May 26, 2023 the Company acquired the remaining 25% interest in CYC (note 12). The results of operations, financial position, and cash flows of CYC, which owns the Reigning Champ brand, have been included in the Company's consolidated financial statements since the date of the 75% acquisition. CYC has three boutiques in Canada.

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

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Fiscal year

The Company's fiscal year-end is the Sunday closest to the last day of February, typically resulting in a 52-week year, but occasionally giving rise to an additional week, resulting in a 53-week year. Fiscal 2025 is a 52-week year and Fiscal 2024 was a 53-week year. All references to Fiscal 2025 represent the fiscal year ended March 2, 2025 and all references to Fiscal 2024 represent the fiscal year ended March 3, 2024.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, including Aritzia LP and CYC, domiciled in Canada, and United States of Aritzia Inc., domiciled in the United States. All intercompany transactions and balances are eliminated on consolidation and consistent accounting policies are applied across the Company.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars. The functional currency for each entity included in these consolidated financial statements is the currency of the primary economic environment in which the entity operates. The functional currency of the parent corporation and its Canadian operations is the Canadian dollar. The functional currency of the Company's U.S. operations is the U.S. dollar.

Cost of goods sold

Cost of goods sold includes inventory and product-related costs, occupancy costs, and depreciation expense for the Company's boutiques and distribution centres.

Aritzia Inc.

Notes to Consolidated Financial Statements

March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars, unless otherwise noted)

Selling, general and administrative

Selling, general and administrative expenses consist of selling expenses that are generally variable with revenues and general and administrative operating expenses that are primarily fixed. Selling, general and administrative expenses also include depreciation and amortization expense for all support office assets and intangible assets.

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 consolidated financial statements were authorized for issue on May 1, 2025 by the Company's Board of Directors ("Board").

2 Material accounting policies

Foreign currency translation

Transactions denoted in foreign currencies are translated into the functional currency for the respective entity at the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date exchange rates, are recognized in profit or loss. Other non-monetary items on the consolidated statement of financial position denominated in foreign currencies are translated into the functional currencies using the exchange rates at the date of the transaction.

The Company's U.S. operations with a functional currency of U.S. dollars are translated into Canadian dollars at each reporting date. Assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the reporting date. Revenues and expenses are translated into Canadian dollars at average exchange rates during the reporting period. The resulting translation adjustments are included in other comprehensive income.

Inventory

Inventory, consisting of finished goods and raw materials, is carried at the lower of cost and net realizable value. Cost is determined using weighted average costs. Cost of inventories includes the cost of merchandise and all costs incurred to deliver inventory to the Company's distribution centres including freight and duty.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, including any costs (e.g., right-of-use assets depreciation and borrowing costs) directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Costs and related accumulated depreciation for property and equipment are removed from the accounts upon their sale or disposition and the resulting gain or loss is reflected in the results of operations.

Aritzia Inc.

Notes to Consolidated Financial Statements

March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars, unless otherwise noted)

Depreciation is recognized on a straight-line basis over the estimated useful lives of each component of an item of property and equipment, commencing when the assets are ready for use, as follows:

Computer hardware and software	3 - 7 years
Furniture and equipment	3 - 10 years
Leasehold improvements	shorter of lease term and estimated useful life

Estimates of useful lives, residual values and methods of depreciation are reviewed annually. Any changes are accounted for prospectively as a change in accounting estimate.

Intangible assets

Intangible assets are recorded at cost and include trade names, trademarks, non-competition agreements and internally developed computer software.

Costs to purchase any trademarks from third parties are capitalized and amortized over the useful lives of the assets. Costs include all expenditures that are directly attributable to the acquisition or development of the asset.

The Company capitalizes, in intangible assets, direct costs incurred during the application and infrastructure development stages of developing computer software for internal use. All costs incurred during the preliminary project stage, including project scoping, identification and testing of alternatives, are expensed as incurred.

The Aritzia and Reigning Champ trade names have been determined to have an indefinite life and are not amortized. The remaining intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Other trade names and trademarks	term of registration or up to a maximum of 20 years
Non-compete agreements	5 years
Computer software	3 - 7 years

Estimates of useful lives, residual values and methods of amortization are reviewed annually. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment of non-financial assets

General

Impairment testing compares the carrying values of the assets or cash-generating units ("CGU") being tested with their recoverable amounts (the recoverable amount being the greater of an asset's or CGUs value in use or fair value less costs of disposal). To the extent that the carrying value of an asset or CGU exceeds its recoverable amount, the excess amount would be recorded as an impairment loss. Should the recoverable amounts for impaired assets or CGUs subsequently increase, the impairment losses previously recognized (other than in respect of goodwill) may be reversed.

Property, plant and equipment, intangible assets, and right-of-use assets with finite lives

Assets that are subject to depreciation or amortization are periodically reviewed for indicators of impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset or CGU is tested for impairment.

Aritzia Inc.

Notes to Consolidated Financial Statements

March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars, unless otherwise noted)

Goodwill and intangible assets with indefinite lives

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company has selected the first day of the fourth quarter as the time of the annual impairment test. The recoverable amount of goodwill is based on value in use, calculated using discounted cash flows over five years with a terminal value generated from continuing use of the group of CGUs.

The fair value methodologies used by the Company in testing goodwill and indefinite-lived intangible assets include assumptions related to financial forecasts, sales trends, discount rates, terminal growth rates, royalty rates and other assumptions that are judgmental in nature. If future economic conditions or operating performance, such as declines in sales or increases in discount rates, are different than those projected by management in its most recent impairment tests for goodwill and indefinite-lived intangible assets, future impairment charges may be required. See note 7 for further details.

Leases

The Company assesses whether a contract is or contains a lease at the inception of the contract. Leases are recognized as a right-of-use asset and corresponding lease liability at the lease commencement date. The lease liability is measured at the present value of the future fixed and in-substance fixed payments and variable lease payments that depend on an index or rate over the lease term, less any lease incentives receivable, discounted using the lessee's incremental borrowing rate, unless the implicit interest rate in the lease can be easily determined. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

Lease terms applied are the contractual non-cancellable periods of the lease, plus periods covered by renewal or termination options, if the Company is reasonably certain to exercise those options. Lease liabilities are remeasured (with a corresponding adjustment to the right-of-use asset) when there is a change in the lease term, a change in the future lease payments resulting from a change in an index or rate used to determine those payments, or when the lease contract is modified and the lease modification is not accounted for as a separate lease.

The right-of-use assets include the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, any initial direct costs, less any lease incentives received before the commencement date. The right-of-use assets are subsequently measured at cost and are depreciated on a straight-line basis from the date the underlying asset is available for use over the lease term.

