ARITZIA

Aritzia Inc.

Condensed Interim Consolidated
Financial Statements
First Quarter of Fiscal 2027

For the 13-week periods ended
May 31, 2026 and June 1, 2025

Aritzia Inc.

Condensed Interim Consolidated Statements of Financial Position

As at May 31, 2026 and March 1, 2026

(Unaudited, in thousands of Canadian dollars)

	Note	May 31, 2026	March 1, 2026
Assets			
Cash and cash equivalents		**$ 471,932**	$ 592,127
Accounts receivable		**21,502**	23,750
Income taxes recoverable		**11,665**	26,233
Inventory	5	**547,840**	495,197
Derivative assets	12	**91,517**	78,121
Other current assets		**35,178**	37,024
Total current assets		**$ 1,179,634**	$ 1,252,452
Property and equipment	6	**864,951**	819,377
Intangible assets	7	**104,644**	104,767
Goodwill	7	**198,846**	198,846
Right-of-use assets	9	**821,719**	751,681
Loan receivable and other assets	8	**42,946**	3,809
Deferred tax assets	18	**13,351**	4,745
Total assets		**$ 3,226,091**	$ 3,135,677
Liabilities			
Accounts payable and accrued liabilities	10	**$ 562,195**	$ 564,586
Income taxes payable		**17,498**	61,025
Current portion of lease liabilities	9	**124,735**	104,923
Deferred revenue		**143,536**	144,385
Total current liabilities		**$ 847,964**	$ 874,919
Lease liabilities	9	**955,715**	890,840
Other non-current liabilities		**4,172**	3,337
Deferred tax liabilities	18	**3,159**	5,553
Total liabilities		**$ 1,811,010**	$ 1,774,649
Shareholders' equity			
Share capital	13	**$ 441,736**	$ 440,637
Contributed surplus		**144,880**	136,013
Retained earnings		**834,350**	793,058
Accumulated other comprehensive loss		**(5,885)**	(8,680)
Total shareholders' equity		**1,415,081**	1,361,028
Total liabilities and shareholders' equity		**$ 3,226,091**	$ 3,135,677
Commitments and contingencies	20		

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

Aritzia Inc.
Condensed Interim Consolidated Statements of Operations
For the 13-week periods ended May 31, 2026 and June 1, 2025

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

	Note	May 31, 2026	June 1, 2025
Net revenue	16, 19	**$ 951,009**	$ 663,316
Cost of goods sold	17	**472,984**	350,519
Gross profit		**478,025**	312,797
Selling, general and administrative		**304,634**	222,483
Stock-based compensation expense	14, 17	**22,148**	10,186
Income from operations		**151,243**	80,128
Finance expense	9, 11, 17	**16,474**	12,955
Other expense (income)	12, 17	**(30,838)**	8,322
Income before income taxes		**165,607**	58,851
Income tax expense	18	**48,344**	16,460
Net income		**$ 117,263**	$ 42,391
Net income per share			
Basic	15	**$ 1.03**	$ 0.37
Diluted	15	**$ 0.99**	$ 0.36
Weighted average number of shares outstanding (thousands)			
Basic	15	**114,254**	114,457
Diluted	15	**118,948**	118,210

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

Aritzia Inc.

Condensed Interim Consolidated Statements of Comprehensive Income

For the 13-week periods ended May 31, 2026 and June 1, 2025

(Unaudited, in thousands of Canadian dollars)

	May 31, 2026	June 1, 2025
Net income	**$ 117,263**	$ 42,391
Other comprehensive income		
Items that are or may be reclassified subsequently to net income:		
Foreign currency translation adjustment	**2,795**	(6,932)
Comprehensive income	**$ 120,058**	$ 35,459

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

Aritzia Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the 13-week periods ended May 31, 2026 and June 1, 2025

