



Annual Information Form | April 14, 2025

GDI | DYNAMITE GARAGE

For the fiscal year ended February 1, 2025



ANNUAL INFORMATION FORM

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EXPLANATORY NOTES

Unless otherwise indicated, the information contained in this annual information form (the “**Annual Information Form**”) is given as of February 1, 2025. Unless otherwise indicated, the “Company”, “GDI”, “we”, “us” or “our” refers to Groupe Dynamite Inc. and its direct and indirect subsidiaries and predecessors or other entities controlled by them. Unless otherwise indicated, all references to “\$” or “dollars” are to Canadian dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages through this Annual Information Form may not reconcile due to rounding.

This Annual Information Form refers to certain trademarks, such as GARAGE and DYNAMITE, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Annual Information Form may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

All references to “Fiscal 2024” are to the Company’s fiscal year ended February 1, 2025, to “Fiscal 2023” are to the Company’s fiscal year ended February 3, 2024, to “Fiscal 2022” are to the Company’s fiscal year ended January 28, 2023, to “Fiscal 2021” are to the Company’s fiscal year ended January 29, 2022, to “Fiscal 2020” are to the Company’s fiscal year ended January 30, 2021 and to “Fiscal 2019” are to the Company’s fiscal year ended February 1, 2020.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Annual Information Form were obtained from a combination of third party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the North American retail market and economy (including our estimates and assumptions relating to the North American retail market and economy based on that knowledge).

We believe that the market and industry data presented throughout this Annual Information Form are accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this Annual Information Form are not guaranteed and the Company does not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Annual Information Form, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and industry data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains statements or information that are or may be “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking statements may include, without limitation, statements and information which reflect the current expectations of the Company with respect to future events and performance. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “maintain”, “continue”, “budget”, “scheduled”, “estimates”, “outlook”,

“forecasts”, “projection”, “potential”, “goal”, “objective”, “prospects”, “strategy”, “likely”, “intends”, “anticipates”, “seeks”, “believes” or variations of such words and phrases or terminology which states that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances. Although this is not an exhaustive list, the Company cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements:

- expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies, including regarding female spending power;
- expectations on our ability to continue creating accessible fashion and delivering on-trend products;
- expectations regarding reinvestment in our business;
- our business plans, objectives, goals and strategies and operating model;
- expectations regarding our brand positioning, brand awareness, brand expansions and the consumer focus on a brand’s story and purpose;
- expectations regarding the expansion of our store footprint and the remodel and relocation of existing stores and the estimated average payback period on our investment per store;
- expectations regarding the pursuit of international markets, particularly the United Kingdom, and the opportunities, success and benefits thereof;
- expectations regarding the use of artificial intelligence to leverage owned and paid media, search engine optimization, social commerce, CRM, and influencers to increase traffic and conversions to our e-commerce sites;
- expectations regarding the refreshing of our mobile app designs;
- the planned integration of our merchandising functions into a single, unified platform, called our Glass Pipeline initiative;
- expectations regarding the preparation of sustainability reports;
- expectations regarding the increase of our percentage of products created with sustainable materials and the increase of our sample-to-adoption ratio;
- expectations regarding the long-term target for e-commerce penetration level of our total revenue;
- our competitive position in our industry;
- expectations regarding traceability software launch to digitally manage our supply chain;
- expectations regarding the implementation of our Shared Success Program; and
- the timing of the commencement of services under the warehousing agreement entered in February 2025.

Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Our assumptions underpinning forward-looking information include, but are not limited to, the following: expected short-, medium- and long-term discretionary spending and overall economic trends; successfully maintaining and enhancing our brands; marketing efforts, store renovations and store expansions will be successful and drive our revenue; maintaining our supplier relationships and a steady, cost-effective supply of inventories; successfully managing expenses and driving gross margin improvements; growing our e-commerce business and making headway in our international expansion efforts; successfully retaining key personnel including our chief executive officer; the absence of material changes to taxes, duties, tariffs and interest rates; the absence of further material disruptions in the international trade; the economy generally; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results or current expectations. Readers should also refer to the section “Risk Factors” in this Annual Information Form for additional information on risk factors and other events that are not within the Company’s control.

Forward-looking information contained herein is made as at the date of this Annual Information Form and the Company does not undertake any obligation to update or revise any forward-looking information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

NON-IFRS MEASURES INCLUDING NON-IFRS FINANCIAL MEASURES, NON-IFRS RATIOS, SUPPLEMENTARY FINANCIAL MEASURES AND RETAIL INDUSTRY METRICS

This Annual Information Form makes reference to certain non-IFRS measures, including non-IFRS financial measures, non-IFRS ratios, supplementary financial measures and certain retail industry metrics. These measures are not recognized measures under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”) and do not have a standardized meaning prescribed by IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards.

We use non-IFRS financial measures including “adjusted EBITDA”, “free cash flow” and “adjusted net earnings” and non-IFRS ratios including “adjusted EBITDA margin”, “return on assets”, “return on capital employed” and “free cash flow conversion”. We also use supplementary financial measures including “inventory turnover”, “retail sales per square foot”, “comparable store sales”, “gross margin”, “operating margin”, “customer lifetime value”, “average order value”, “average unit retail”, “4-wall EBITDA” and “4-wall margin” and other operating metrics commonly used in the retail industry, including “active customers”. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

For definitions of these non-IFRS measures and reconciliations of these non-IFRS financial measures to the relevant reported measures, refer to the disclosure below and to the “Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics” section of the Company’s Management’s Discussion and Analysis for Fiscal 2024 (the “**Annual MD&A**”), which information is incorporated by reference herein. A copy of the Annual MD&A can be accessed under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Free cash flow conversion is a non-IFRS ratio of free cash flow over adjusted EBITDA which is a measure of the Company’s ability to convert its cash generated by operating activities into free cash flow.

Customer lifetime value is calculated as the average annual revenue per customer during the prior 12-month period divided by the customer churn rate (being the number of customers who have not shopped during the prior 12-month period / the number of active customers 12 months ago). This metric provides an estimate of the revenue generated by our repeat customers.

Average order value (or AOV) is calculated as the average value of customers’ orders, calculated as revenue divided by the total number of orders during the prior 12-month period.

Average unit retail (or AUR) is calculated as the average unit retail price of products sold to customers, calculated as revenue divided by the total number of units sold during the prior 12-month period.

4-wall EBITDA is calculated as operating income generated by a store during the period plus depreciation and amortization attributable to that store for that period. This metric provides an indication of individual store performance and allows management to compare stores, without the effect of expenses incurred outside the four walls of the store.

4-wall margin of a store is calculated as (i) the revenue from a store less the direct costs required to operate the store during the prior 12-month period, all divided by (ii) the revenue from the store during that period. This metric provides the percentage of a dollar that flows through to the overall and is used to evaluate individual store performance.

Active customers as of a date are customers who have purchased our products within the 12-month period preceding that date.

CORPORATE STRUCTURE

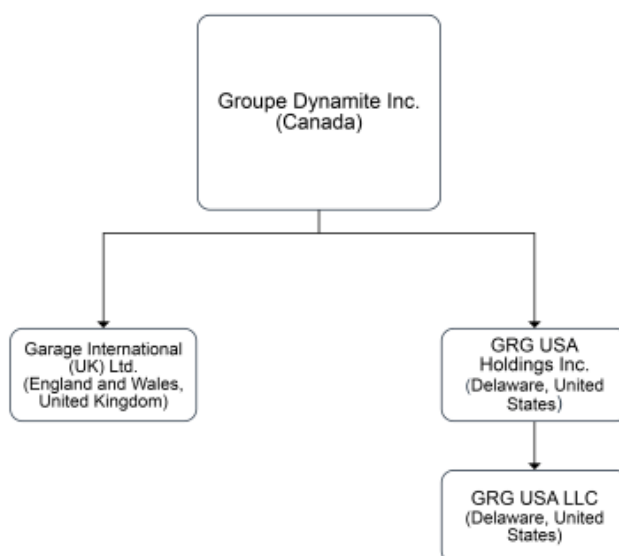
Incorporation and Head Office

The Company was formed on February 3, 2019 by an amalgamation under the *Canada Business Corporations Act* (the “**CBCA**”) of Groupe Dynamite Inc. (pre-amalgamation) and its wholly-owned subsidiary Dynamite Stores Inc. Groupe Dynamite Inc. (pre-amalgamation) was formed as Le Groupe Dynamite Boutique Inc. on August 1, 1993 by an amalgamation under the CBCA of Sindrew Sportswear Inc. and Dynacorp Sportswear Inc. Le Groupe Dynamite Boutique Inc. changed its name to Groupe Dynamite Inc. on August 27, 1999. Following the 2019 amalgamation, the articles of the Company were amended on November 29, 2021 to: (i) create a new class of shares, being an unlimited number of Class “H” shares; and (ii) exchange 201 issued and outstanding Class “B” shares into 456,977,801 Class “A” shares. Immediately prior to the closing of its initial public offering on November 26, 2024 (the “**IPO**”), the Company filed articles of amendment to reorganize its authorised and issued share capital (the “**Pre-IPO Reorganization**”), as described under “Description of the Capital Structure”.

The Company’s registered and head office is located at 5592 Ferrier Street, Mount-Royal, Québec H4P 1M2, Canada.