Lease payments for assets that are exempt through the short-term exemption and variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liabilities. Lease incentives received for variable payment leases are deferred and amortized as a reduction in recognized variable rent expenses over the related lease terms. Proceeds from lease incentives are recognized as financing cash flows in the consolidated statement of cash flows.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the financial instrument. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset expire and financial liabilities are derecognized when obligations under the contract expire, are discharged or cancelled. The Company's financial assets, which includes cash and cash equivalents and accounts receivable, are classified as amortized cost. The Company's financial liabilities, which includes accounts payable and accrued liabilities, lease liabilities and long term debt, are classified as amortized cost. The Company's equity derivative contracts, contingent consideration and non-controlling interest in exchangeable shares liability are classified as fair value through profit or loss ("FVTPL").

Aritzia Inc.

Notes to Consolidated Financial Statements

March 2, 2025 and March 3, 2024

(in thousands of Canadian dollars, unless otherwise noted)

Financial assets are initially measured at fair value and subsequently measured at amortized cost using the effective interest method if both of the following conditions are met and they are not designated as FVTPL:

- (i) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. All financial assets not classified as amortized cost as described above are measured at FVTPL.

Financial liabilities are initially measured at fair value, less any directly attributable transaction costs, and subsequently measured at amortized cost using the effective interest method.

Changes of the fair value of financial instruments classified as FVTPL are recorded in profit or loss in the period in which they arise. Gains and losses on financial instruments classified at amortized cost are recognized in profit or loss when the financial instruments are derecognized, modified or impaired.

Financial assets and financial liabilities are measured at fair value using a valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs based on a company's own assumptions about market participant assumptions using the best information available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 - Valuations based on quoted inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Share capital

Multiple voting shares and subordinate voting shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares are shown in equity as a deduction, net of tax, from the proceeds of the issuance. When share capital recognized as equity is re-purchased for cancellation, the amount of consideration paid, which includes directly attributable costs, net of tax, is recognized as a deduction from share capital. The excess of the purchase price over the carrying amount of the shares is charged to retained earnings.

Revenue recognition

The Company recognizes revenue when control of the goods or services has been transferred to the customer. Control transfers once a customer has the ability to direct the use of, and obtain substantially all of the benefits from, the product. This generally occurs when the product is delivered to the customer and therefore may be subject to deferral until delivered to or received by the customer. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur. Revenues are measured net of

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discounts and an estimated allowance for returns. Shipping fees charged to customers are recorded as revenue.

Revenues are reported net of sales taxes collected for various governmental agencies.

Receipts from the sale of gift cards are treated as deferred revenue. When gift cards are redeemed for merchandise, the Company recognizes the related revenue. The Company estimates gift card breakage, to the extent there is no requirement for remitting card balances to government agencies under unclaimed property laws, and recognizes revenue in proportion to actual gift card redemptions.

Employee benefits

Short-term employee benefit obligations, which include wages, salaries, compensated absences and bonuses are expensed through cost of goods sold or selling, general and administrative expenses as the related service is provided.

Termination benefits are recognized as an expense when the Company has demonstrated commitment, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Income tax expense

Current and deferred income taxes are recognized in the Company's net income, except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Current taxes are recognized for the estimated taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable income or loss. In addition, deferred tax liabilities are not recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the asset and liability, using tax rates enacted or substantively enacted at the year-end date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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Stock-based compensation expense

General

For stock-based compensation which vests in its entirety at one future point in time (cliff-vesting), the Company recognizes the expense on a straight-line basis over the vesting period. For stock-based compensation which vests in tranches, the Company recognizes the expense using the graded vesting method. An estimate of forfeitures during the vesting period is made at the date of grant, which is adjusted to reflect actual forfeitures. For stock-based compensation that is subject to performance criteria, it is earned only if certain performance targets are achieved, as established by the Board, along with any other vesting conditions over the vesting period and can decrease or increase if minimum or maximum performance targets are achieved.

Equity-settled plans

Stock option expense is initially recognized based on the fair value of the option at the grant date using the Black-Scholes option-pricing model, with a corresponding increase in contributed surplus. When stock options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are reclassified to share capital.

Compensation expense related to other equity-settled plans is measured based on an estimated fair value at the grant date, with a corresponding increase in contributed surplus. Upon settlement, the amount initially recognized in contributed surplus is reclassified to share capital.

Cash-settled plans

Compensation expense related to cash-settled plans is measured based on the market value of the Company's shares at grant date, with a corresponding liability. The liability is subsequently remeasured at each reporting date based on the market value of the Company's shares, with changes in fair value recognized as stock-based compensation expense over the vesting period.

Net income per share

Basic net income per share is calculated by dividing the net income for the fiscal year attributable to shareholders of the Company by the weighted average number of multiple voting shares and subordinate voting shares outstanding during the year. As all the classes of shares are subject to the same distribution rights, the Company performs the net income per share calculations as if all shares are a single class.

Diluted net income per share is calculated by dividing the net income for the fiscal year attributable to shareholders of the Company by the weighted average number of multiple voting shares and subordinate voting shares outstanding during the year, plus the weighted average number of subordinate voting shares that would be issued on exercise of dilutive stock options granted, as calculated under the treasury stock method, and the dilutive impact of equity-settled restricted and performance share units granted and the non-controlling interest in exchangeable shares liability.

3 Accounting policy developments

International Accounting Standards ("IAS") 1 - Presentation of Financial Statements

The International Accounting Standards Board ("IASB") issued amendments to IAS 1 - Presentation of Financial Statements to clarify the criteria for classifying liabilities with covenants as current or non-current. The amendments also require companies to provide additional note disclosure on non-current liabilities with covenants. The amendments also indicate the classification of a liability between current and noncurrent includes the determination of whether a substantive right to defer settlement for at least 12 months exists and is

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unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024 and the Company determined there was no material impact to the consolidated financial statements. As required by IAS 1, the Company revised its March 3, 2024 balance sheet to report the previously reported deferred shares units liability of \$8.2 million from noncurrent to current for comparative purposes.

IFRS 18 - Presentation and Disclosure in the Financial Statements

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.

IFRS 7 and IFRS 9 - Classification and Measurement of Financial Instruments

In May 2024, the 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. The Company is currently assessing the impact of these amendments on the consolidated financial statements.

Other

A number of other new accounting standards, amendments to standards and interpretations of standards have been issued by the IASB but are not yet effective for the year ended March 2, 2025. The Company does not expect the implementation of these accounting pronouncements to have a significant impact to its accounting policies and consolidated financial statements.

4 Judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates about the future that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis and are based on management's best judgements and experience and other factors. Revisions to accounting estimates are recognized prospectively. Actual results may differ from these estimates.

