FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Canadian Tire Corporation, Limited ("CTC")
2180 Yonge Street
Toronto, Ontario
M4P 2V8

Item 2 Date of Material Change

February 18, 2025

Item 3 News Release

The news release with respect to the material change referred to in this report was disseminated through Cision on February 19, 2025 and was filed under CTC's issuer profile on SEDAR+ at www.sedarplus.ca shortly after its release.

Item 4 Summary of Material Change

On February 19, 2025, CTC announced that it had signed a definitive agreement dated February 18, 2025 (the "Definitive Agreement") to sell the company that owns and operates the Helly Hansen brands and related businesses to Kontoor Brands, Inc. (the "Transaction").

Pursuant to the terms of the Definitive Agreement, CTC has agreed to sell all of its equity interests in the company that owns and operates the Helly Hansen brands and related businesses, for total gross proceeds of $1,276 million, subject to closing adjustments. In conjunction with the Transaction, CTC also expects to continue to sell Helly Hansen products in its banners under a multi-year supply agreement with Kontoor Brands (the "Supply Agreement"). The Transaction is expected to close in the second quarter of 2025 and is subject to receiving all regulatory approvals and other customary closing conditions, as well as the signing of the Supply Agreement.

A copy of the Definitive Agreement is available under CTC's issuer profile on SEDAR+ at www.sedarplus.ca.

Item 5.1 Full Description of Material Change

See the press release attached hereto as Schedule "A" for a full description of the material change.

Item 5.2 Disclosure of Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Lisa Damiani
Executive Vice-President and General Counsel
(416) 480-3000

Item 9 Date of Report

February 21, 2025.

Schedule "A"

(See attached)

Canadian Tire Corporation announces sale of Helly Hansen to Kontoor Brands; simplifying CTC portfolio to focus on Canadian retail growth

Toronto, ON, February 19, 2025 – Canadian Tire Corporation, Limited (TSX:CTC, TSX:CTC.A, CTC or the Company) today announced that it has signed a definitive agreement to sell its Helly Hansen business to Kontoor Brands, Inc. (NYSE: KTB, Kontoor) for total gross proceeds of $1,276 million, subject to closing adjustments. The transaction reflects CTC's increasing focus on its Canadian retail portfolio.

Helly Hansen is an iconic global brand which designs and develops products used by professionals and outdoor enthusiasts around the world. Its high-performance apparel and gear are sold worldwide, including in Canadian Tire, SportChek and Mark's stores in Canada.

"As our strategy becomes more singularly focused on great Canadian retail, it is time to pass this iconic brand into global hands," said Greg Hicks, President and CEO, Canadian Tire Corporation. "For six years, we have been proud stewards of Helly Hansen, expanding its popularity and foothold into more parts of the world – increasing sales, brand awareness and elevating value in the process. This divestiture unlocks that value for our company and shareholders."

CTC and Kontoor anticipate a smooth transition for employees, customers and partners.

"As we shift from brand owner to brand customer, we expect Helly Hansen's world-class products to remain on our shelves and on the shopping lists of our customers. We are excited to see where Kontoor takes the brand next," said Hicks. "We thank the Helly Hansen team and leaders for their exceptional work, and for sharing great lessons in sourcing, brand design, and high-performance products with our CTC experts."

Use of proceeds

The Company intends to adopt a balanced approach to the allocation of the transaction proceeds, consistent with its past practice. Proceeds are expected to be deployed to a combination of debt reduction, share repurchases, as well investments to drive customer experience and growth in its core Canadian retail business. The proceeds will also provide CTC with additional flexibility for general corporate purposes, including to address market uncertainty. Further details will be communicated in a CTC strategic update, to be published March 6, 2025.

Transaction details

- CTC has agreed to sell the company that owns and operates the Helly Hansen brands and related businesses. In conjunction with the transaction, CTC also expects to continue to sell Helly Hansen products in its banners under a multi-year supply agreement with Kontoor Brands.
- The Company expects the transaction to close in the second quarter of 2025, subject to receiving all regulatory approvals and other customary closing conditions as well as the signing of the supply agreement between the two parties.
- Total purchase price is $1,276 million, subject to closing adjustments.