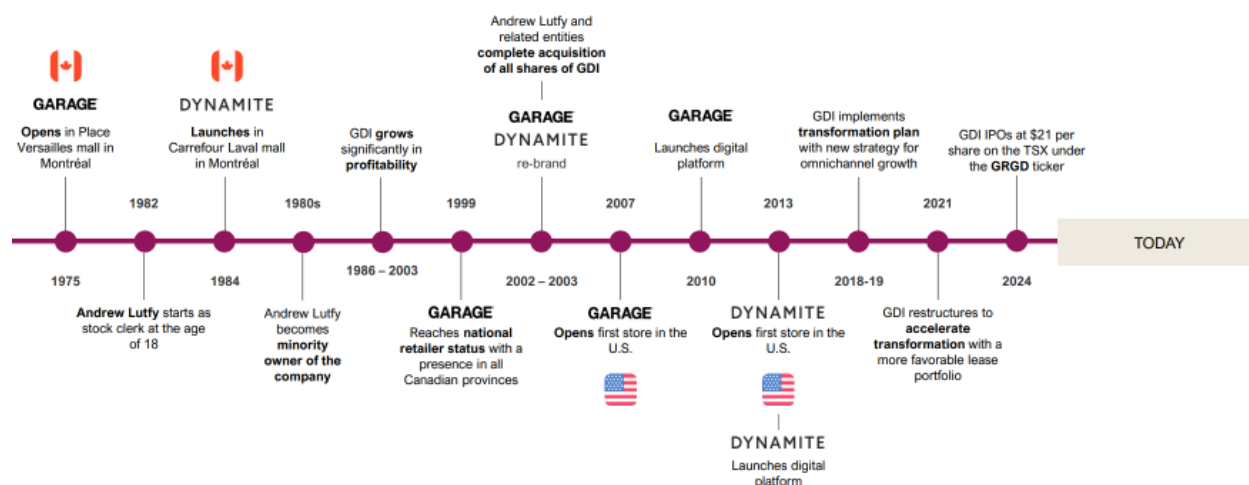
Intercorporate Relationships

The following chart identifies our subsidiaries and their applicable governing jurisdictions. Certain subsidiaries of the Company, each of which represented not more than 10% of the consolidated assets and not more than 10% of the consolidated revenue of the Company, and all of which, in the aggregate, represented not more than 20% of the total consolidated assets and the total consolidated revenue of the Company as at the date hereof, have been omitted.



DEVELOPMENT OF THE BUSINESS

Our journey started 50 years ago in 1975:



In 2019, we transitioned from a family business to a growth-oriented company by, among other things, establishing our board of directors, up-tiering the leadership team, and creating and rolling out an employee stock option plan (amended in 2022), which was further amended and restated in connection with the Pre-IPO Reorganization (the “**Legacy Option Plan**”) to align employee interests with a values and performance-driven culture (the “**2019 Transformation Plan**”). We enhanced our customer understanding, redefined brand positioning, optimized our store network, invested in data capabilities, and improved inventory management and speed to market. In response to the COVID-19 pandemic, we implemented an operational and commercial restructuring plan through CCAA Proceedings, leading to improved lease terms and long-term success, as evidenced by our performance from Fiscal 2021 onwards.

Following the lock-downs, shelter-in-place and other restrictions imposed by governmental authorities as a result of the COVID-19 pandemic, on September 8, 2020, the Company obtained an initial order (the “**CCAA Order**”) from the Superior Court of Québec (the “**Court**”) to seek protection from creditors under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”). Under the terms of the CCAA Order, Deloitte Restructuring Inc. was appointed as the monitor (the “**Monitor**”). The CCAA process allowed the Company to implement an operational and commercial restructuring plan to reposition the Company for long-term success, which included the renegotiation of several leases on terms and conditions more favourable to the Company. On that date, the Company also secured interim financing, debtor in possession, of \$10 million from its parent company, bearing interest at an annual rate of 11%. The maximum amount of the facility was increased to \$20 million on September 18, 2020. The CCAA process was recognized in the United States under Chapter 15 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. On September 10, 2021, the Court accepted for filing the Company’s Joint Plan of Compromise and Arrangement dated September 2, 2021 (as amended and restated on September 15, 2021, the “**CCAA Plan**”). On September 30, 2021, a creditors’ meeting was held during which the CCAA Plan was approved by nearly 100% of the Company’s creditors. The CCAA Plan called for a payment of 7% of approved claims to all creditors of the Company that filed a proof of claim with the Monitor. The final amount of claims was filed by creditors on September 30, 2021, and aggregated approximately \$113 million. The payment to creditors amounted to approximately \$8 million, with the balance of approximately \$105 million to be extinguished. As part of the CCAA Plan, a loan from our parent company in the principal amount of approximately \$60.6 million was wholly written off, along with accrued interest. In Fiscal 2022, the Monitor finalized the assessment of claims filed by creditors, and

reduced the final amount of allowable claims to \$100.7 million, resulting in a reduction of the gain on CCAA debt forgiveness recognized in the previous year by an amount of \$12.2 million. On October 7, 2021, the Court sanctioned the CCAA Plan. On October 13, 2021, the Company implemented the CCAA Plan, at which time the Company successfully exited the CCAA proceedings (we refer to these proceedings as the “**CCAA Proceedings**”).

On December 9, 2021, the Company implemented the Legacy Option Plan. Initial grants were made on December 9, 2021, with vesting commencing as of the beginning of Fiscal 2019 to align with the 2019 Transformation Plan.

More generally, over the recent fiscal years, we have undertaken a comprehensive redefinition of our real estate strategy. This has involved concentrating our efforts on opening tier 1, tier 2 and tier 3 locations, while strategically reducing our presence in tier 4 and tier 5 locations. The following table presents a summary of changes in our store portfolio for Fiscal 2022, Fiscal 2023 and Fiscal 2024:

	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Canada	USA	Total	Canada	USA	Total	Canada	USA	Total
Stores at the beginning of the period	190	100	290	208	84	292	225	72	297
Store openings	3	17	20	2	17	19	-	13	13
Store closures	(10)	(2)	(12)	(20)	(1)	(21)	(17)	(1)	(18)
Stores at the end of the period	183	115	298	190	100	290	208	84	292
Store renovations and relocations	0	4	4	9	4	13	-	1	1

Over the recent fiscal years, to support our strategic initiatives, we have also made several key hires and promotions within our leadership team. These changes have been aimed at strengthening critical areas such as digital operations, real estate, finance, and overall leadership. Notably, we have appointed Maxime Boyer as our Chief Digital Officer; Romina Kolodziejska has joined us as Vice President of Real Estate; Mary-Ann Vitale has taken on the role of Vice President of Merchandising for Garage and, additionally, Jean-Philippe D. Lachance has been appointed as our Chief Financial Officer. Lastly, we have also promoted Stacie Beaver to President and Chief Operating Officer, entrusting her with greater responsibility within the Company.

On November 26, 2024, we closed our IPO. 16084915 Canada Inc., 16084958 Canada Inc., 16084834 Canada Inc. and 16086349 Canada Inc. (collectively, the “**Selling Shareholders**”) sold an aggregate of 14,285,715 subordinate voting shares (the “**Subordinate Voting Shares**”), at an offering price of \$21.00 per share (the “**IPO Price**”). The underwriters of the IPO were granted an over-allotment option, which they partially exercised on December 20, 2024, to purchase a further 648,157 Subordinate Voting Shares at the IPO Price. We did not receive any proceeds from the IPO. The aggregate net proceeds of the IPO paid to the Selling Shareholders were approximately \$293.2 million.

In February 2025, we entered into a warehousing agreement with a third party to provide us with warehousing and distribution services in the United States in order to improve the efficiency of our logistics operations as well as more efficiently service our customers making online purchases from the United States. Services are planned to begin in the summer of 2025.

OUR BUSINESS AND INDUSTRY

About GDI

With a luxury-inspired mindset, our vision is to create accessible fashion that inspires style-conscious individuals to feel good in their skin to fulfil our mission: ***Empowering you to be you, one outfit at a time.***

We are a fashion house that operates retail stores and e-commerce platforms under two complementary and spirited banners: Garage and Dynamite. Garage is a casual street-active aesthetic brand that inspires rewriting the rules, breaking boundaries and owning your individuality, because your style should be as limitless as your passions. Dynamite believes that every day is the perfect occasion to look and feel exceptional, outfitting modern women to seamlessly flow between the demands of their day to the energy that fills their night.

We thrive at the intersection of art and science with a luxury-inspired business model. Our left brain: We obsess about taking time out of the supply chain, leading to increasing focus on speed, flexibility and data to effectively “de-risk” the business of fashion – this rigorous approach is what allows us to deliver differentiated outcomes. Our right brain: Creativity drives every aspect of what we do, allowing us to connect with our customers on a deeper level – we focus on creating clothing collections, campaigns, and experiences that foster an emotional connection with our customers.

We have an intense focus on building an emotional connection with our customers that informs our design and merchandising strategy, omnichannel distribution model and marketing strategy. This emotional connection with our customers begins with our muses, Alex and Rachelle, the conceptual inspirations for our design teams. Alex and Rachelle epitomize customers of Garage and Dynamite respectively, and we embark through them on style journeys that allow us to rapidly address ever-evolving fashion preferences.

Our teams then aim to create must-have, unique and on-trend products for our customers’ ever-changing world. Our product assortment includes jeans, pants, fleece, tops, blouses, sweaters, dresses, skirts, and jackets. Both of our brands have their own dedicated and distinctive Merchandising and Design teams. We develop an average of 125 unique styles per week, drawing inspiration from both historical successes and emerging trends to create fashion must-haves. These branded product teams are supported by Centers of Excellence teams that service both brands so that we are leveraging their expertise in fabric, fit, and product development sourcing.

We connect with our customers through an aspirational, omnichannel shopping experience that extends across our retail stores, e-commerce platforms, mobile applications and loyalty program. As of February 1, 2025, we operate 183 stores in Canada, with retail locations in all Canadian provinces, and 115 stores in the United States, with retail locations across 37 U.S. states. Our retail store footprint allows us to develop brand-enhancing experiences for our customers, with use of technology and an innovative approach to empowering our store associates to be brand ambassadors and stylists creating an optimized shopping experience for our customers. Our two dedicated e-commerce sites, [Garageclothing.com](https://garageclothing.com) and [Dynamiteclothing.com](https://dynamiteclothing.com), give us control of the presentation of our brand and relationships with our customers, while providing customers with a seamless omnichannel experience. Our Garage and Dynamite loyalty program and apps further enable us to provide her a fun and personalized experience with access to the latest products, and help drive repeat purchasing behavior.