Significant judgements and estimates made by management in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

Judgements

- Lease terms: whether the Company is reasonably certain, at the lease commencement date or before lease expiration, it will exercise available renewal or termination options and thus include such options in the lease terms (note 8).

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- Impairment testing: judgement in determining the grouping of assets to identify its CGUs for purposes of testing for impairment.

Estimates

- Return allowances: estimates of expected returns based on historical return patterns.
- Inventories: estimates of inventory net realizable value (note 5), which requires the Company to utilize estimates related to product quality, damages, inventory shrinkage for lost or stolen items, future demand, selling prices, and market conditions. The Company periodically reviews its inventories and records a write-down if the cost exceeds net realizable value of inventory, based on the above factors.
- Goodwill and indefinite life intangible asset impairment testing: estimates in the impairment testing model, which incorporate estimates regarding future events including future cash flows, growth rates and discount rates (note 7). On an annual basis, the Company tests whether goodwill and indefinite life intangible assets are impaired using discounted future cash flow models.
- Incremental borrowing rate: estimates of the incremental borrowing rate used for calculating lease liabilities and right-of-use-assets. The Company estimates the incremental borrowing rate of each leased asset as the rate of interest that the Company would have to pay to borrow, over a similar term with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment (note 8).
- Tariffs: Beginning February 1, 2025, the U.S. President issued executive orders directing the U.S. to impose new tariffs on goods imported from Canada, Mexico and China. On March 4, 2025, the 25% tariff on almost all goods imported from Canada and Mexico took effect with China subjected to an additional 10%. On March 6, 2025, the U.S. exempted products covered by the United States, Mexico and Canada trade agreement from the new tariffs. On April 2, 2025, the U.S. government announced numerous tariffs on goods imported to the U.S. including a new baseline tariff of 10% and higher country specific tariffs. On April 9, 2025, the specific country tariffs were paused for 90 days with the exception of total tariffs of up to 145% applicable to imports from China. China has retaliated with tariffs of up to 125% on imports from the U.S. The new U.S. tariffs, to the extent permanent and applicable for an extended time period, may have a material impact on the Company's results of operations and carrying amounts of certain assets and liabilities in the next fiscal year depending on the final tariffs applied to affected goods.
- Other: other estimates include determining the useful lives and depreciation methods applied to property, plant and equipment and intangible assets with definite lives for the purposes of depreciation and amortization; in accounting for and measuring items such as deferred revenue, provisions, and purchase price adjustments on business combinations; and in measuring certain fair values, including those relating to the valuation of assets and liabilities acquired in a business combinations, share-based payments, and financial instruments.

5 Inventory

	March 2, 2025	March 3, 2024
Finished goods	\$ 310,234	\$ 253,095
Finished goods-in-transit	64,469	77,924
Raw materials	4,613	9,126
Inventory	\$ 379,316	\$ 340,145

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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 \$12.0 million for the year ended March 2, 2025 (March 3, 2024 - \$20.2 million). No inventory write-downs recorded in previous periods were reversed.

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

6 Property and equipment

	Leasehold improvements	Furniture and equipment	Computer hardware and software	Construction in- progress	Total
Cost					
Balance, February 26, 2023	\$ 375,104	\$ 87,252	\$ 33,342	\$ 48,357	\$ 544,055
Additions	99,695	29,889	9,668	44,582	183,834
Transfers from construction-in-progress	14,436	26,408	5,434	(46,278)	—
Dispositions	(6,360)	(3,400)	(4,626)	—	(14,386)
Foreign exchange	(805)	(152)	(26)	(35)	(1,018)
Balance, March 3, 2024	\$ 482,070	\$ 139,997	\$ 43,792	\$ 46,626	\$ 712,485
Additions	208,354	20,743	5,110	60,759	294,966
Transfers from construction-in-progress	39,109	5,758	1,101	(45,968)	—
Dispositions and other	(27,040)	(5,005)	(2,388)	—	(34,433)
Foreign exchange	15,364	3,108	246	2,844	21,562
Balance, March 2, 2025	\$ 717,857	\$ 164,601	\$ 47,861	\$ 64,261	\$ 994,580
Accumulated depreciation					
Balance, February 26, 2023	\$ 166,596	\$ 44,569	\$ 24,282	\$ —	\$ 235,447
Depreciation	40,741	13,511	6,101	—	60,353
Dispositions	(6,360)	(3,400)	(4,626)	—	(14,386)
Foreign exchange	(237)	(44)	(13)	—	(294)
Balance, March 3, 2024	\$ 200,740	\$ 54,636	\$ 25,744	\$ —	\$ 281,120
Depreciation	55,897	17,874	7,531	—	81,302
Dispositions and other	(26,402)	(4,824)	(2,388)	—	(33,614)
Foreign exchange	6,993	1,640	173	—	8,806
Balance, March 2, 2025	\$ 237,228	\$ 69,326	\$ 31,060	\$ —	\$ 337,614
Net carrying value					
Balance, March 3, 2024	\$ 281,330	\$ 85,361	\$ 18,048	\$ 46,626	\$ 431,365
Balance, March 2, 2025	\$ 480,629	\$ 95,275	\$ 16,801	\$ 64,261	\$ 656,966

Construction-in-progress primarily includes build costs for boutiques not yet opened. Additions include capitalized right-of-use depreciation and borrowing costs for certain boutiques and distribution centre totaling \$15.1 million for the year ended March 2, 2025 (March 3, 2024 - \$nil).

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7 Goodwill and intangible assets

	Indefinite life trade names	Definite life trade names and trademarks	Computer software	Non-compet agreements	Construction- in- progress	Total Intangible assets	Goodwill
Cost							
Balance, February 26, 2023	\$ 72,292	\$ 19,184	\$ 35,356	\$ 1,200	\$ 4,525	\$ 132,557	\$ 198,846
Additions	—	—	719	—	2,036	2,755	—
Transfers from construction in progress	—	—	4,525	—	(4,525)	—	—
Dispositions	—	—	(2,314)	—	—	(2,314)	—
Balance, March 3, 2024	\$ 72,292	\$ 19,184	\$ 38,286	\$ 1,200	\$ 2,036	\$ 132,998	\$ 198,846
Additions	—	13,099	7,986	—	1,274	22,359	—
Transfers from construction in progress	—	—	2,037	—	(2,037)	—	—
Dispositions	—	—	(1,841)	—	—	(1,841)	—
Balance, March 2, 2025	\$ 72,292	\$ 32,283	\$ 46,468	\$ 1,200	\$ 1,273	\$ 153,516	\$ 198,846
Accumulated amortization							
Balance, February 26, 2023	\$ —	\$ 15,317	\$ 30,458	\$ 400	\$ —	\$ 46,175	\$ —
Amortization	—	686	3,236	240	—	4,162	—
Dispositions	—	—	(2,314)	—	—	(2,314)	—
Balance, March 3, 2024	\$ —	\$ 16,003	\$ 31,380	\$ 640	\$ —	\$ 48,023	\$ —
Amortization	—	904	1,969	240	—	3,113	—
Dispositions	—	—	(1,841)	—	—	(1,841)	—
Balance, March 2, 2025	\$ —	\$ 16,907	\$ 31,508	\$ 880	\$ —	\$ 49,295	\$ —
Net carrying value							
Balance, March 3, 2024	\$ 72,292	\$ 3,181	\$ 6,906	\$ 560	\$ 2,036	\$ 84,975	\$ 198,846
Balance, March 2, 2025	\$ 72,292	\$ 15,376	\$ 14,960	\$ 320	\$ 1,273	\$ 104,221	\$ 198,846

Construction-in-progress includes internally generated computer software not put into use. The Company acquired trademarks from third parties for \$13.1 million, including acquisition costs.