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

	Multiple voting shares		Subordinate voting shares					
	Shares	Amounts	Shares	Amounts	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance, March 2, 2025	19,679,244	$ 14,226	94,702,652	$ 369,256	$ 101,568	$ 609,695	$ (162)	$ 1,094,583
Net Income	—	—	—	—	—	42,391	—	42,391
Shares issued for equity settled plans (note 14)	—	—	387,186	8,473	(4,278)	—	—	4,195
Stock-based compensation expense on equity-settled plans (note 14)	—	—	—	—	9,549	—	—	9,549
Shares repurchased for cancellation (note 13)	—	—	(15,200)	(59)	—	(863)	—	(922)
Shares repurchased and held in trust (note 13)	—	—	(250,000)	(975)	—	(15,885)	—	(16,860)
Tax impact related to stock-based compensation	—	—	—	—	2,695	—	—	2,695
Foreign currency translation adjustment	—	—	—	—	—	—	(6,932)	(6,932)
Balance, June 1, 2025	19,679,244	$ 14,226	94,824,638	$ 376,695	$ 109,534	$ 635,338	$ (7,094)	$ 1,128,699
Balance, March 1, 2026	**18,327,244**	**$ 13,249**	**96,247,501**	**$ 427,388**	**$ 136,013**	**$ 793,058**	**$ (8,680)**	**$ 1,361,028**
Net Income	**—**	**—**	**—**	**—**	**—**	**117,263**	**—**	**117,263**
Shares issued for equity settled plans (note 14)	**—**	**—**	**248,238**	**9,078**	**(3,117)**	**—**	**—**	**5,961**
Stock-based compensation expense on equity-settled plans (note 14)	**—**	**—**	**—**	**—**	**14,357**	**—**	**—**	**14,357**
Shares repurchased for cancellation (note 13)	**—**	**—**	**(564,500)**	**(2,507)**	**—**	**(63,724)**	**—**	**(66,231)**
Shares repurchased and held in trust (note 13)	**—**	**—**	**(90,000)**	**(400)**	**—**	**(12,247)**	**—**	**(12,647)**
Shares released from trust (note 13)	**—**	**—**	**10,320**	**46**	**(46)**	**—**	**—**	**—**
Forfeiture of Upfront Shares and Additional Shares (note 12)	**—**	**—**	**(119,605)**	**(5,118)**	**(9,382)**	**—**	**—**	**(14,500)**
Tax impact related to stock-based compensation	**—**	**—**	**—**	**—**	**7,055**	**—**	**—**	**7,055**
Foreign currency translation adjustment	**—**	**—**	**—**	**—**	**—**	**—**	**2,795**	**2,795**
Balance, May 31, 2026	**18,327,244**	**$ 13,249**	**95,731,954**	**$ 428,487**	**$ 144,880**	**$ 834,350**	**$ (5,885)**	**$ 1,415,081**

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

Aritzia Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the 13-week periods ended May 31, 2026 and June 1, 2025

(Unaudited, in thousands of Canadian dollars)

	Note	May 31, 2026	June 1, 2025
Operating activities			
Net income for the period		**$ 117,263**	$ 42,391
Adjustments for:			
Depreciation and amortization		**31,429**	25,171
Depreciation on right-of-use assets	9	**28,792**	23,572
Finance expense	17	**16,474**	12,955
Stock-based compensation expense	14, 17	**22,148**	10,186
Unrealized loss (gain) on equity derivative contracts	12, 17	**(27,896)**	22
Income tax expense	18	**48,344**	16,460
Other		**(153)**	(101)
Cash generated before non-cash working capital balances and interest and income taxes		**236,401**	130,656
Net change in non-cash working capital	22	**(56,772)**	10,749
Cash generated before interest and income taxes		**179,629**	141,405
Interest paid		**(1,023)**	(811)
Interest paid on lease liabilities	9	**(16,071)**	(13,508)
Income taxes paid		**(81,300)**	(26,806)
Net cash generated from (used in) operating activities		**81,235**	100,280
Financing activities			
Repayment of principal on lease liabilities	9	**(27,881)**	(24,428)
Proceeds from lease incentives		**9,503**	6,822
Proceeds from options exercised	14	**5,961**	4,195
Shares repurchased and held in trust	13	**(12,647)**	(16,860)
Shares repurchased for cancellation	13	**(66,231)**	(922)
Net cash generated from (used in) financing activities		**(91,295)**	(31,193)
Investing activities			
Purchase of property and equipment	6	**(71,991)**	(57,433)
Purchase of intangible assets	7	**(479)**	(1,658)
Investment in joint venture	8	**(38,505)**	—
Cash generated from (used in) investing activities		**(110,975)**	(59,091)
Effect of exchange rate changes on cash and cash equivalents		**840**	(3,020)
Change in cash and cash equivalents		**(120,195)**	6,976
Cash and cash equivalents – Beginning of period		**592,127**	285,635
Cash and cash equivalents – End of period		**$ 471,932**	$ 292,611
Supplemental cash flow information	22		