Our omnichannel distribution model is supported by our nimble design, sourcing and supply chain processes. We have long-term and strategic relationships with suppliers that enable us to secure production capacity and facilitate in-season order placement. We have an accelerated product cycle from fabric production to order fulfillment that allows us to quickly pivot to the latest trends or go deeper on in-season trends. Our flexibility increases our open-to-buy opportunity in a given season, allowing us to test, deploy and react to trends more quickly, more accurately plan inventory, reduce markdowns and minimize fashion risk.

We support our brands with a disciplined and data-driven approach to marketing, utilizing a proprietary attribution model that analyzes and supports efficacy of our marketing spend in real-time and provides insights that inform our longer-term strategy. We deploy a multi-faceted marketing strategy across multiple channels focusing on driving brand awareness and growing the community of Garage and Dynamite customers, with strategic use of social media and influencers, events, and partnerships.

Our Competitive Strengths

We believe that our strengths, learned and cultivated through 50 years of continuously pushing boundaries and reinventing our brands, have been integral to our success and position us to continue creating accessible fashion that inspires style-conscious individuals to feel good in their skin.

1. Fashion Powerhouse with Two Innovative and Authentic Brands Created to Fit Our Customers' Lifestyles

Our two complementary and spirited banners have been conceived and developed throughout multiple decades with distinct brand positioning in both age and lifestyle that we believe strike the right emotional chord with our target customers. As a result, we had approximately 4.3 million active customers at the end of Fiscal 2024, and processed approximately 13.7 million transactions in Fiscal 2024. Our multi-brand strategy drives product differentiation, assortment flexibility and a natural progression through our muses, Alex and Rachelle. Garage's muse, Alex, is a casual 24-year-old individual embracing a fun, unapologetic and effortlessly cool style. Dynamite's muse, Rachelle, is a 34-year-old force to be reckoned with; she takes on life feeling empowered and makes doing it all look possible while embracing the perfectly imperfect moments along the way. Our data indicate that the median age of our Garage customers is 24.4 years old and the average age of our Dynamite customers is 30.5 years old.

Each brand has its own dedicated concept, fashion, design, merchandising, planning and allocation of inventory, and marketing teams focused on creating distinct on-trend products. Each brand is then supported by our multidisciplinary teams, spanning operational areas including supply chain, real estate, store operations, data and consumer insights, logistics, digital and technology and finance, that promote company-wide strategic alignment and that allow us to leverage insights and learnings across both brands.

We believe these insights have not only allowed us to understand our customers, unique to each banner, on a deeper level, but also have allowed us to take advantage of our banners' complementary nature, helping drive cross-banner conversion between formerly exclusive shoppers of either Dynamite or Garage.

2. Customer-Centric Marketing Strategy Driving Emotional Connection

We strive to be hyper-aware of key moments and influences in our customers' lives so that we can deliver collections that create demand and inspire an emotional connection, leading to brand advocacy. We take a disciplined, data-driven approach to marketing, with an innovative strategy focused on our muses and the mobilization of our brand ambassadors. We utilize a proprietary attribution model that allows us to monitor the efficacy of our marketing spend in real time and provides insights across marketing channels and campaigns, informing our longer-term marketing priorities and strategy. Our social media marketing strategy is central to our success in growing brand awareness, customer acquisition, and loyalty, as it

empowers our partner influencers with a platform to meaningfully inspire and connect with our confident, independent customers on their own terms.

3. Luxury-Inspired Operating Model

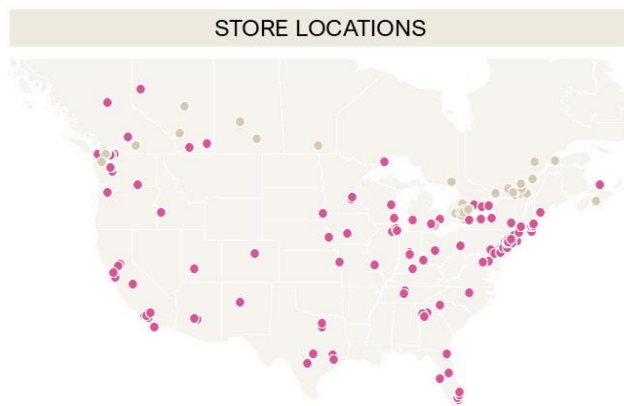
We employ a strategic, luxury-inspired operating model that positions our brands to optimize pricing with limited reliance on markdowns. We aim to deliver must-have, on-trend products that inspire deep emotional reactions for our customers' ever-changing world. Our talented teams of in-house designers workshop an average of 6,500 unique styles per year and we develop approximately 2,100 styles annually (resulting in a 3:1 development ratio), constantly creating exciting newness that drives engagement rooted in brand familiarity. Our flexible merchandising model, partnering with our long-term supply chain partners, enables us to bring products to market quickly while maintaining flexibility within each season to pivot or go deeper into the latest trends. We have significant relationships with our suppliers, and we believe that these relationships ensure our orders are treated by our supply chain partners with corresponding priority and care. This focus on newness and scarcity helps drive customer impression of value, and as a result, we have historically had a maximum of about two sale periods per year, allowing us to maintain price consistency across a product's lifecycle.

Our brand positioning and merchandising strategy have allowed us to optimize our average unit retail⁽¹⁾ prices. Since we began implementing the 2019 Transformation Plan, we have been able to grow list prices faster than inflation – more precisely, we have been able to grow our average unit retail by more than twice the rate of inflation, and we have simultaneously reduced our markdown rate by approximately 70% (from the start of Fiscal 2019⁽²⁾ to the end of Fiscal 2024). By reducing markdowns, we preserve brand value, which we believe organically fosters trust with our customers. We have increased average unit retail to approximately \$43 at the end of Fiscal 2024, representing a 11% CAGR since Fiscal 2019⁽²⁾, and have correspondingly increased company-wide gross margin⁽¹⁾ to 62.8% in Fiscal 2024 from 56.4% in Fiscal 2021.

4. Premier Store Portfolio with Attractive Unit-Level Economics

We have developed a portfolio of retail stores with highly-compelling unit-level economics. We focus on being where our customer naturally gravitates, selecting luxurious, lifestyle-oriented locations that are vibrant gathering places with high foot traffic, and premium co-tenancy, to elevate customer experience, inspire emotions, and drive high return on investment. We believe this enhances the overall shopping experience for our existing customers and elevates our brand's image, attracting new customers. Our assets in higher-tiered real estate locations have outperformed those in lower-tiered locations across key metrics. Our stores have operating leases with an initial term that typically extends to 10 years with what we believe to be attractive and favorable terms. Our customers praise our excellent customer service, store atmosphere and product availability, all of which enhance our customer satisfaction, loyalty and customer conversion, according to third party research conducted by PricewaterhouseCoopers. This combined effect also results in our physical stores having higher average order values⁽¹⁾ compared to our e-commerce channel, driven by higher average units per transaction. Since the start of Fiscal 2022, we have successfully opened 47 stores across select markets in the United States and 5 stores in Canada (and made 4 strategic store closures in the United States and 47 in Canada over the same period). Some of these new stores, the majority of which are under the Garage banner, are among the most productive locations in our network, achieving positive 4-wall margin⁽¹⁾ profiles within 12 months after opening. Approximately 56% of our 4-wall EBITDA⁽¹⁾ for Fiscal 2024 was driven by stores in the United States representing only one-third of our store network by store count. Our physical retail store also creates a "digital halo" that amplifies e-commerce penetration in locations that are proximate to our physical stores.

Retail Store Footprint as of February 1, 2025



GDI

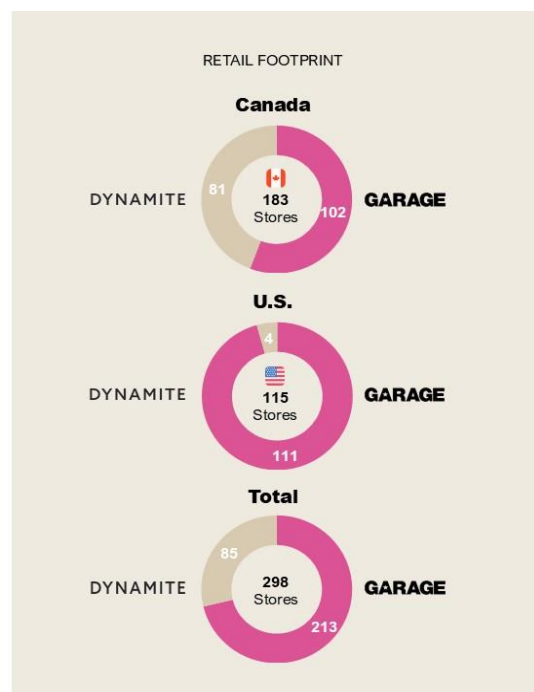
Note: Reflects store count as of February 1, 2025.

Garage

Canada		102
U.S.		111
Total		213

Dynamite

Canada		81
U.S.		4
Total		85



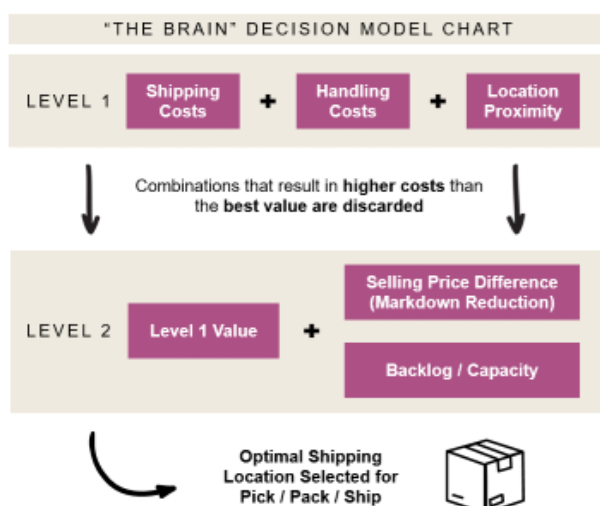
Note:

- (1) Refer to section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" in this Annual Information Form for further details concerning this supplementary financial measure.
- (2) Average unit retail and markdown rate figures for Fiscal 2019 were prepared in accordance with Canadian accounting standards applicable to private enterprises, which is different from IFRS Accounting Standards. These figures have not been audited.