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill is monitored corporately at the level of the Company's single operating segment. A pre-tax discount rate of 9.9% and a terminal growth assumption rate of 2.0% were used in the impairment model.

The Company's indefinite life trade names include Aritzia and Reigning Champ. As there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows, these intangible assets are considered to have indefinite useful lives. For the purposes of intangible assets with indefinite useful lives, CGUs are grouped at the lowest level that the assets are monitored for internal management purposes and for which largely independent cash flows are generated. The carrying values allocated to the CGUs' intangible assets with indefinite useful lives are set out in the following table:

	March 2, 2025	March 3, 2024
Aritzia trade name	\$ 46,092	\$ 46,092
Reigning Champ trade name	26,200	26,200
Indefinite life trade names	\$ 72,292	\$ 72,292

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The recoverable amount of the indefinite life trade names is determined based on the relief from royalty method, calculated using discounted cash flows over five years with a terminal value generated from continuing use of the group of CGUs. The method considers the projected royalties that would otherwise be paid to the holder of the trade name, assuming an arm's length owner.

Specific cash flow estimates for the trade names are projected based on approved financial forecasts, annual growth assumptions, royalty rates, discount rates and a terminal growth rate to extrapolate the cash flow projections. A pre-tax discount rate of 9.9% and 15.9% for each of the Aritzia and Reigning Champ trade names, respectively, and a terminal growth assumption rate of 2.0% (based on the Bank of Canada's target inflation rate) were used in the impairment models for each trade name.

As at March 2, 2025 and March 3, 2024, management has determined that there was no impairment of goodwill or the indefinite life trade names. The Company believes that any reasonably possible change in the key assumptions on which the calculation of the recoverable amount of the CGUs is based would not cause the CGUs carrying values to exceed their recoverable amounts.

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 year ended March 2, 2025:

	March 2, 2025	March 3, 2024
Cost		
Opening balance	\$ 996,699	\$ 878,593
Additions, net of lease incentives received	136,594	123,400
Modifications, including impairment of right-of-use assets	33,746	1,939
Lease expirations	(30,236)	(4,637)
Foreign exchange	45,561	(2,596)
Closing balance	\$ 1,182,364	\$ 996,699
Accumulated depreciation		
Opening balance	\$ 364,408	\$ 264,532
Depreciation	101,732	102,992
Amortization of fair value adjustment on CYC leases	507	532
Modifications, including impairment of right of use assets	5,774	—
Lease expirations	(30,056)	(3,255)
Foreign exchange	17,441	(393)
Closing balance	\$ 459,806	\$ 364,408
Net carrying value	\$ 722,558	\$ 632,291

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The following table reconciles the change in lease liabilities for the year ended March 2, 2025:

	March 2, 2025	March 3, 2024
Opening balance	\$ 805,886	\$ 772,006
Additions	151,849	142,492
Interest expense on lease liabilities (note 17)	44,615	42,679
Repayment of interest and principal on lease liabilities	(160,381)	(152,876)
Modifications	41,452	3,557
Foreign exchange	35,802	(1,972)
Closing balance	\$ 919,223	\$ 805,886
Current portion of lease liabilities	107,755	107,322
Long-term portion of lease liabilities	811,468	698,564
Lease liabilities	\$ 919,223	\$ 805,886

The following table summarizes the Company's rent and rent-related expenses (which also approximate the cash outflow) for the years ended March 2, 2025 and March 3, 2024:

	March 2, 2025	March 3, 2024
Depreciation on right-of-use assets, excluding fair value adjustments	\$ 101,732	\$ 102,992
Interest expense on lease liabilities (note 17)	44,615	42,679
Variable lease expense	22,261	21,960
Common area maintenance, property taxes and other	69,568	54,704
Lease payments relating to short-term or low value leases	2,004	3,446
Total rent and rent-related expenses	\$ 240,180	\$ 225,781

The future undiscounted minimum lease payments for the Company's leases for its premises, excluding other occupancy charges and variable lease payments, are as follows:

Less than 1 year	\$ 158,367
Between 1 and 5 years	549,192
More than 5 years	475,752
Future undiscounted minimum lease payments	\$ 1,183,311

In addition to the amount disclosed in the table above, as at March 2, 2025, the Company also had future undiscounted minimum lease payments of \$186.2 million for leases committed to but not yet commenced (March 3, 2024 - \$245.5 million).

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9 Accounts payable and accrued liabilities

	March 2, 2025	March 3, 2024
Trade accounts payable	\$ 189,222	\$ 133,676
Employee benefits payable	64,692	53,749
Other non-trade payables	21,790	15,609
Restricted Share Unit ("RSU") and Deferred Share Unit ("DSU") plans liabilities (note 14)	17,708	17,996
Accounts payable and accrued liabilities	\$ 293,412	\$ 221,030

10 Other non-current liabilities

	March 2, 2025	March 3, 2024
Deferred lease inducements	3,323	\$ 4,830
Asset retirement obligations	506	426
Other non-current liabilities	\$ 3,829	\$ 5,256

11 Bank indebtedness

The Company has a \$300.0 million revolving credit facility which bears 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 3, 2024 – 0.75% and 2.75%). Up to \$10.0 million of the facility can be drawn upon by way of a swingline loan. The revolving credit facility matures on October 27, 2026. As at March 2, 2025, no amounts were drawn under the revolving credit facility (March 3, 2024 - \$nil).

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 3, 2024 – 1.75% and 2.75%). As at March 2, 2025, no amounts were drawn under the revolving line of credit (March 3, 2024 - \$nil).

The Company also has letters of credit facilities of CAD\$30.0 million and US\$25.0 million (March 3, 2024 - CAD\$50.0 million and US\$40.0 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 March 2, 2025, the amount available under these facilities was reduced to \$57.8 million (March 3, 2024 - \$80.8 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 March 2, 2025 and March 3, 2024, the Company was in compliance with all financial covenants.