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

1 Nature of operations and basis of presentation

Nature of operations

Aritzia Inc. and its subsidiaries (collectively referred to as the “Company”) are a design house with an innovative global platform. The Company is a creator and purveyor of covetable styles, 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, on the Company's app and in 143 boutiques throughout Canada and the United States.

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

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

Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, on a basis consistent with those accounting policies followed by the Company in the most recent audited annual consolidated financial statements for the fiscal year ended March 1, 2026 ("Fiscal 2026") and as noted in notes 2 and 3. Certain information, in particular the accompanying notes normally included in the audited annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, has been omitted or condensed. Accordingly, these unaudited condensed interim consolidated financial statements do not include all the information required for full audited annual consolidated financial statements, and, therefore, should be read in conjunction with the Fiscal 2026 audited annual consolidated financial statements and the notes thereto. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

Seasonality of operations

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

These unaudited condensed interim consolidated financial statements were authorized for issue on July 9, 2026 by the Audit Committee on behalf of the Company’s Board of Directors.

2 Summary of material accounting policies

These unaudited condensed interim consolidated financial statements have been prepared using the accounting policies as outlined in note 2 of the Fiscal 2026 audited consolidated financial statements, with the exception of any accounting standards adopted in Fiscal 2027.

Investment in Joint Venture

A joint venture is an arrangement in which two or more parties have joint control and the joint venture partners have rights to the net assets of the arrangement or entity. The Company's investment in a joint venture is bound by a contractual arrangement that gives the Company and its joint venture partner joint control through unanimous consent on the relevant activities of the joint venture. The Company accounts for its investment in the joint venture using the equity method.

3 Accounting policy developments

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

In May 2024, the International Accounting Standards Board ("IASB") issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as instruments with features linked to the achievement of environmental and social targets), and update the disclosure of equity instruments designated at fair value through other comprehensive income ("FVOCI"). These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18")

The IASB issued IFRS 18 - Presentation and Disclosure in the Financial Statements, in April 2024 which is effective for annual reporting periods beginning on or after January 1, 2027. The new standard establishes a revised structure for the consolidated statements of operations to improve comparability across entities and introduce management-defined performance measures ("MPMs"). Based on the Company's preliminary assessments, the following changes are expected:

- The consolidated statements of operations will be grouped into categories as required under IFRS 18. This will result in new subtotals and line items, as well as changes in the calculation of existing subtotals and line items. The new standard will not impact gross profit and net income.
- There will be additional disclosures related to MPMs, which are defined as a subtotal of income and expenses, not required by IFRS, that a company uses in public communications outside of its financial statements to convey an aspect of the financial performance of the company as a whole. For each MPM, the Company will disclose a reconciliation between the MPM and the most directly comparable subtotal defined by IFRS, tax effect of each reconciling item and where the reconciling item is located on the consolidated statements of operations, among other required disclosures. In addition, IFRS 18 requires specific expense aggregation disclosures, which will result in changes to the presentation of the Company's expenses by nature note.

The standard will be applied by the Company for its Fiscal 2028 consolidated financial statements, retrospectively. As a result, the comparative information for Fiscal 2027 will be presented in accordance with IFRS 18. The Company continues to assess the impact of these amendments on the consolidated financial statements.

4 Judgements and estimates

The preparation of unaudited condensed interim consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgement is also required to determine whether the Company has joint control of a joint arrangement, requiring an assessment of the relevant activities of the investee and an evaluation of the rights and obligations arising from the joint arrangement.