5. Omnichannel Go-to-Market Platform Powered by Proprietary Business Intelligence

We are obsessed with providing her a frictionless, multichannel shopping experience across brand interactions. We leverage both our physical store base and e-commerce sites to create an omnichannel customer experience with an integrated platform that allows our customers to transition seamlessly across channels and maintain a curated and personalized shopping experience. Between Fiscal 2019⁽¹⁾ and Fiscal 2024, we have observed an increase of over 117% in revenue from our e-commerce channel, with online revenue comprising approximately 18% of total revenue in Fiscal 2024. This growth has been achieved through several initiatives, including employing in-store brand ambassadors and stylists to direct customers online for additional sizes and styles, and optimizing our website experience by increasing site speed, streamlining the checkout process and shipping options, and providing product reviews. During Fiscal 2024, approximately 20% of our identifiable customers were omnichannel shoppers⁽²⁾ and they generated approximately 40% of revenue from identifiable customers, due to their higher customer lifetime value⁽³⁾ and purchase frequency.

Our omnichannel platform also meaningfully reduces markdown occurrences and leads to low obsolescence through the use of an algorithm powered by our proprietary business intelligence, referred to as the Brain. The Brain was developed in 2019 to enable physical stores to function as both shopping destinations and hybrid distribution centers whereby a significant portion of e-commerce orders are fulfilled using physical store inventory. The Brain identifies optimal inventory to fulfill e-commerce orders and improves customer service by seamlessly integrating online and offline retail channels. We are thus able to operate closer to an asset-light model that reduces warehouse expenses, drives a lead time advantage and increases overall assortment flexibility.



In Fiscal 2024, approximately 60% of e-commerce orders were shipped from our physical stores, and inventory turnover⁽²⁾, calculated as dividing the cost of sales during the period by the average inventory during that period, increased to approximately 8.5x in Fiscal 2024 from approximately 6.9x in Fiscal 2021.

Notes:

- (1) Revenue figures from our e-commerce channel for Fiscal 2019 used to determine an increase in e-commerce between Fiscal 2019 and Fiscal 2024 were prepared in accordance with Canadian accounting standards applicable to private enterprises, which is different from IFRS Accounting Standards. These revenue figures have not been audited.
- (2) The definition of omnichannel shoppers has been updated to be qualified on last 12 month transactions, in lieu of trailing 24 months transactions.
- (3) Refer to section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" in this Annual Information Form for further details concerning this supplementary financial measure.

6. Nimble Supply Chain and Sourcing Model

Our design-to-market speed, achieved through an agile product development and strategic sourcing model, enables us to design a highly relevant assortment of products and maintain flexibility as a new season starts. Our product design and development process builds on historically successful items, inspired by our muses, while incorporating new fashion, cultural and social trends, with the goal of creating fashion must-haves. We then adjust production output to match demand fluctuations, reducing inventory costs, optimizing margins and driving value for our customers through consistent delivery of in-demand items. Our accelerated product cycle, from fabric production to order fulfillment, allows us to quickly pivot to new and emerging trends and utilize our fabrics in products most in demand by our customers. For example, in Fiscal 2024, 89% of our products moved from our product design process to our distribution center in under 15 weeks (31% in under 8 weeks, 58% between 9 and 15 weeks and 11% in over 15 weeks). Our production cycle's efficiency is underpinned by familiarity with key suppliers—over 80% of whom have been partners for more than 8 years—along with periodic quality control and refreshment of suppliers. Approximately 56% of the purchasing decisions are made after a season begins, allowing us to respond to trends in real-time, either buying further into a trend or pivoting, while we optimize our inventory, resulting in fewer markdowns and exhibiting brand health and relevance. We continuously test, deploy and react to in-market product performance through a rigorous testing model, in part through 3D design capabilities and digital showrooms, to optimize our product assortment.

7. Scaled, Profitable and Compelling Financial Performance

We have an attractive financial profile with strong momentum behind our brands, resulting in a compelling revenue and profitability mix across brands, channels and countries. Our sales strategy includes a strategic emphasis on our physical retail stores that has resulted in comparable store sales⁽¹⁾ growth of 5.9%, 4.7%, 9.5%, 8.2% and 12.3% year-over-year in Fiscal 2019⁽²⁾, Fiscal 2021⁽³⁾, Fiscal 2022, Fiscal 2023, and Fiscal 2024. Revenue has grown at an annual rate of 15% to \$958.5 million in Fiscal 2024 from \$628.0 million in Fiscal 2021. We have enhanced our margin profile through a more disciplined mindset, leading to fewer markdown occurrences, which has resulted in gross margin increasing by 640 basis points, from 56.4% in Fiscal 2021 to 62.8% in Fiscal 2024. Our more stringent expense management, combined with gross margin expansion, has resulted in adjusted EBITDA margin⁽⁴⁾ increasing by 1,380 basis points, from 17.8% in Fiscal 2021 to 31.6% in Fiscal 2024 and in adjusted net earnings⁽⁴⁾ increasing from \$31.6 million in Fiscal 2021 to \$147.8 million in Fiscal 2024, representing a compound annual growth rate of 67%.

Notes:

- (1) Refer to section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" in this Annual Information Form for further details concerning this supplementary financial measure.
- (2) Comparable store sales growth figures for Fiscal 2019 were prepared in accordance with Canadian accounting standards applicable to private enterprises, which is different from IFRS Accounting Standards. These figures have not been audited.
- (3) The year-over-year comparison for Fiscal 2021 is measured against Fiscal 2019 rather than Fiscal 2020, as we believe that the comparison to Fiscal 2019 provides a more accurate comparison of the performance of our business in light of the impact of the onset of COVID-19 during Fiscal 2020.
- (4) Refer to section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" in this Annual Information Form for further details concerning these Non-IFRS measures including definitions and reconciliations of each non-IFRS financial measure to the relevant reported IFRS financial measure. Non-IFRS financial measures and non-IFRS ratios do not have a standardized meaning under IFRS Accounting Standards, which are used to prepare the Company's financial statements, and might not be comparable to similar financial measures presented by other entities.

8. Healthy Balance Sheet with Cash Generative Financial Profile

Our healthy balance sheet, supported by strong access to capital through our second amended and restated credit agreement, dated November 20, 2024, entered into between the Company and a syndicate of lenders including Canadian chartered banks (the “**Credit Agreement**”), and cash generative financial profile support our earnings growth. Our leading inventory turnover propels our free cash flow conversion⁽¹⁾. We averaged free cash flow conversion of approximately 65% from Fiscal 2021 to Fiscal 2024. We are also prudent allocators of capital, with return on assets⁽¹⁾ of 26% and return on capital employed⁽¹⁾ of 47% in Fiscal 2024. Our disciplined approach to capital allocation is intended to fully align our investments with our long-term strategic goals, strengthening our financial position and driving earnings growth. As at the end of Fiscal 2024, with the exception of our lease obligations, we have repaid all of our debt obligations.

The Company’s capital allocation priority for the next 12 months is investing in business growth. With a healthy balance sheet and minimal debt, we expect to continue generating strong free cash flow. We plan to return capital to shareholders in the near term through our NCIB (as defined below) while maintaining a solid balance sheet. With the belief that the market price of the Subordinate Voting Shares may from time to time not reflect the underlying value of the Subordinate Voting Shares, the Board of Directors approved on April 14, 2025, the implementation of a normal course issuer bid (“**NCIB**”), which is expected to commence on or around April 17, 2025, authorizing the Company to repurchase up to an aggregate of 1,301,447 subordinate voting shares, representing approximately 10% of the public float as at April 3, 2025. Moreover, in due course, we intend to declare and pay dividends. For additional details, see section “Dividend Policy” of this Annual Information Form.

Note:

(1) Refer to section “Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics” in this Annual Information Form for further details concerning these non-IFRS ratios. Non-IFRS financial measures and non-IFRS ratios do not have a standardized meaning under IFRS Accounting Standards, which are used to prepare the Company’s financial statements, and might not be comparable to similar financial measures presented by other entities.

9. Passionate and Experienced Management Team Leading a Strong, Value-Led Organization

Through continuous reinvention, our management team has transformed a small business into a fashion powerhouse with two authentic brands. Andrew Lutfy, our Chair and Chief Executive Officer, has worked in almost every area of the Company, starting his career as a stock clerk in 1982 at our very first store at Place Versailles in Montréal. As part of the 2019 Transformation Plan, Andrew has assembled a team of experienced executives from diverse and relevant backgrounds, who have extensive retail experience working with a wide range of leading global companies. We also reconstituted our Board of Directors and implemented the Legacy Option Plan to align our employees' interests with a values- and performance-driven culture. In the last three years, as we have expanded our business and its operations, we have made strategic hires to bolster our leadership team, including hiring our Chief Financial Officer and Chief Digital Officer.

Our leadership team is supported by a diverse team of approximately 6,500 employees based in the U.S. and Canada, with 46% of vice presidents and above being women. We take immense pride in the values- and performance-driven culture we have built inside of our Company, and drive toward our mission of "Empowering You to be You", one outfit at a time. We are committed to providing a fun, engaging and inclusive environment across our organization. We manage performance based on our corporate values. We view incentivizing and retaining key talent as a top priority and have aligned our employee compensation so that our employees share in our company-wide success. We have set annual targets for involuntary turnover among our employees. Our diverse Board of Directors provides us extensive expertise and a deep understanding of executive leadership across all aspects of our business.

Our Growth Strategies

We believe we remain well positioned for strong and profitable growth with our sustained momentum in total and comparable sales growth. We expect several factors will contribute to our growth. These include strong gross margins, driven by our luxury-inspired operating model and superior inventory management. We also maintain SG&A discipline, leveraging our scale to control expenses. Strong cash flow, generated by our free cash flow⁽¹⁾, supports continued growth and potential future capital return. Further expansion into the United States and planned entry into the United Kingdom offer significant whitespace opportunities. Finally, we are optimizing our footprint through strategic store openings in premier locations, targeted closures, and renovations of existing stores.