12 Financial instruments

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy and accounting classification:

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	Classification	Fair Value Level	As at March 2, 2025		As at March 3, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Cash and cash equivalents	Amortized cost	1	\$ 285,635	\$ 285,635	\$ 163,277	\$ 163,277
Accounts receivable	Amortized cost	2	26,311	26,311	18,473	18,473
Equity derivative contracts	FVTPL	2	21,210	21,210	4,281	4,281
Share Adjustments	FVTPL	3	8,500	8,500	1,000	1,000
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	2	\$ 275,704	\$ 275,704	\$ 203,034	\$ 203,034
Lease liabilities	Amortized cost	2	919,223	919,223	805,886	805,886

There were no transfers between the levels of the fair value of hierarchy for the years ended March 2, 2025 and March 3, 2024.

The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the immediate or short-term maturity of these 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. These contracts are not designated as hedging instruments for accounting purposes. During the year ended March 2, 2025, the Company recorded an unrealized gain of \$16.9 million (March 3, 2024 - unrealized loss of \$5.2 million) for the change in fair value for these contracts in the consolidated statements of operations in other expense (income). During the year ended March 2, 2025, the Company recorded no realized gains or losses (March 3, 2024 - realized gains of \$1.0 million) arising from the settlement of equity derivative contracts. As at March 2, 2025, the equity derivative contracts had a positive fair value of \$21.2 million (March 3, 2024 - \$4.3 million) which is recorded in prepaid expenses and other current assets in the consolidated statements of financial position.

Contingent consideration

The Company had a contingent consideration liability of \$13.2 million, payable in two equal instalments, under the CYC purchase agreement dated June 25, 2021 that was based on CYC's future operating results. During the year ended March 3, 2024, the Company paid the final instalment to the CYC shareholders net of \$0.3 million in indemnities and shared costs.

Non-controlling interest in exchangeable shares liability

In conjunction with the acquisition, CYC issued exchangeable shares to minority shareholders ("exchangeable shareholders") in exchange for their 25% share of the total common shares at acquisition. The exchangeable shares allow the holders to put back their shares to CYC one-third from May 1, 2024 to August 31, 2024, one-third from May 1, 2025 to August 31, 2025, and one-third from May 1, 2026 to August 31, 2026 (the "put options"). The Company also had an open-ended call option, but not an obligation, to purchase all of the shares held by the exchangeable shareholders (the "call option"). The exercise prices of the put options and the call option were based on certain specific operating results of CYC in the most recently completed fiscal year prior

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to exercise, subject to a capped enterprise value of \$60.0 million (remaining 25% purchase), and settled through a variable number of the Company's shares. The fair value of the non-controlling interest in exchangeable shares liability was estimated based on a Monte Carlo simulation. The cash flows associated with the modelled operating results were then discounted back to the valuation date.

As a result of the Company's early acquisition of the remaining 25% ownership interest held through the CYC exchangeable shares on May 26, 2023, the Company revalued the non-controlling interest in exchangeable shares liability to \$20.5 million as at May 26, 2023 based on a Monte Carlo situation which resulted in a \$15.0 million gain recorded in other expense (income).

As at May 26, 2023, subsequent to the remeasurement discussed above, the non-controlling interest in exchangeable shares liability was settled and reduced to \$nil (February 26, 2023 - \$35.5 million) in connection with the early acquisition of CYC exchangeable shares with the offset recorded against share capital, contributed surplus and other non-current assets (net derivative asset).

Early 100% Acquisition of CYC

On May 26, 2023, the Company and the exchangeable shareholders agreed to the Company's early acquisition of the remaining 25% ownership interest held through the CYC exchangeable shares. The Company issued 419,047 subordinate voting shares ("Upfront Shares") on May 26, 2023 and the right to receive additional subordinate voting shares ("Additional Shares") by March 31, 2026 with a value based on certain Fiscal 2026 operational performance metrics of the Reigning Champ brand. Both the Upfront Shares and Additional Shares are subject to forfeiture rates if the exchangeable shareholder leaves before the end of Fiscal 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 (\$2.8 million) 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 and subject to future adjustments ("Share Adjustments") based on set minimum and maximum total values at the end of Fiscal 2026. The Share Adjustments feature are treated as an embedded derivative within other non-current assets on the consolidated statements of financial position. Given the increase in the Company's share price in the last quarter of Fiscal 2025, the Share Adjustments value increased to \$8.5 million on March 2, 2025 (March 3, 2024 - \$1.0 million) resulting in a \$7.5 million unrealized gain during the year ended March 2, 2025 included in other expense (income) (March 3, 2024 - unrealized loss of \$0.5 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, 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:

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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

Normal course issuer bid ("NCIB")

The NCIB approved by the TSX on January 18, 2024 ("2024 NCIB") allowed the Company to repurchase and cancel up to 3,515,740 of its subordinate voting shares over the twelve-month period commencing January 22, 2024 and ending January 21, 2025. On February 21, 2024, the Company entered into an automatic share purchase plan (the "2024 ASPP"), which commenced immediately and terminated upon the termination of the 2024 NCIB.

During the year ended March 2, 2025, the Company repurchased a total of 134,200 subordinate voting shares for cancellation under the NCIB at an average price of \$44.00 per subordinate voting share for total cash consideration of \$5.9 million (53-week period ended March 3, 2024 - 1,089,641 subordinate voting shares for cancellation at an average price of \$27.51 per subordinate voting share for total cash consideration of \$30.0 million).

As at March 2, 2025, there were 19,679,244 multiple voting shares and 94,702,652 subordinate voting shares issued and outstanding. There were no preferred shares issued and outstanding as at March 2, 2025. Neither the multiple voting shares nor the subordinate voting shares issued have a par value.

14 Stock-based compensation

Details of stock-based compensation expense

Prior to the Company's initial public offering (the "IPO") the Company had a legacy equity incentive plan (the "Legacy Plan") pursuant to which it had granted stock options to directors, employees, consultants and advisors. Concurrent with the IPO, the Company implemented a long-term incentive plan (the "Omnibus plan") for certain officers, directors, employees or consultants. The Omnibus plan includes stock options, RSUs and Performance Share Units ("PSUs". The Company also has a DSU plan for non-employee directors.