Estimates and assumptions are continuously evaluated and are based on management’s best judgements and experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those applied in note 4 of the Fiscal 2026 audited annual consolidated financial statements, and with the additional judgments related to joint venture determination.

5 Inventory

		May 31, 2026		March 1, 2026
Finished goods	$	**443,047**	$	362,344
Finished goods-in-transit		**100,552**		125,527
Raw materials		**4,241**		7,326
Inventory	$	**547,840**	$	495,197

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 $8.5 million for the 13-week period ended May 31, 2026 (June 1, 2025 - $3.1 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

During the 13 weeks ended May 31, 2026, the Company had property and equipment additions of $69.8 million (June 1, 2025 - $38.2 million), the majority of which were related to leasehold improvements made to its boutiques and distribution centers, and the respective purchase of furniture and equipment for those spaces. Additions include capitalized right-of-use depreciation and borrowing costs totaling $1.8 million for the 13 weeks ended May 31, 2026 (June 1, 2025 - $4.9 million).

7 Goodwill and intangible assets

During the 13 weeks ended May 31, 2026, the Company had intangible asset additions of $1.2 million (June 1, 2025 - $1.8 million), the majority of which was related to internally developed computer software.

8 Investment in joint venture

During the 13 weeks ended May 31, 2026, the Company entered into a joint venture which owns one property that the Company expects to be a future boutique location. The joint venture purchased the property using funds from the joint venture partners as follows:

Source	Type of investment in joint venture	Amount
Joint venture partner	Common interest, 50%	US$1.0 million
Company	Common interest, 50%	US$1.0 million
Company	Loan, 10% annual return, maturity date April 30, 2029	US$27.0 million

The total of the Company's contribution to the joint venture and the loan receivable are included as a joint venture investment and loan receivable in loan receivable and other assets on the Company's condensed interim consolidated statement of financial position as at May 31, 2026. The joint venture is a separate entity subject to joint control with an unrelated third party company in which each joint venture partner is entitled to the residual interest in the net assets of the joint venture. During the 13 weeks ended May 31, 2026, the joint venture acquired one property and had limited transactions. As such the Company's share of the joint venture results is nominal.

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

9 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 13-week periods ended May 31, 2026 and June 1, 2025:

	May 31, 2026	June 1, 2025
Cost		
Opening balance	**$ 1,279,253**	$ 1,182,364
Additions	**74,529**	29,729
Lease incentives	**(9,109)**	(11,635)
Modifications and other	**29,072**	9,224
Foreign exchange	**7,439**	(34,447)
Closing balance	**$ 1,381,184**	$ 1,175,235
Accumulated depreciation		
Opening balance	**$ 527,572**	$ 459,806
Depreciation	**28,792**	23,572
Modifications and other	**(572)**	2,653
Foreign exchange	**3,673**	(13,547)
Closing balance	**$ 559,465**	$ 472,484
Net carrying value, closing balance	**$ 821,719**	$ 702,751

The following table reconciles the change in the lease liabilities for the 13-week periods ended May 31, 2026 and June 1, 2025:

	May 31, 2026	June 1, 2025
Opening balance	**$ 995,763**	$ 919,223
Additions	**71,015**	29,623
Interest expense on lease liabilities	**15,406**	12,069
Repayment of interest and principal on lease liabilities	**(43,952)**	(37,936)
Modifications and other	**34,825**	11,011
Foreign exchange	**7,393**	(27,474)
Closing balance	**$ 1,080,450**	$ 906,516
Current portion of lease liabilities	**124,735**	93,719
Long-term portion of lease liabilities	**955,715**	812,797
Lease liabilities	**$ 1,080,450**	$ 906,516

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

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

	13-week periods ended	
	May 31, 2026	June 1, 2025
Depreciation on right-of-use assets	**$ 28,792**	$ 23,572
Interest expense on lease liabilities (note 17)	**15,406**	12,069
Variable lease expense	**17,921**	7,218
Lease payments relating to short-term or low value leases	**497**	301
Common area maintenance, property taxes and other	**20,681**	19,724
Total rent and rent-related expenses	**$ 83,297**	$ 62,884