Note:

(1)

Refer to section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" in this Annual Information Form for further details concerning this Non-IFRS measure including definitions and reconciliations of such non-IFRS financial measure to the relevant reported IFRS financial measure. Non-IFRS financial measures and non-IFRS ratios do not have a standardized meaning under IFRS Accounting Standards, which are used to prepare the Company's financial statements, and might not be comparable to similar financial measures presented by other entities.

We have a highly strategic financial framework that drives results. We intend to leverage the inherent strengths of our brands and the synergistic benefits of our platform to pursue the following growth strategies:

1. Grow Comparable Store Sales through:

(a) Increasing Average Order Value and Number of Transactions with Existing Customers

We have built a large and growing community, with approximately 4.3 million active customers at the end of Fiscal 2024. From Fiscal 2019⁽¹⁾ to Fiscal 2024, we have achieved an average annual increase of over 6% in average order value. Our commitment is to continuously create unique, must-have, and highly relevant products that resonate with our customers' ever-evolving needs, fostering a deep emotional connection. By leveraging these relationships, we develop targeted strategies that amplify our brand message and strengthen customer loyalty, driving increased average order value and more frequent transactions. Some of the key initiatives supporting these strategies include:

- Loyalty Program Evolution - Our Collective program launched in May of 2024 with a distinctive shift away from discounts to experiences. Our goal is to bring our customers into our community with access to exclusive rewards, such as early access to new collections and events, surprise offers, birthday gifts, enhanced shipping options, and personalized stylist sessions, among other exclusive benefits. These experiences are to provide her with memorable moments and a deeper affinity to the brands;
- Ambassador Program - an elevation to our in-store associate role where we empower the associates to become the face of the brand. They are content creators bringing a local celebrity cache to our network of stores. They create followings for their styling tips, techniques, and insights behind the scenes of their role. They are deployed across the countries in which we operate for new store openings and have the opportunity for travel to create content in top cultural events we want to show up as a brand; and
- Continual Innovative Technology - RFID 2.0, this RFID update enables us to ensure visual standards are met while maintaining our luxury inspired visual aesthetic. It also allows for customization of product placement based upon localized selling preferences.

(b) Growing Brand Awareness with New Customers and Expanding Our Communities

We believe there is a significant opportunity to grow brand awareness with new Garage and Dynamite shoppers, particularly in the United States, where we have successfully opened 47 new stores since the start of Fiscal 2022 (and made 4 strategic store closures in the United States and 47 in Canada over the same period). Additionally, we have opened 5 new stores in Canada since the start of Fiscal 2022. Many of our new customers become aware of our brand through word-of-mouth exposure and product references from friends. We intend to grow consumer awareness of our brands and products through the following strategies:

- Leveraging artificial intelligence tools to personalize and target product recommendations;
- Continued expansion of our Brand Ambassador program by positioning store associates as influencers or ambassadors, while continuing to engage and expand the traditional influencer ecosystem at all engagement tiers, including celebrity, micro- and nano-influencers; and
- Further development and testing of event-based marketing to meet consumers where they are spending time, away from our existing physical and digital channels.

Optimizing our store portfolio mix in accordance with our proprietary matrix will also grow our comparable store sales as these higher-tiered real estate locations become part of the comparable store base.

2. Expand and Optimize Store Network in North America

We believe we have a significant opportunity to continue growing and optimizing our store network across North America. In 2023, according to third-party research conducted by PricewaterhouseCoopers, the women's apparel market in the United States was nine times larger than the market in Canada, suggesting that there is still room to optimize our real estate portfolio by opening new stores in the United States and making strategic store closures in Canada. We believe there is an opportunity to open between 18 to 20 additional new stores in Fiscal 2025 in North America, with the vast majority being in the United States and under the Garage banner. Over the same period, the Company intends to complete between 9 to 10 closures in North America. The unit economics of a store in the United States are stronger than the unit economics of a store in Canada, driven by our pricing strategy of maintaining the same product prices in both countries. Our 5-year strategic plan, which has been approved by the Board, targets up to approximately 50 net store openings (with approximately 80 store openings and approximately 30 store closures) by the end of Fiscal 2028, reaching a total of 350 locations. Our new store openings assume an average investment of less than \$2 million per store and target an average payback period of approximately two years or less on our initial investment. See "Risk Factors – Our growth strategies depend in part upon our ability to successfully open and operate new stores, primarily in the United States, in a timely and cost-effective manner and new stores may take longer to mature than anticipated".

Underpinning the success of our retail sales growth is the strategic placement of our locations in accordance with our proprietary matrix, pursuant to which we focus on opening stores in top-tier locations.

According to our standards, most assets in the shopping center universe fall within tiers 4 and 5, while only a small percentage falls within tiers 1, 2 and 3. We have improved the tiering of our store network against our proprietary matrix. In Fiscal 2019, approximately one-third of our stores were in locations rated between tiers 1 and 3 and two-thirds were in locations rated between tiers 4 and 5. By the end of Fiscal 2024, approximately 48% of our stores were in locations rated between tiers 1 and 3 (meaning a 49% increase in tiers 1 to 3 store base from Fiscal 2019) and only 52% were in locations rated between tiers 4 and 5. We believe our tiering system works, as retail sales per square foot⁽²⁾ have grown since Fiscal 2019⁽³⁾ at a CAGR of approximately 11% for stores in locations rated between tiers 1 and 3 and only approximately 7.5% in locations rated between tiers 4 and 5.

During Fiscal 2024, our stores (which occupy approximately 3,600 square feet on average) produced retail sales per square foot of approximately \$734. In addition to opening new stores, we have generated attractive returns on capital by optimizing our existing stores through carefully considered and accretive store remodels and relocations. We aim to selectively expand, remodel and/or relocate up to 10 to 15 existing stores in Fiscal 2025 in top-tier locations. Through expanding our store footprint and optimizing our existing store base, we believe we can enhance our aesthetic, improve our in-store assortment, increase scale, drive comparable store sales growth and enhance company-wide operating margins⁽¹⁾.

Notes:

- (1) Average order value figures for Fiscal 2019 were prepared in accordance with Canadian accounting standards applicable to private enterprises, which is different from IFRS Accounting Standards. These figures have not been audited.
- (2) Refer to section "Non-IFRS Measures including Non-IFRS Financial Measures, Non-IFRS Ratios, Supplementary Financial Measures and Retail Industry Metrics" in this Annual Information Form for further details concerning this supplementary financial measure.
- (3) Retail sales per square foot for Fiscal 2019 were prepared in accordance with Canadian accounting standards applicable to private enterprises, which is different from IFRS Accounting Standards. These figures have not been audited.

3. Grow e-Commerce and Omnichannel Capabilities

Although we foresee the need for additional investments in the near term to support e-commerce growth, we expect these investments to remain within the levels experienced in the last year, with no substantial increases foreseeable – we believe there is a significant opportunity to grow our e-commerce business, and we are currently targeting a long-term e-commerce penetration level of approximately 25% of our total revenue, an increase from approximately 18% of total revenue as of Fiscal 2024. We believe the following factors will support increased e-commerce penetration:

- Growing our store network will drive online traffic—There is a synergistic relationship between our growing store network and e-commerce sites, which creates an omnichannel digital halo in which the success of each channel benefits the other through increased brand awareness and customer affinity.
- Increasing traffic to our e-commerce sites—We plan to strategically use artificial intelligence to leverage owned and paid media, search engine optimization, social commerce, CRM, and influencers to increase traffic and conversions to our e-commerce sites.
- Transforming our mobile app and user interface—We plan to redesign our mobile app for better content optimization, personalization, performance, and a store mode.
- Driving our Save-the-Sale strategy—Our Save-the-Sale strategy encourages our sales associates to support our customers by suggesting in-store and online product recommendations, which drives better customer experience, conversion, and loyalty.

4. Pursue International Markets

We have the opportunity to launch our brands internationally through e-commerce websites, international shipping, and physical retail stores. We have identified certain geographic markets, such as the United Kingdom, as attractive global markets where there are opportunities to expand the reach of our brands, starting with Garage. We will first aim to open e-commerce sites and invest in marketing to grow brand awareness and customer acquisition in geographies where we plan to establish physical retail locations. We then plan to establish a physical retail presence, using our proprietary matrix and deep real estate expertise to identify the most attractive top-tier locations and directly enter international markets. Our ultimate goal is to remain unapologetically ourselves and bring our brand as-is to new markets by keeping the same product assortment and brand to each new market.

Our Brands and Products

GDI is a fashion house that operates retail stores and digital experiences under two complementary and spirited banners: Garage and Dynamite. At each banner we aim to create must-have, highly relevant and on-trend products for our customers' ever-changing world that inspire deep emotional reactions. Our product assortment is centered around jeans, pants, fleece, tops, blouses, sweaters, dresses, skirts, and jackets.

Garage's purpose is to unlock individuality and to give her confidence to pursue her passions unapologetically. Garage is a casual street-active aesthetic brand that inspires breaking boundaries and owning your individuality, because your style should be as limitless as your passions. Garage dresses the unapologetic, on-trend, young individual, empowering her to rewrite the rules to unleash her passions. Garage's lifestyle categories include:

- Casual street – Effortlessly edgy looks rooted in Denim and Fashion Basics that tap into a sense of femininity and own what makes her sexy. Whether socializing with the boys, dressing for the girls, or posting GRWM videos, this style embodies confidence that shines all day—it's hot, it's cool, it's a whole damn vibe.

- Off-duty – Sexy feminine styles, inspired by the hot-girl-study aesthetic. Rooted in oversized fleece, knit essentials, and activewear, this look combines effortless style with a clean, polished edge. Perfect for catching up with friends from coffee meetups to hot girl walks, it embodies a confident vibe that's unapologetic.