Details of the Company's Omnibus plan are included in the following table:

Unit type	Vesting	Settled in cash or equity
Stock Options	Five-year graded vesting	Equity
Deferred Share Unit	Immediately at time of grant	Cash (not redeemable until the eligible director ceases to be a member of the Board)
Restricted Share Unit	Third anniversary of award date	Cash, equity or combination at the discretion of the Board on the grant date
Performance Share Unit	Third anniversary of award date	Cash, equity or combination at the discretion of the Board on the grant date

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

	March 2, 2025	March 3, 2024
Equity-settled plans		
Stock options	\$ 19,961	\$ 19,115
Restricted Share Units	10,242	6,134
Performance Share Units	3,768	5,090
Cash-settled plans		
Restricted Share Units	4,943	917
Deferred Share Units	9,459	528
Stock-based compensation expense	\$ 48,373	\$ 31,784

Stock Options

Legacy Plan

Following completion of the IPO in October 2016, no additional options will be granted under the Legacy Plan. All issued options expire after 10 or 15 years from the date granted.

Transactions for options granted under the Legacy Plan for the years ended on March 2, 2025 and March 3, 2024 were as follows:

	March 2, 2025		March 3, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of year	1,703,211	\$ 5.56	1,846,630	\$ 5.48
Exercised	(1,000,172)	5.09	(143,419)	4.50
Outstanding, at end of year	703,039	\$ 6.23	1,703,211	\$ 5.56
Exercisable, at end of year	703,039	\$ 6.23	1,703,211	\$ 5.56

The weighted average share price on the dates the stock options were exercised during the year ended March 2, 2025 was \$52.36 (March 3, 2024 - \$32.36).

The outstanding and exercisable Legacy Plan stock options as at March 2, 2025 were 703,039 stock options, with a weighted average remaining contractual life of 0.84 and weighted average exercise price of \$6.23.

Omnibus Plan

All issued options expire after 7 or 10 years from the date granted.

Transactions for options granted under the Omnibus Plan for the years ended March 2, 2025 and March 3, 2024 were as follows:

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	March 2, 2025		March 3, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of year	8,239,589	\$ 26.32	7,336,092	\$ 24.92
Granted	900,616	48.02	2,425,358	25.94
Exercised	(2,221,721)	18.16	(1,244,941)	16.13
Forfeited	(305,728)	32.88	(276,920)	31.66
Expired	(10,064)	36.33	—	—
Outstanding, at end of year	6,602,692	\$ 31.72	8,239,589	\$ 26.32
Exercisable, at end of year	2,276,912	\$ 28.53	3,179,053	\$ 21.26

The weighted average share price on the dates the stock options were exercised during the year ended March 2, 2025 was \$52.45 (March 3, 2024 - \$31.49).

Information relating to the Company's Omnibus Plan stock options outstanding and exercisable as at March 2, 2025 is as follows:

Range of exercise prices	Stock options outstanding			Stock options exercisable		
	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price
\$16.08 to \$25.98	2,961,521	6.29	\$ 23.08	1,071,250	3.91	\$ 20.36
\$25.99 to \$35.90	1,260,695	6.45	\$ 31.74	622,135	6.26	\$ 31.50
\$35.91 to \$67.86	2,380,476	8.04	\$ 42.39	583,527	7.28	\$ 40.38
	6,602,692	6.95	\$ 31.72	2,276,912	5.41	\$ 28.53

The weighted average fair value of stock options estimated at the grant date for the year ended March 2, 2025 was \$22.82 (March 3, 2024 - \$11.68), based on the Black-Scholes option pricing model using the following assumptions:

Dividend yield	0.0%
Expected volatility	42.2% to 48.0%
Risk-free interest rate	2.9% to 3.6%
Expected life	5.0 to 8.0 years
Exercise price	\$35.82 to \$67.86

The expected volatility reflects the historical volatility in the price of the Company's shares over the expected life.

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Restricted Share Unit Plan

The following table summarizes information related to RSUs for the years ended March 2, 2025 and March 3, 2024:

	March 2, 2025		March 3, 2024	
	Cash-settled	Equity-settled	Cash-settled	Equity-settled
Number of units				
Outstanding, at beginning of year	319,699	786,568	496,221	360,588
Granted	3,584	387,246	—	476,328
Settled	(314,195)	(13,401)	(159,758)	—
Forfeited	(8,042)	(85,517)	(16,764)	(50,348)
Outstanding, at end of year	1,046	1,074,896	319,699	786,568
Additional information				
Fair value of RSU liability	\$ 56		\$ 9,801	

The weighted average fair value of the grant price for the year ended March 2, 2025 was \$49.08 (March 3, 2024 - \$26.16).

Performance Share Unit Plan

The following table summarizes information related to PSUs for the years ended March 2, 2025 and March 3, 2024:

	March 2, 2025	March 3, 2024
Number of units		
Outstanding, at beginning of year	497,746	229,719
Granted	178,393	268,027
Exercised/Released	(125,495)	—
Outstanding, at end of year	550,644	497,746
Unvested earned PSUs, at end of year	—	28,659

The weighted average fair value of the grant price for the year ended March 2, 2025 was \$47.66 (March 3, 2024 - \$25.58).

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Director Deferred Share Unit Plan

The following table summarizes information related to DSUs for the years ended March 2, 2025 and March 3, 2024:

	March 2, 2025	March 3, 2024
Number of units		
Outstanding, at beginning of year	232,207	182,811
Granted	31,973	49,396
Exercised/Released	(24,278)	—
Outstanding, at end of year	239,902	232,207
Vested, at end of year	239,902	232,207
Additional information		
Fair value of DSU liability	\$ 15,986	\$ 8,195

The weighted average fair value of the grant price for the year ended March 2, 2025 was \$45.66 (March 3, 2024 - \$28.82).

15 Net income per share

Basic

	March 2, 2025	March 3, 2024
Net income attributable to shareholders of the Company	\$ 207,790	\$ 78,780
Weighted average number of shares outstanding during the period (thousands)	112,551	110,653
Basic net income per share	\$ 1.85	\$ 0.71

Diluted

	March 2, 2025	March 3, 2024
Net income attributable to shareholders of the Company	\$ 207,790	\$ 78,780
Weighted average number of shares for net income per diluted share (thousands)	116,731	114,194
Net income per diluted share	\$ 1.78	\$ 0.69

For the year ended March 2, 2025, 1,503,091 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 (year ended March 3, 2024 – 5,471,986 stock options and equity-settled RSUs, respectively, along with the Additional Shares).