10 Accounts payable and accrued liabilities

	May 31, 2026	March 1, 2026
Trade accounts payable	**$ 387,989**	$ 410,791
Employee benefits payable	**99,273**	99,866
Other non-trade payables	**44,083**	30,248
Restricted Share Unit ("RSU") and Deferred Share Unit ("DSU") plans liabilities (note 14)	**30,850**	23,681
Accounts payable and accrued liabilities	**$ 562,195**	$ 564,586

As at May 31, 2026, $76.1 million of trade accounts payable was outstanding as part of a payable services arrangement with a third party financial institution (March 1, 2026 - $131.7 million), of which $19.6 million were elected by suppliers to be paid by the financial institution prior to the maturity date (March 1, 2026 - $26.6 million). Balances outstanding under the payable services arrangement allows eligible suppliers to elect to be paid by the financial institution earlier than the maturity date (generally 90 days) of the invoices subject to a discount. The Company's rights and obligations to suppliers with respect to those invoices are not impacted. The Company will pay the full amount owing to the financial institution according to the maturity dates and terms negotiated with the supplier. The amounts paid by the Company to the financial institution related to this program are classified as an operating activity within the consolidated statements of cash flows.

11 Bank indebtedness

The Company has a $300.0 million revolving credit facility which bears interest at Canadian Overnight Repo Rate Average, Secured Overnight Financing Rate (prior to June 30, 2023, London Inter-Bank Offered Rate) or Canadian prime or base rate, plus a marginal rate between 0.45% and 2.45% (March 1, 2026 – 0.45% and 2.45%), and a maturity date of October 8, 2030. Up to $10.0 million of the facility can be drawn upon by way of a swingline loan. As at May 31, 2026, no amounts were drawn under the revolving credit facility (March 1, 2026 - $nil).

The Company also has available a revolving line of credit with a limit of US$10.0 million and an uncommitted revolving demand credit facility for general cash management needs with a limit of $5.0 million.

The Company also has available a $25.0 million cash-secured letter of credit as part of the revolving credit facility and other letters of credit facilities of CAD$30.0 million and US$25.0 million (March 1, 2026 - CAD$30.0 million and US$25.0 million) secured pari passu with the revolving credit facility and the revolving line of credit. The interest rate for the letters of credit is between 1.17% and 2.75% (March 1, 2026 - 1.17% and 2.75%). As at

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

May 31, 2026, the amount available under these facilities, which excludes the undrawn cash-secured letter of credit, was increased to $59.8 million (March 1, 2026 - $59.5 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 May 31, 2026 and March 1, 2026, the Company was in compliance with all financial covenants.

12 Financial instruments

Equity derivative contracts

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

	13-week periods ended	
	May 31, 2026	**June 1, 2025**
Unrealized loss (gain) on equity derivative contracts	**$ (27,896)**	$ 22

	As at	
	May 31, 2026	**March 1, 2026**
Fair value of equity derivative contracts, asset (liability)	**$ 91,517**	$ 63,621

Unrealized gains and losses for the change in fair value for equity derivative contracts are recorded in other expense (income) in the condensed interim consolidated statements of operations. The fair values of these contracts are recorded in derivative assets in the condensed interim consolidated statements of financial position.

100% Acquisition of CYC Design Corporation ("CYC")

On May 26, 2023, as part of the acquisition of the remaining 25% ownership interest of CYC, the Company issued 419,047 SVS ("Upfront Shares") and the right to receive additional SVS ("Additional Shares") by March 31, 2026. The Upfront Shares were recognized in share capital ($15.4 million) and the Additional Shares with an estimated value up to $9.4 million were treated as compensation for future services with a portion recognized in contributed surplus ($6.6 million) and the remainder, net of any changes estimated or final value, were recognized over the period ended in early Fiscal 2027.

The Upfront Shares were also subject to an escrow agreement with one third to be released at the end of each of Fiscal 2024, 2025 and 2026 (or earlier as agreed to by the Company and the CYC exchangeable shareholders) and subject to future adjustments ("Share Adjustments"). The Share Adjustments were treated as an embedded derivative and recorded within derivative assets with a value of $14.5 million as at March 1, 2026.