- Helly Hansen worldwide revenue in 2024 was $894 million, including sales to CTC. 2024 EBITDA was $102 million on a Canadian IFRS basis. 2024 adjusted EBITDA was $76 million under the pre-IFRS 16 accounting standard employed by CTC at the time of the Helly Hansen acquisition.

Goldman Sachs & Co. LLC is serving as Canadian Tire Corporation’s exclusive financial advisor and Norton Rose Fulbright Canada LLP as its legal advisor.

All amounts quoted in this release are in Canadian dollars.

Non-GAAP Financial Measures

This press release contains a reference to EBITDA and Adjusted EBITDA, which are non-GAAP financial measures. Non-GAAP measures have no standardized meanings under GAAP and may not be comparable to similar measures of other companies.

FORWARD-LOOKING INFORMATION

This press release contains information that may constitute forward-looking information within the meaning of applicable securities laws, which reflects management’s current expectations regarding future events and the proposed transaction. All statements other than statements of historical facts included in this press release may constitute forward-looking information including, but not limited to, information with respect to: CTC’s future plans and strategy, including increased focus on its Canadian retail portfolio; the timing to close the transaction; the use of the proceeds from the transaction; and the proposed supply agreement. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “believe”, “estimate”, “plan”, “can”, “could”, “should”, “would”, “outlook”, “target”, “forecast”, “anticipate”, “aspire”, “foresee”, “continue”, “ongoing” or the negative of these terms or variations of them or similar terminology. Although the Company believes that the forward-looking information in this press release is based on information, estimates and assumptions that are reasonable, such information is necessarily subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking information, including the following risks: the sale of Helly Hansen may not be completed; the transaction may not be completed on the terms described or within the time contemplated; conditions to closing, including receipt of regulatory approvals, and entering into the supply agreement, may not be met or, if met, not on terms acceptable to CTC or Kontoor; and the proceeds from the transaction contemplated may used for a purpose other than described. Management cautions that the foregoing list of risks is not exhaustive and other risks could also adversely affect CTC’s results. For more information on additional material risks, uncertainties, factors and assumptions that could cause the Company's actual results to differ materially from the forward-looking information, refer to section 14.0 (Forward-Looking Information and Other Investor Communication) of the Company's 2024 Fourth Quarter and Full-Year Management’s Discussion and Analysis and all subsections therein, available on the SEDAR+ website at http://www.sedarplus.ca and https://investors.canadiantire.ca. The Company does not undertake to update any forward-looking information, whether written or oral, except as is required by applicable laws.

ABOUT CANADIAN TIRE CORPORATION

Canadian Tire Corporation, Limited, (TSX: CTC.A) (TSX: CTC) (or “CTC”), is a group of companies that includes a Retail segment, a Financial Services division and CT REIT. Our retail business is led by Canadian Tire, which was founded in 1922 and provides Canadians with products for life in Canada across its Living, Playing, Fixing, Automotive and Seasonal & Gardening divisions. Party City, PartSource and Gas+ are key parts of the Canadian Tire network. The Retail segment also includes Mark's, a leading source for casual and industrial wear; Pro Hockey Life, a hockey specialty store catering to elite players; and SportChek, Hockey Experts, Sports Experts and Atmosphere, which offer the best active wear brands. The Company’s close to 1,700 retail and gasoline outlets are supported and strengthened by CTC’s Financial Services division and the tens of thousands of people employed across Canada and around the world by CTC and its local dealers, franchisees and petroleum retailers. In addition, CTC owns and operates Helly Hansen, a leading technical outdoor brand based in Oslo, Norway. For more information, visit Corp.CanadianTire.ca.

ABOUT HELLY HANSEN

Helly Hansen is a globally recognized leader in premium outdoor and lifestyle apparel and footwear, with deep expertise in technical performance apparel in ski, sailing, and workwear. Helly Hansen’s family of brands and trademarks are sold in more than 40 countries around the world and include Helly Hansen, Helly Hansen Workwear, and Musto.

Founded in Norway in 1877, Helly Hansen continues to develop professional grade apparel that helps people stay and feel alive. Through insights drawn from living and working in the world’s harshest environments, the company has developed a long list of first-to-market innovations, including the first supple waterproof fabrics nearly 150 years ago.

To learn more, visit www.hellyhansen.com, www.hhworkwear.com, and musto.com.

FOR MORE INFORMATION

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