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16 Net Revenue

Net revenue disaggregated for boutiques and eCommerce was as follows:

	March 2, 2025	March 3, 2024
Retail net revenue	\$ 1,787,084	\$ 1,547,046
eCommerce net revenue	951,028	785,304
Net revenue	\$ 2,738,112	\$ 2,332,350

17 Expenses by nature

	March 2, 2025	March 3, 2024
Cost of goods sold		
Inventory and product-related costs and occupancy costs	\$ 1,397,312	\$ 1,287,061
Depreciation on right-of-use assets	94,342	95,641
Depreciation on property and equipment	65,839	50,667
Cost of goods sold	\$ 1,557,493	\$ 1,433,369

	March 2, 2025	March 3, 2024
Personnel expenses		
Salaries, wages and employee benefits	\$ 616,989	\$ 553,055
Stock-based compensation expense relating to employees (note 14)	38,914	31,256
Personnel expenses	\$ 655,903	\$ 584,311

	March 2, 2025	March 3, 2024
Finance expense		
Interest expense on lease liabilities (note 8)	\$ 44,615	\$ 42,679
Interest expense and banking fees	3,882	6,157
Amortization of deferred financing fees	303	255
Finance expense	\$ 48,800	\$ 49,091

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	March 2, 2025	March 3, 2024
Other expense (income)		
Realized foreign exchange loss (gain)	\$ (13,374)	\$ 22
Unrealized foreign exchange loss (gain)	(3,012)	(19)
Fair value adjustments related to CYC acquisition (note 12)	(7,500)	(14,500)
Unrealized (gain) loss on equity derivative contracts (note 12)	(16,929)	5,189
Realized (gain) loss on equity derivative contracts (note 12)	—	(1,048)
CYC integration costs	1,732	3,700
Impairment of right-of-use assets, lease exit costs and other	559	5,862
Secondary offering transaction costs (note 13)	550	—
Interest and other income	(6,489)	(4,493)
Other expense (income)	\$ (44,463)	\$ (5,287)

18 Income taxes

Income tax expense

	March 2, 2025	March 3, 2024
Current period	\$ 58,255	\$ 48,979
Adjustments with respect to prior periods	1,962	(373)
Current tax expense	60,217	48,606
Origination and reversal of temporary differences	25,865	(12,823)
Changes in substantively enacted tax rates	320	292
Adjustments with respect to prior periods	(2,111)	(245)
Share-based compensation tax impacts recorded in equity	(1,628)	—
Deferred tax expense (recovery)	\$ 22,446	\$ (12,776)
Income tax expense	\$ 82,663	\$ 35,830

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Reconciliation of effective tax rate

The Company's income tax expense differs from that calculated by applying the combined substantively enacted Canadian federal and provincial statutory income tax rates for the years ended March 2, 2025 and March 3, 2024 of 26.8% and 26.7%, respectively, as follows:

	March 2, 2025	March 3, 2024
Income before income taxes	\$ 290,453	\$ 114,610
Expected income tax expense	77,841	30,601
Increase (decrease) in income taxes resulting from:		
Non-deductible stock-based compensation	5,313	7,915
Net non-taxable fair value adjustment of non-controlling interest in exchangeable shares liability and Share Adjustments	(2,025)	(3,872)
Foreign tax rate differences	977	266
Change in substantively enacted tax rates	320	292
Other	237	628
Income tax expense	\$ 82,663	\$ 35,830

Deferred income tax

The tax effects of the significant temporary differences that comprise deferred tax assets and liabilities as at March 2, 2025 and March 3, 2024 are as follows:

	March 2, 2025	March 3, 2024
Leases	\$ 58,140	\$ 51,859
Deferred revenue	10,759	7,834
Net operating loss	10,197	2,199
Inventory	9,329	18,035
Accounts payable and accrued liabilities	5,280	3,123
Stock-based compensation	4,676	3,928
Financing and share issuance costs	1,003	951
Deferred lease incentives	926	1,385
Other	227	103
Deferred tax assets	\$ 100,537	\$ 89,417
Property and equipment	\$ 81,702	\$ 53,169
Goodwill and intangible assets	34,483	31,767
Other	162	400
Deferred tax liabilities	\$ 116,347	\$ 85,336
Net deferred tax assets (liabilities)	\$ (15,810)	\$ 4,081

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The net change in net deferred income tax assets (liabilities) is recorded as follows:

	March 2, 2025	March 3, 2024
Deferred tax expense (recovery) recorded in net income	\$ 22,446	\$ (12,776)
Deferred tax recovery recorded in equity	\$ (1,628)	\$ —
Foreign currency translation adjustment on deferred taxes	(926)	(104)
Net change in deferred tax liabilities	\$ 19,892	\$ (12,880)

Of the deferred income tax balances, the Company expects \$35.8 million of the deferred tax assets to be recovered within 12 months and \$33.1 million of the deferred tax liabilities to be settled within 12 months.

The Company intends to indefinitely reinvest the undistributed earnings of its foreign subsidiaries; accordingly, the Company has not recorded a deferred tax liability on these earnings.

The Government of Canada enacted the Global Minimum Tax Act (the "GMTA") on June 20, 2024, which implements the Organisation for Economic Co-operation and Development's 15% global minimum corporate tax regime for certain multinational enterprises ("Pillar Two") in Canada. The GMTA and other corresponding foreign Pillar Two legislation are effective for the Company's fiscal year beginning March 4, 2024. The Company assessed its potential exposure to Pillar Two income taxes and determined that Pillar Two effective tax rates in its jurisdictions (Canada and the United States) are above 15%. The Company has not provided for current tax expense related to Pillar Two and applied the temporary mandatory exception from the recognition and disclosure of deferred taxes related to the implementation of Pillar Two model rules.

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:

	March 2, 2025	March 3, 2024
United States	\$ 1,581,821	\$ 1,226,476
Canada	1,156,291	1,105,874
Net revenue	\$ 2,738,112	\$ 2,332,350

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

	March 2, 2025	March 3, 2024
United States	\$ 891,160	\$ 653,910
Canada	791,431	693,567
Non-current, non-financial assets	\$ 1,682,591	\$ 1,347,477

20 Commitments and contingencies

Product purchase obligations

At March 2, 2025, the Company had purchase obligations of \$157.2 million (March 3, 2024 - \$86.6 million), which represent commitments for fabric expected to be used during upcoming seasons, made in the normal course of business.

Letters of credit

At March 2, 2025, the Company had open letters of credit of \$8.3 million (March 3, 2024 - \$23.5 million).

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.

During the year ended March 2, 2025, the Company made payments of \$10.1 million (March 3, 2024 - \$9.9 million) for lease of premises and management services and \$1.5 million (March 3, 2024 - \$0.7 million) for the use of assets and other operational items to companies, that are owned wholly or partially by directors and/or director and officer of the Company. As at March 2, 2025, \$0.6 million was included in accounts payable and accrued liabilities (March 3, 2024 - \$0.5 million) and \$0.8 million was included in prepaid expenses and other current assets for the lease of premises or for other operational items (March 3, 2024 - \$0.8 million). As at March 2, 2025, the outstanding balance of lease liabilities owed to these companies was \$40.5 million (March 3, 2024 - \$45.6 million). These transactions were measured at the amount of consideration established at market terms.