On March 31, 2026, the Share Adjustments clause resulted in the forfeiture of 119,605 Upfront Shares and the Additional Shares, which were recorded against share capital and contributed surplus upon derecognition of the $14.5 million embedded derivative asset.

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

13 Share capital

Secondary offering

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

On January 13, 2026, the Company announced a secondary offering (the "2026 Secondary Offering"). As part of the 2026 Secondary Offering, the Selling Shareholders exchanged 1,352,000 of their MVS for SVS. Details relating to the secondary offering are summarized in the following table:

		2026 Secondary Offering
Completion date		January 29, 2026
Number of SVS		1,602,000
Price per SVS	$	130.20
Gross proceeds to the Selling Shareholders	$	208,580
Other expenses paid by the Company	$	520

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

The TSX approved the Company's NCIB on May 11, 2026 ("2026 NCIB") allowing the Company to repurchase and cancel up to 4,308,739 SVS during the twelve-month period commencing May 13, 2026 and ending May 12, 2027. On May 28, 2026 the Company entered into an ASPP with its designated broker which commenced immediately and will terminate upon termination of the 2026 NCIB, unless terminated earlier in accordance with the terms of the ASPP.

During the 13 weeks ended May 31, 2026, the Company repurchased a total of 564,500 SVS for cancellation under the 2026 NCIB and a previous NCIB that ended on May 6, 2026, at an average price of $117.33 per SVS for total cash consideration of $66.2 million (13-week period ended June 1, 2025 - 15,200 SVS, at an average price of $60.67 per SVS, for total cash consideration of $0.9 million).

As at May 31, 2026, there were 18,327,244 MVS and 95,731,954 SVS issued and outstanding (net of 466,070 SVS held in trust for the settlement of equity compensation awards, which were acquired through open market purchases). There were no preferred shares issued and outstanding as at May 31, 2026. Neither the MVS nor the SVS issued have a par value.

Shares repurchased and held in trust

During Fiscal 2026, the Company established a trust for the RSU and PSU equity-settled plans to facilitate the purchase of shares for future settlement upon vesting of RSU and PSU grants. The Company is the sponsor of the trust and has assigned TSX Trust Company as the trustee. The trust is considered a structured entity and is consolidated in the Company's financial statements with the cost of the acquired shares recorded as a reduction to equity until released into circulation when the RSUs and PSUs settle. During the 13-week period ended May 31, 2026, the Company purchased 90,000 SVS for $12.6 million, of which 10,320 shares were released (13-week period ended June 1, 2025 - 250,000 SVS for $16.9 million, no shares released).

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

14 Stock-based compensation

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

	13-week periods ended			
		May 31, 2026		June 1, 2025
Equity-settled plans				
Stock options	**$**	**5,702**	$	5,005
Restricted Share Units		**3,391**		1,915
Performance Share Units		**5,264**		2,629
Cash-settled plans		**7,791**		637
Stock-based compensation expense	**$**	**22,148**	$	10,186

Stock Options

Legacy Plan

Transactions for options granted under the Legacy Plan for the 13-week periods ended May 31, 2026 and June 1, 2025 were as follows:

	May 31, 2026		June 1, 2025	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of period	**24,623**	**7.09**	703,039	6.23
Exercised	**(24,623)**	**7.09**	(253,641)	5.55
Outstanding, at end of period	**—**	**—**	449,398	6.62
Exercisable, at end of period	**—**	**—**	449,398	6.62

Omnibus Plan

Transactions for options granted under the Omnibus Plan for the 13-week periods ended May 31, 2026 and June 1, 2025 were as follows:

	May 31, 2026			June 1, 2025		
	Number of stock options		Weighted average exercise price	Number of stock options		Weighted average exercise price
Outstanding, at beginning of period	**5,838,685**	**$**	**38.66**	6,602,692	$	31.72
Granted	**20,685**		**148.35**	49,493		56.42
Exercised	**(214,187)**		**27.01**	(108,479)		27.76
Forfeited	**(35,360)**		**41.93**	(59,806)		34.74
Outstanding, at end of period	**5,609,823**	**$**	**39.49**	6,483,900	$	31.89
Exercisable, at end of period	**2,481,278**	**$**	**32.23**	2,431,437	$	28.82