Dynamite's purpose is to remind her of her power, to awaken her energy and to make her feel good. Dynamite is the epitome of femininity and versatility, created for the multifaceted woman on the move. Dynamite believes that every day is the perfect occasion to look and feel exceptional, and the brand outfits modern women to seamlessly flow between the demands of their day to the energy that fills their night. Dynamite's product solutions include:

- In the city – Elevated, versatile wardrobe solutions that are designed to capture the rhythm of urban life. Blazers, vests, and designer-inspired accents that are perfect for transitioning from daytime engagements to evening apéros and casual dinners.
- On the daily – Curated pieces that celebrate intentional, everyday moments. Effortlessly layered sweaters and trusted denim pieces that bring comfort and style to brunches, city strolls, and lunches, blending ease with elegance for a life lived with purpose.
- Nights out – A magnetic, edgy assortment made for nights that captivate. Dresses and bold tops define the scene, setting the tone for pre-party cocktails and late-night reservations, where confidence meets allure in every look.

Our Multichannel Distribution

Store Overview, Site Selection and Optimization

As of February 1, 2025, we operate 183 stores in Canada and 115 stores in the United States, mostly situated in prime real estate locations nationwide in Canada and in the U.S. Our real estate strategy prioritizes luxurious and lifestyle-focused locations that garner foot traffic and are easily accessible with entertainment and dining nearby. We have established a proprietary matrix whereby we tier all our physical retail stores based on carefully selected criteria. Our stores have operating leases with an initial term that typically extends to 10 years.

As of February 1, 2025, our store locations are summarized below:

Canada	Number of Stores	United States	Number of Stores
Alberta.....	19	Midwest.....	19
British Columbia.....	20	Northeast.....	42
Manitoba.....	7	South.....	28
New Brunswick.....	2	West.....	26
Newfoundland.....	2	Total United States.....	115
Nova Scotia.....	6		
Ontario.....	63		
Prince Edward Island.....	1		
Québec.....	59		
Saskatchewan.....	4		
Total Canada.....	183	Total.....	298

Our stores are designed by an in-house team of interior designers to foster an emotional connection with our customers. We believe the unique feel of our stores allows us to develop brand-accretive experiences for her while also driving sales and increasing efficiency. Additionally, furniture, fixtures, finishes and graphics are all carefully planned and coordinated to create an aspirational shopping environment.

We analyze, with a view to optimizing, all aspects of the customer experience at both banners, from store layout, lighting and sales associate assistance to fitting room and checkout operations. At Garage, we create a casual, fun and community-driven experience that allows our customer and their crew to discover a curated edit of the hottest fashion trends. At Dynamite, we create an elevated experience that focuses on personalized service, curated style, and outfitting solutions. Each store is led by a manager, who is supported by a team of sales associates who are passionate about delivering a highly personalized shopping experience. We actively structure our store operations to better enable our sales associates to focus exclusively on sales and to drive customer conversion. Our sales associates are supported by a robust, continuously improving technology stack, including detailed product RFID, or radio frequency identification, tracking designed to ensure in-demand items are consistently in stock, as well as a mobile point of sale system in some of our stores to increase personalization and conversion.

Omnichannel

We aim to drive an emotional connection with our customers through an aspirational, omnichannel shopping experience. We primarily sell our products through our retail stores, two dedicated e-commerce sites, [Garageclothing.com](https://garageclothing.com) and [Dynamiteclothing.com](https://dynamiteclothing.com), and our mobile app. This gives us complete control of our brand positioning while providing a seamless experience across channels.

We are in the process of refreshing our mobile app designs to become a true omni-platform. The first phase of the refresh, which went live in the second quarter of Fiscal 2024, includes a loyalty first mindset with a more personalized user experience and updated imagery to drive an emotional connection to our brands. The second phase of the refresh, which is being progressively rolled out from Q1 to early Q2 of Fiscal 2025, includes sophisticated content management capabilities that will allow us to quickly adapt to changing customer preferences. A third phase is now also being worked on with the migration to a headless architecture for better performance and development velocity. We also refreshed our loyalty program—Garage Collectif and Dynamite Collectif—in June 2024, moving from a badges-based rewards system to a points-based rewards system, with an enhanced loyalty first and hyper-personalization approach. Our points-based system, through which customers earn points via purchases and brand interactions, provides loyalty members with exclusive rewards, such as early access to new collections and events, surprise offers, birthday gifts, enhanced shipping options, and personalized stylist sessions, among other exclusive benefits.

We utilize business intelligence tools, including an algorithm referred to as the Brain which is powered by proprietary business intelligence and enables physical stores to function as both shopping destinations and hybrid distribution centers. The Brain identifies optimal inventory to fulfill e-commerce orders and improves customer service by seamlessly integrating online and offline product availability. We are thus able to operate closer to an asset-light model that reduces warehouse expenses, creates a lead time advantage and increases flexibility in our operations. We offer our customers multiple shipping and pickup options, including standard and express shipping, same-day pickup in-store and same-day shipping via our partnership with Uber. To further enhance our omnichannel strategy, we recently established a dedicated team focused on driving customer acquisition through prioritizing technological advancements.

In the future, we expect that most of our capital investment will be allocated to the openings of new stores, renovations, relocations, and store maintenance, and we expect the remaining portion to be designated for digital and IT investments.

Our Marketing Strategy

Our premier marketing efforts are focused on creating distinct brands that deeply resonate with our customers. We have recently focused on expanding our marketing department to accelerate our efforts. This has resulted in the implementation of new processes, including the establishment of our four core pillars: data-driven, multi-channel, community-focused and always relevant. These pillars serve as foundational priorities to drive an emotional connection to our brands.

- *Data-driven: Disciplined approach to marketing driving strong returns and efficiency.* We have clear, top-down guidelines aimed at ensuring that all marketing spend meets certain acquisition efficiency and profitability thresholds. This discipline is enabled by a proprietary data attribution model that enables real-time monitoring and spend allocation across paid digital marketing channels, and provides rich data insights that inform our longer-term marketing strategy and priorities. Our dedicated teams use this data as they focus on driving brand awareness, customer acquisition and retention.
- *Multi-channel: Balanced marketing strategy across channels.* We have a holistic planning process that allows for sophisticated, cross-functional strategies across our brands' biggest strategic initiatives. This includes both proactive and reactive strategies across channels that allow marketing efforts to both drive and then react to product trends in conjunction with product lifecycles. Our multi-channel strategy spans personalized marketing, social media, and a strategic use of influencers and brand ambassadors to successfully drive brand awareness and grow our community of customers. We launched our RODEO campaign, a western-inspired, cowboy fashion campaign that leveraged integrated marketing strategies across digital, performance, social, retail and ambassador channels. Our RODEO campaign was one of our highest performing ads generating approximately 79 million impressions.
- *Community-focused: Focused on deepening engagement with a growing community of customers.* As of the end of Fiscal 2024, our robust customer database consists of approximately 4.3 million active customers. We focus our marketing resources on relationship-building activities designed to cultivate, maintain and expand our customer base. This is achieved through omni-tracking capabilities, capturing customer profiles and thus driving personalization and journey optimization through a rigorous and agile test-and-learn approach. Additionally, our loyalty program puts brand equity building at the center of our strategy framework, offering unique experiences, exclusive access and numerous benefits.
- *Always relevant: Aimed at how we aspire to intersect our brands in the culture and lives of our customers.* Dedicated teams rigorously track key fashion, social and cultural moments and influences in our customers' lives aimed at ensuring that our brands are always on trend. We employ a strategic hierarchy of influencers and ambassadors to reach our customers. Our products have been featured and worn by prominent celebrities and cultural leaders like Addison Rae, Ariana Madix, Becky G, Chloe Bailey, Charli D'Amelio, Alex Cooper, Tezza Barton, Justine Skye, Anastasia Karanikolaou, Victoria Villaroel, Hallie Batchelder, Cass DiMicco, Valeria Lipovetsky, Serena Kerrigan and Ashtin Earle, which drives brand relevancy. We then strategically activate other influencers to drive buzz around the brand, including an industry-leading associate ambassador program consisting of 86 members across North America as of February 1, 2025, who drive localized relevance and store performance. Together, our brands drove nearly 2 billion impressions in earned reach⁽¹⁾ from celebrity, influencer and fan-driven content across social media in Fiscal 2024.

Note:

(1) Impressions in earned reach exclude impressions from channels controlled or managed by the Company.

Our Supply Chain and Operations

We aim to create must-have, exceptionally-designed and on-trend products for our customers' ever-changing world through an agile product development and strategic sourcing model.

Creative Development

At Garage and Dynamite, our talented in-house designers work closely with our Concept Team, which tracks emerging fashion, cultural, and social trends. This collaboration is further enhanced by our Fashion Office, a dedicated team responsible for bringing our products to market in the most emotionally resonant way. The Fashion Office curates the artistic direction for each brand, ensuring that every product not only aligns with the latest trends but also forges a deep emotional connection with our customers. Together, our teams develop an average of 125 unique styles per week, blending the best of historically successful designs with fresh, on-trend influences to create fashion must-haves.

Our product development process is driven by data, using proprietary business intelligence dashboards to forecast and predict sales demand. Through our rigorous test-and-react model, we continuously monitor and adapt to product performance, while also embracing new consumer trends. By integrating tools like 3D design capabilities and digital showrooms, we fine-tune our product assortment to stay ahead of customer desires and maximize emotional impact.

Merchandise Planning

We operate a Very Asset-Light Inventory Model. Our inventory model begins with an initial product assortment plan, but we fill those needs through a rigorous read, react, and chase model. This approach allows us to quickly adjust to customer demand, ensuring that our product offerings remain relevant and timely. We start by purchasing small quantities to gauge demand, and based on performance, we follow up with larger orders—maximizing sales while minimizing inventory risk.

Three important tactics ensure our ability to chase effectively:

- **Pre-positioned Fabrications:** In Fiscal 2024, over 62% of our units were produced with fabric commitments made before purchase orders, enabling us to accelerate the production cycle and quickly respond to market trends.
- **Real-Time Data and Business Intelligence:** We leverage proprietary business intelligence tools that allow us to monitor and predict sales trends, helping us adjust product assortments and ordering strategies in real-time.
- **Flexible Distribution Model:** Our physical stores function as hybrid distribution centers, which decreases warehousing costs and reduces lead times. This flexibility allows us to quickly replenish stock and adjust our product assortment in response to changing customer preferences.