Key management includes the Company's directors and executive team. Compensation awarded to key management includes:

	March 2, 2025	March 3, 2024
Salaries, directors' fees and short-term benefits	\$ 6,668	\$ 5,149
Stock-based compensation expense	18,369	10,055
Key management compensation	\$ 25,037	\$ 15,204

The increase in stock-based compensation for key management for the year ended March 2, 2025 compared to the year ended March 3, 2024 was primarily due to the increase in the fair value of the DSU liability. In addition to the compensation presented above, certain key management received a retroactive adjustment to compensation relating to Fiscal 2023, resulting in an additional expense of \$0.8 million during Fiscal 2024.

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22 Supplemental cash flow information

The net change in non-cash working capital balances for the years ended March 2, 2025 and March 3, 2024 were as follows:

	March 2, 2025	March 3, 2024
Accounts receivable	\$ (3,934)	\$ (1,554)
Inventory	(29,290)	126,877
Prepaid expenses and other current assets	(6,070)	(12,094)
Other assets	923	(2,094)
Accounts payable and accrued liabilities	18,514	(24,485)
Deferred revenue	24,030	10,352
Net change in non-cash working capital balances	\$ 4,173	\$ 97,002
Accrued purchases of property and equipment	\$ 40,681	\$ 24,029
Accrued purchases of intangible assets	\$ 1,274	\$ —

23 Financial risk management

The Company is exposed to a variety of financial risks in the normal course of operations including currency, equity price, credit and liquidity risk, as summarized below. The Company's overall risk management program and business practices seek to minimize any potential adverse effects on the Company's consolidated financial performance.

Risk management is carried out under practices approved by the Company's Audit Committee. This includes reviewing and making recommendations to the Board on the adequacy of the Company's risk management policies and procedures with regard to identifying the Company's principal risks and implementing appropriate systems and controls to manage these risks. Risk management covers many areas of risk including, but not limited to, foreign exchange risk, interest rate risk, equity price risk, credit risk and liquidity risk.

Market risk

Currency risk

The Company is exposed to foreign exchange risk on foreign currency denominated transactions, monetary assets and liabilities denominated in a foreign currency, and net investments in foreign operations. The Company sources the majority of its raw materials and merchandise from various suppliers in Asia and Europe with the vast majority of purchases denominated in U.S. dollars. In addition, the Company operates boutiques in the United States. The Company's foreign exchange risk is primarily with respect to the U.S. dollar and the Company has limited exposure to other currencies. Foreign currency forward contracts are used from time to time to mitigate risks associated with forecasted U.S. dollar merchandise purchases sold in Canada. The Company did not utilize foreign currency forward contracts during the year ended March 3, 2024.

As at March 2, 2025, a \$0.05 variation in the Canadian dollar against the U.S. dollar on net monetary accounts in U.S. dollars would, with all other variables being constant, have an approximate favourable (or unfavourable) impact of \$1.2 million on net income.

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Interest rate risk

The Company has a revolving credit facility and revolving line of credit which provide available borrowings in an amount up to \$300.0 million and US\$10 million, respectively. Because the revolving credit facility and revolving line of credit bear interest at variable rates, the Company is exposed to market risks relating to changes in interest rates on outstanding balances. As at March 2, 2025, no advances were made under the revolving credit facility and revolving line of credit.

Equity price risk

The Company is exposed to risk arising from cash-settled RSUs and DSUs, as an appreciating subordinate voting share price increases the potential cash outflow. The Company records a liability for the potential future settlement of the RSUs and DSUs by reference to the fair value of the liability. The company uses equity derivative contracts (total return swaps) to offset the cash flow variability of the expected payment associated with RSUs and DSUs. The Company only enters into equity derivative contracts with major financial institutions. As at March 2, 2025, an increase (or decrease) in the Company's share price by \$1.00 would result in an increase (or decrease) of \$0.5 million in the fair value of the liability.

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, accounts receivable, and derivative contracts used to hedge market risks. The Company offsets credit risks associated with cash and cash equivalents by depositing its cash and cash equivalents with major financial institutions that have been assigned high credit ratings by internationally recognized credit rating agencies. The Company is exposed to credit risk on accounts receivable from its landlords for tenant allowances. To reduce this risk, the Company enters into leases with landlords with established credit history and, for certain leases, the Company may offset rent payments until accounts receivable are fully satisfied. The Company only enters into derivative contracts with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Company manages liquidity risk through various means, including monitoring actual and projected cash flows, taking into account the seasonality of its revenue, income, working capital and capital expenditure needs. The Company's revolving credit facility and the revolving line of credit are used to maintain liquidity. As at March 2, 2025 and March 3, 2024, no advances were made under the revolving credit facility and revolving line of credit. As at March 2, 2025, the Company also has letters of credit facilities of CAD\$30.0 million and US\$25.0 million (March 3, 2024 – CAD\$50.0 million and US\$40.0 million), of which \$8.3 million of letters of credit were outstanding (March 3, 2024 – \$23.5 million).

The following table summarizes the undiscounted contractual maturities of the Company's financial liabilities as at March 2, 2025:

	Less than 1 year	1 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	\$ 293,412	\$ —	\$ —	\$ 293,412
Lease liabilities	158,367	549,192	475,752	1,183,311
Total	\$ 451,779	\$ 549,192	\$ 475,752	\$ 1,476,723

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24 Capital management

The Company's objectives when managing capital are to:

- ensure sufficient liquidity to enable the financing of capital projects thereby facilitating its growth;
- provide a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business; and
- maintain a flexible capital structure that optimizes the cost of capital at an acceptable risk and preserves the ability to meet financial obligations.

The Company defines capital as its revolving credit facility, revolving line of credit and shareholders' equity. The Company's primary uses of capital are to finance increases in non-cash working capital along with capital expenditures for new boutique additions, existing boutique expansion and renovation projects, and other infrastructure investments. The Company currently funds these requirements out of its internally generated cash flows.

The Company is subject to financial covenants and collateral pursuant to its revolving credit facility presented in note 11.

25 Subsequent event

NCIB

On May 1, 2025, the Company's Board of Directors approved the Company's intention to file with the TSX its notice of intention to proceed with an NCIB ("2025 NCIB"), which, if accepted by the TSX, would permit the Company to purchase for cancellation up to 5% of the public float of the Company's issued and outstanding subordinate voting shares. Subject to TSX acceptance, Aritzia anticipates the 2025 NCIB commencing on or about May 7, 2025, and in any event, at least two trading days after the TSX acceptance of the 2025 NCIB. The exact amount of subordinate voting shares subject to the 2025 NCIB will be determined on the date of acceptance of the notice of intention by the TSX.