The weighted average fair value of stock options estimated at the grant date for the 13-week period ended May 31, 2026 was $66.16 (13-week period ended June 1, 2025 - $24.93), based on the Black-Scholes option pricing model using the following assumptions:

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

Dividend yield	0.0 %
Expected volatility	46.7 %
Risk-free interest rate	3.2 %
Expected life	5.0 years
Exercise price	$148.35

Restricted Share Unit Plan

The following tables summarize information related to RSUs:

	13-week periods ended			
	May 31, 2026		**June 1, 2025**	
	Cash-settled	**Equity-settled**	**Cash-settled**	**Equity-settled**
Number of units				
Outstanding, at beginning of period	**—**	**1,009,351**	1,046	1,074,896
Granted	**2,304**	**15,923**	—	26,427
Settled and issued	**(2,304)**	**(19,748)**	—	(24,530)
Forfeited	**—**	**(23,939)**	—	(18,500)
Outstanding, at end of period	**—**	**981,587**	1,046	1,058,293

The fair value of the cash-settled RSU liability as at May 31, 2026 was $nil (March 1, 2026 - $nil).

Performance Share Unit Plan

The following table summarizes information related to PSUs:

	13-week periods ended	
	May 31, 2026	**June 1, 2025**
Number of units		
Outstanding, at beginning of period	**640,916**	550,644
Granted	**—**	—
Settled and issued	**—**	—
Forfeited	**—**	—
Outstanding, at end of period	**640,916**	550,644

Director Deferred Share Unit Plan

The following table summarizes information related to DSUs:

	13-week periods ended	
	May 31, 2026	**June 1, 2025**
Number of units		
Outstanding, at beginning of period	**196,031**	239,902
Granted	**3,233**	5,316
Settled and issued	**—**	—
Outstanding, at end of period	**199,264**	245,218

The fair value of the DSU liability as at May 31, 2026 was $30.9 million (March 1, 2026 - $23.7 million).

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

15 Net income per share

Basic

	May 31, 2026	June 1, 2025
Net income attributable to shareholders of the Company	**$ 117,263**	$ 42,391
Weighted average number of shares outstanding during the period (thousands)	**114,254**	114,457
Basic net income per share	**$ 1.03**	$ 0.37

Diluted

	May 31, 2026	June 1, 2025
Net income attributable to shareholders of the Company	**$ 117,263**	$ 42,391
Weighted average number of shares for net income per diluted share (thousands)	**118,948**	118,210
Net income per diluted share	**$ 0.99**	$ 0.36

For the 13-week period ended May 31, 2026, 629,801 stock options and equity-settled RSUs and PSUs were not included in the calculation of diluted net income per share as they were anti-dilutive or contingently issuable (13-week period ended June 1, 2025 – 1,536,331 stock options and equity-settled RSUs and PSU's along with the Additional Shares).

16 Net Revenue

Net revenue disaggregated for boutiques and Digital was as follows:

	13-week periods ended	
	May 31, 2026	June 1, 2025
Retail net revenue	**$ 666,344**	$ 480,306
Digital net revenue	**284,665**	183,010
Net revenue	**$ 951,009**	$ 663,316

17 Expenses by nature

	13-week periods ended	
	May 31, 2026	June 1, 2025
Cost of goods sold		
Inventory and product-related costs and occupancy costs	**$ 419,574**	$ 308,652
Depreciation on right-of-use assets	**26,770**	21,657
Depreciation on property and equipment	**26,640**	20,210
Cost of goods sold	**$ 472,984**	$ 350,519

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

	13-week periods ended			
		May 31, 2026		June 1, 2025
Personnel expenses				
Salaries, wages and employee benefits	**$**	**224,403**	$	169,907
Stock-based compensation expense relating to employees (note 14)		**14,357**		9,842
Personnel expenses	**$**	**238,760**	$	179,749