We also plan to integrate all merchandising functions into a unified platform known as the Glass Pipeline initiative. This initiative will further enhance transparency and coordination, ensuring we optimize how we buy, allocate, and assort products across our channels.

Sourcing and Production

We have an accelerated product cycle from fabric production to order fulfillment that allows us to quickly pivot to the latest trends or go deeper on in-season trends. For example, in Fiscal 2024, 89% of our products moved from our product design process to our distribution center in under 15 weeks (31% in under 8 weeks, 58% between 9 and 15 weeks and 11% in over 15 weeks). This increases our open-to-buy opportunity in-

season, allowing us to test, deploy and react more quickly, plan inventory more accurately, reduce markdowns and minimize fashion risk. We source a substantial majority of our raw materials directly, which allows us to efficiently manufacture products and control costs. As of Fiscal 2024, we have over 45 suppliers across more than 100 factories providing us with the flexibility to source high-quality materials and products at competitive costs. Our production cycle's efficiency is underpinned by familiarity with key suppliers, with over 80% having been a partner of ours for over 8 years, periodic quality control and refreshment of suppliers. Across this network of suppliers, the majority of our production volumes are sourced from China, with additional contributions from Bangladesh and Cambodia. Additionally, based on our strong supplier relationships, we are able to reserve production capacity prior to purchase order placement, which ensures that we have dedicated production lines supporting our agile business model and reducing supply chain risk. We maintain a formalized quality assurance program whereby we regularly perform in line and final production inspections in our manufacturers' factories to ensure quality control.

Environmental, Social and Governance Responsibility

Sustainability is an integral part of our overall strategy, and we are determined to pursue growth in a sustainability-conscious manner. We require our business partners to comply with the working conditions in our Supplier Code of Conduct and Policy on Modern Slavery (both of which are available on our website at www.groupeedynamite.com), as well as certain employment practices and environmental standards. We require that all factories be certified by recognized audit standards and methodologies to ensure audit findings comply with local laws and regulations, as well as with global standards. As we continue to grow our efforts to operate sustainably through new and innovative measures, we aim to share our results in doing so through recurring sustainability reports, outlining our successes and key lessons learned. Additionally, we have identified the following strategic priorities related to sustainability:

- **Utilize Sustainable Materials:** As of February 1, 2025, approximately 48% of our products were manufactured with organic or recycled yarns and textiles. We aim to increase our percentage of products created with sustainable materials by prioritizing these fibers when adopting new fabrics.
- **Minimize Overproduction:** From Fiscal 2022 to Fiscal 2024, we increased our sample-to-adoption ratio, the number of products produced to the number of products adopted, from 21% to 33%, respectively. We aim to increase our sample-to-adoption ratio to minimize overproduction and reduce excess waste.

We are proud of our long-standing and trusted partnerships with more than 20 community organizations that are on the frontlines of effective, positive change. The focus of our charitable initiatives is on selecting and supporting causes that matter to our employees, including:

- *Centraide/United Way.* Our Chief Executive Officer, Andrew Lutfy, Groupe Dynamite and the Andrew J. Lutfy Foundation are proud partners of Centraide of Greater Montréal (United Way), Canada's unifying force for social change in local communities, since 2013. Together, through our annual giving campaigns, we have raised over \$3.3 million dollars, including a record of approximately \$631,000 raised in 2024.
- *OutRight Action International.* In 2018, we became a partner of OutRight Action International, the only U.S.-based LGBTIQ+ human rights organization with a permanent presence at the UN. We are committed to helping raise funds for and awareness of OutRight Action International's work researching, documenting, defending and advancing human rights for LGBTIQ+ people around the world.
- *One Tree Planted.* Groupe Dynamite has been supporting One Tree Planted since 2019 in an effort to support global reforestation, having raised over \$800,000, including our 2024 contributions. For every GARAGE shopping bag purchased, a total of 179,000 trees were planted in 2024, bringing the total number of trees planted through this program to 806,930.

Our governance structure, policies and processes are designed to serve the needs of our business, our shareholders and other stakeholders, and to promote a culture of accountability across our Company. We believe that fostering a compliant, ethical, accountable and transparent culture requires the full engagement of our Board and management. ESG matters are regular topics on the agenda of the Audit Committee. In addition, our Nominating and Governance Committee helps to oversee matters of corporate governance, including by reviewing our overall governance practices on an annual basis to ensure that our corporate governance practices continue to meet our high standards.

Our People

We take immense pride in the values - and performance-driven culture we have built inside of our Company, and drive toward our mission of “Empowering You to be You”, one outfit at a time. We are committed to providing a fun, engaging and inclusive environment inside our corporate headquarters, distribution center and across our stores. We are committed to our shared values:

OUR SHARED VALUES	
OWNERSHIP DO WHAT YOU SAY.	BOLDLY DRIVING GREAT WORK AND CELEBRATING OUR ACHIEVEMENTS.
CUSTOMER FOCUS CUSTOMER COMES FIRST.	KNOW THE CUSTOMER ANYWHERE AND WOW THEM EVERYWHERE.
CURIOSITY GROW THROUGH DISCOVERY.	CURIOUS MINDS UNLOCK CREATIVITY, DRIVE ACCELERATION, AND CULTIVATE GROWTH.
PASSION LOVE WHAT YOU DO.	PASSION AND OPTIMISM CAN CHANGE THE COURSE OF A DAY OR A MEETING, AND EVEN THE FUTURE OF THE COMPANY.
EMPATHY PRIORITIZE UNDERSTANDING.	A SUPPORTIVE AND INCLUSIVE ENVIRONMENT THAT BUILDS STRONGER RELATIONSHIPS AND TRUST AND ENHANCES TEAMWORK.

As of February 1, 2025, Groupe Dynamite employs approximately 6,500 employees, of which approximately 30% are full-time employees, and the remaining 70% support our business in a part-time capacity. Throughout the year we welcome seasonal associates, which allows us to have a flexible workforce to accommodate business and consumer demands. None of our employees are covered by a collective bargaining agreement, and we have had no labour-related work stoppages.

Our attention to our employees is rooted in the strategic development of tools and processes to make our workplace highly collaborative, cross-functional and high-performing. For example, we recently refreshed our intranet for our associates to access information seamlessly and work more efficiently. Our current initiatives have been focused on optimizing communication, feedback, engagement and talent. All our employees are trained in and subject to our company business code of conduct, which describes how we put our values into practice every day and sets the standard for the conduct expected. We are committed to creating an ethical workplace and community, and we always strive to improve. The tools, resources and support we provide employees each day help to drive our Company forward.

We are committed to treating all of our employees like owners by aligning their interests with those of our shareholders. Through our Shared Success Program, which we intend to implement shortly, all of our then current eligible employees, and going forward, all of our newly-hired eligible employees, will receive a grant of deferred share units (“DSUs”) having a market value between \$500 and \$2,500, depending on function and subject to successful completion of a probationary employment period. Amounts may be adjusted by

the Human Resources and Compensation Committee from time to time. Each employee's DSUs will cliff-vest 24 months after the date of grant subject to their continued employment, and vested DSUs will be settled for cash equal to the market value of the DSUs and related dividend share units when the employee ceases to hold all positions with the Company and its related entities.

Our Competition

We operate in the women's apparel industry, where we compete with a diverse group of specialty apparel retailers, department stores, affordable retailers, athletic retailers and other manufacturers and retailers of branded apparel. Market participants compete on, among other attributes, the location of stores, the breadth, style, quality, price and availability of merchandise, the level of customer service and brand recognition. We believe that we successfully compete on the basis of several factors including our retail stores and digital experiences under two young-spirited banners, our ability to create must-have, highly relevant and on-trend products that inspire deep emotional connection and our customer-centric marketing strategy.

RISK FACTORS

The following specific factors could materially adversely affect us and should be considered when deciding whether to make an investment in the Company and the Subordinate Voting Shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition, results of operations and cash flow. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow. An investment in the Subordinate Voting Shares is suitable only for investors (i) who understand the potential risk of capital loss, (ii) for whom an investment in the Subordinate Voting Shares is part of a diversified investment program, and (iii) who fully understand and are willing to assume the risks involved in such an investment. Prospective purchasers of Subordinate Voting Shares should carefully consider the following risks before investing in us and the Subordinate Voting Shares.

Risks Related to the Company's Business

General economic conditions in Canada, the United States and other parts of the world, including lower levels of consumer spending, can affect consumer confidence and consumer purchases of discretionary items, including fashion apparel and related products, such as ours.

Consumer purchases of discretionary retail items and specialty retail products, which include our t-shirts, blouses, sweaters, jackets, coats, pants, skirts, dresses, denim, intimates and accessories, may be adversely affected by economic conditions such as employment levels, salary and wage levels, the availability of consumer credit, inflation, interest rates, tax rates, fuel prices and consumer confidence with respect to current and future economic conditions. Consumer purchases may decline during recessionary periods, economically volatile periods or at other times when unemployment is higher, disposable income is lower or interest rates are perceived to remain at high levels. These risks may be exacerbated for retailers like us that focus significantly on selling discretionary fashion merchandise. We may not be able to maintain our rate of growth in sales over the past three years or attain our future growth targets if there is a decline in consumer spending. Consumer willingness to make discretionary purchases may decline, may stall or may be slow to increase due to national and regional economic conditions, including the current uncertainty and volatility in the global economy.

Our financial performance is particularly susceptible to economic and other conditions in regions where we have a significant number of stores. Further or future slowdowns or disruptions in the economy or shifts in consumer behavior could adversely affect mall and shopping destination traffic and new mall and retail

development and could materially and adversely affect us and our growth plans. In addition, a deterioration of economic conditions and future recessionary periods may exacerbate the other risks faced by our business, including those risks we encounter as we attempt to execute our growth plans.