	13-week periods ended			
		May 31, 2026		June 1, 2025
Finance expense				
Interest expense on lease liabilities (note 9)	**$**	**15,406**	$	12,069
Interest expense and banking fees		**1,022**		810
Amortization of deferred financing fees		**46**		76
Finance expense	**$**	**16,474**	$	12,955

	13-week periods ended			
		May 31, 2026		June 1, 2025
Other expense (income)				
Realized and unrealized foreign exchange loss (gain)	**$**	**1,639**	$	(482)
Realized and unrealized foreign exchange loss (gain) on intercompany balances		**(2,790)**		10,798
Unrealized loss (gain) on equity derivative contracts (note 12)		**(27,896)**		22
Interest and other income		**(3,797)**		(2,234)
Other		**2,006**		218
Other expense (income)	**$**	**(30,838)**	$	8,322

18 Income taxes

The income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year. To the extent that forecasts differ from actual results, adjustments are recognized in subsequent periods. The tax rates for the 13-week periods ended May 31, 2026 and June 1, 2025 were as follows:

	13-week periods ended	
	May 31, 2026	June 1, 2025
Statutory income tax rate	**26.7%**	26.8%
Effective income tax rate	**29.2%**	28.0%

The effective tax rates are driven largely by the proportionate amount of deductible and non-deductible stock-based compensation expense on equity settled plans relative to net income before income taxes for the 13-week periods ended May 31, 2026 and June 1, 2025.

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

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 Digital channels and sales at the Company's boutiques.

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

	13-week periods ended	
	May 31, 2026	**June 1, 2025**
United States	**$ 638,083**	$ 412,987
Canada	**312,926**	250,329
Net revenue	**$ 951,009**	$ 663,316

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

	May 31, 2026	**March 1, 2026**
United States	**$ 1,083,165**	$ 987,617
Canada	**906,995**	887,054
Non-current, non-financial assets	**$ 1,990,160**	$ 1,874,671

20 Commitments and contingencies

Product purchase obligations

At May 31, 2026, the Company had purchase obligations of $164.5 million (March 1, 2026 - $211.7 million), which represent commitments for fabric expected to be used during upcoming seasons, made in the normal course of business.

Letters of credit

At May 31, 2026, the Company had open letters of credit of $4.7 million (March 1, 2026 - $4.6 million).

21 Related party transactions

The Company is ultimately controlled by AHI Holdings Inc. and related entities which are controlled by the Founder and Executive Chair of the Company, Brian Hill.

The Company entered into the following transactions with related parties:

a) During the 13-week period ended May 31, 2026, the Company made payments of $3.2 million (June 1, 2025 - $2.9 million) for lease of premises, management services and other, and $0.1 million (June 1, 2025 - $0.3 million) for the use of an asset to companies, that are owned wholly or partially by Brian Hill. As at May 31, 2026, a net amount of $nil was included in accounts payable and accrued liabilities and accounts receivable (March 1, 2026 - $0.3 million) and $1.3 million was included in other current assets for the lease of premises (March 1, 2026 - $0.8 million). As at May 31, 2026, the outstanding balance of lease liabilities owed to these companies was $70.8 million (March 1, 2026 - $70.0 million). These transactions were measured at the amount of consideration established at market terms.

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

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

	13-week periods ended			
		May 31, 2026		**June 1, 2025**
Salaries, directors' fees and short-term benefits	**$**	**3,840**		2,398
Stock-based compensation expense		**13,664**		3,327
Key management compensation	**$**	**17,504**	$	5,725

22 Supplemental cash flow information

The net change in non-cash working capital balances for the 13-week periods ended May 31, 2026 and June 1, 2025 were as follows:

		May 31, 2026		**June 1, 2025**
Accounts receivable	**$**	**3,439**	$	2,639
Inventory		**(49,855)**		(37,144)
Other current assets		**1,984**		2,070
Other assets		**(469)**		(514)
Accounts payable and accrued liabilities		**(9,810)**		45,876
Deferred revenue		**(2,061)**		(2,178)
Net change in non-cash working capital balances	**$**	**(56,772)**	$	10,749
Accrued purchases of property and equipment	**$**	**37,120**	$	16,592
Accrued purchases of intangible assets	**$**	**817**	$	1,370