Global uncertainty, such as uncertainty with respect to national trade policies, geopolitical events and the global short- and long- term effects of pandemics or similar crises, may cause changes in consumer confidence and in consumers' discretionary spending habits, resulting in a material adverse effect on our business, financial condition and results of operations. Trends in consumer discretionary spending also remain unpredictable and subject to reductions due to credit constraints and uncertainties about the future. Our sensitivity to economic cycles and any related evolution in consumer demand could have a material adverse effect on our financial condition.

The success of our business depends on our ability to optimize our merchandise offerings by anticipating and responding in a timely manner to constantly changing consumer demands, tastes and fashion trends across multiple brands, product lines, sales channels and geographies. Our inability to anticipate and respond to these changes could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our target market of apparel and accessories for Generation Z and Millennial women is subject to rapidly shifting fashion and seasonal trends, customer tastes and demands. Accordingly, our success is dependent on our ability to anticipate and forecast changes in fashion trends and consumer preferences and continuously manage and develop our collection of brands to respond to these consumer trends.

We design new merchandise, select and purchase raw materials, develop new brands and retail concepts and continuously adjust the position of our brands and merchandise categories in an effort to meet our customers' demands. We also manage our inventory through pricing and by allocating, replenishing and transferring product across our network of stores and sales channels to optimize merchandise offerings.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our suppliers and manufacturers based on our estimates of future demand for particular products. Our ability to accurately forecast consumer demand for our products may be affected by many factors, including, among others: (i) an increase or decrease in consumer demand for our products or for products of our competitors; (ii) consumer acceptance of seasonal products; (iii) product introductions by competitors; (iv) competitor pricing and discounting strategies; and (v) unanticipated changes in general market conditions. We purchase inventory according to our forecasts of consumer demand. If we overestimate the demand for our products, we could face inventory levels in excess of demand, which could result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would harm our gross margins and our brand management efforts. If we underestimate the demand for our products, we may not be able to procure products to meet demand, and this could result in delays in the shipment of our products and a potential failure to capitalize on demand, as well as damage to our reputation. In addition, failure to accurately predict the level of demand for our products could harm our profitability and financial condition.

There can be no assurance that we will be able to continue to successfully carry out our demand-driven merchandise planning, buying and inventory strategies and stock our stores with the appropriate assortment of merchandise. To the extent our predictions differ from our customers' purchasing preferences, we may be faced with excess raw materials or inventories or a shortage of products available for sale in our stores or for delivery to customers through our e-commerce channels, resulting in missed opportunities. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would cause our gross margin to suffer and could impair the strength and exclusivity of our brands. Although we have historically exercised a disciplined markdown strategy, excess inventories could compromise our ability to continue to do so and result in lower gross margins due to greater than anticipated discounts and markdowns that might be necessary to reduce inventory levels. Low inventory levels or inventory shrinkage can adversely affect our

ability to meet customer demand, which may lead to lost revenue and diminished brand loyalty. Any sustained failure to anticipate, identify and respond to emerging trends in consumer preferences could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our business depends on a strong brand image and, if we are not able to protect and enhance our brands, our business will be negatively impacted.

We believe that our brand image and awareness of our brands, Garage and Dynamite, have contributed significantly to the success of our business and that maintaining and enhancing our brand image and increasing awareness of our brands in new markets where we have limited brand recognition is important to maintaining and expanding our customer base. Maintaining and enhancing our brand image and increasing awareness of our brands may require us to make investments in areas such as marketing, merchandising, store development, employee training and public relations, as well as other costs associated with opening new stores, engaging new international operating partners and expanding our e-commerce business. These investments may be substantial, may divert resources from other aspects of the business, and may not ultimately be successful.

Our brand image and reputation may be impacted by actions taken by our employees, characteristics of our merchandise (including characteristics that may result in recalls), marketing activities and negative commentary or reviews. Widespread use and access to social media campaigns and viral messaging or imagery could significantly broaden the scope and impact of any such events or circumstances. Because customers value readily available information about retailers and their products, they may act on information conveyed through social media without further investigation and without regard for its accuracy. The harm to our brands may be immediate, without affording us an opportunity for redress or correction, and there can be no assurances that we will or will have the ability to respond in an appropriate or timely manner, which could materially adversely affect our business, financial condition, results of operations and cash flow.

Our brand image and reputation may be negatively affected by actions taken by our suppliers and manufacturers.

The actions and business practices of our suppliers and manufacturers may negatively affect our brands. We source raw materials for our merchandise, and our independent suppliers and manufacturers operate predominantly in Asia and other overseas markets, including China, Bangladesh and Cambodia. We do not supervise or control our suppliers or manufacturers. However, our suppliers and manufacturers are subject to our Supplier Code of Conduct and manufacturing standards and we reserve the right to make announced or unannounced factory audits to verify compliance with local laws and global standards. Monitoring compliance by independent suppliers and manufacturers is complicated by the fact that expectations of ethical business practices continually evolve, may be substantially more demanding than applicable legal requirements and are driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such expectations might develop in the future and cannot be certain that our Supplier Code of Conduct would satisfy all parties who are active in monitoring and publicizing perceived shortcomings in labour and other business practices worldwide. Any failure by us, or by our suppliers or manufacturers, to maintain customer services levels, merchandise quality and integrity, labour or environmental practices generally accepted by internationally recognized standards or in North America or ethical and socially responsible operations could adversely affect our brand image and reputation, which could materially adversely affect our business, financial condition, results of operations and cash flow.

Additionally, if we do not meet the transparency standards expected by parties active in promoting ethical business practices, we may attract negative publicity, regardless of whether the actual labour and other business practices adhered to by us and our suppliers and manufacturers satisfy substantive expectations of ethical business practices. Any negative publicity about, or significant damage to, our brands or

reputation could negatively impact sales, reduce employee morale and productivity and diminish customer trust, any of which could harm our business, financial condition, results of operations and cash flow.

We have also occasionally received, and may in the future continue to receive, shipments of merchandise that fail to comply with our specifications or that fail to conform to our quality control standards. We have also received, and may in the future continue to receive, merchandise that either meets our specifications but that is nonetheless unacceptable to us, or products that are unacceptable to certain of our customers or to other members of the public. Under these circumstances, unless we are able to obtain replacement products in a timely manner, we risk the loss of revenue resulting from the inability to sell such merchandise and related increased administrative and shipping costs. Additionally, if the unacceptability of our merchandise is not discovered until after it is purchased or viewed by our customers or members of the public, our customers or members of the public could form unfavourable opinions of our merchandise, we could face a merchandise recall, our results of operations could suffer and our reputation and brands could be harmed.

On January 1, 2024, the Modern Slavery Act came into force in Canada. The Modern Slavery Act obligates us to publish an annual modern slavery report detailing steps regarding the previous year's efforts to mitigate the risk of forced labour or child labour used at any step in our supply chain, including production of goods in Canada or elsewhere or of goods imported into Canada. There is a risk that, despite all of our efforts to the contrary, our supply chain may actually use or be alleged to have used forced labour or child labour, and there may be difficulty in gathering sufficient information from third-party suppliers. Work is ongoing to monitor this risk and implement measures to mitigate any identified exposures, which may affect the Company's operational efficiency, results of operations, financial condition or reputation. Our policy on Modern Slavery is available on our website at www.groupeedynamite.com.

Our ability to obtain merchandise on a timely basis at competitive costs could suffer as a result of any deterioration or change in our supplier and manufacturer relationships or events that adversely affect our suppliers or manufacturers or cause disruptions in their businesses.

Our suppliers and manufacturers are affected by, among other things, increases in labour and fuel costs, labour disputes and disruptions, regulatory changes, political or economic instability, natural disasters, trade restrictions, tariffs, currency exchange rates, transport capacity and costs and other factors relating to foreign trade. These factors are beyond our and our suppliers' and manufacturers' control, may adversely affect our suppliers or manufacturers or cause disruptions to their businesses and may impact our ability to source raw materials and finished merchandise and manufacture our merchandise on acceptable terms and within acceptable timelines, which could have a material adverse effect on our profitability and results of operations.

Most of our apparel products are currently manufactured for us outside of North America. Canada, the United States and the countries in which our products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs or other restrictions or regulations, may adversely adjust prevailing quota, duty or tariff levels or require us to use different methodologies to calculate quotas, duties and tariffs. Trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, and changes in trade legislation (including adverse changes to the existing tariff treatment that Groupe Dynamite receives for qualifying apparel articles from developing and least developing countries), could increase the cost or reduce the supply of products available to us or may require us to modify our supply chain organization or other current business or financial practices, any of which could harm our business, financial condition, results of operations and cash flow. On April 2, 2025, the United States announced the imposition of additional tariffs on virtually every one of its trading partners, including Cambodia, Vietnam and Bangladesh, three countries in which we have suppliers, in addition to the tariffs that had already previously been announced on Canada, Mexico and China. Certain other countries have, or have indicated, that they intend to impose retaliatory tariffs. If such tariffs apply to, or new tariffs are imposed on, the products we source and import from the countries mentioned above or any countries which are or may

become in the future subject to any increased tariffs, we could experience supply chain disruptions and our costs could increase accordingly. Such trade restrictions, as may be exacerbated by retaliatory trade restrictions, could harm our business, financial condition, results of operations and cash flow. Moreover, the imposition of new duties, tariffs and other trade restrictions or other similar measures (and any retaliatory measures), or the suspension or removal of certain tariff exemptions (including the “de minimis” exemption), may also result in a decrease in demand for the products we sell. Further, demand for our products may also be impacted by general macroeconomic conditions, which could worsen as a result of the imposition of new duties, tariffs and other trade restrictions or other similar measures. As a result, the disruptions caused by the threat of, the potential or actual imposition of, and increases in the rate or scope of, such duties, tariffs and other trade restrictions or other similar measures (and any retaliatory measures) could adversely impact the profitability of our business, financial condition and results of operations and the price and market value of the Subordinate Voting Shares.

We have several important supplier and manufacturer relationships that we believe provide us with a competitive advantage. We do not own or operate any manufacturing facilities. Instead, we source fabrics and materials from third-party suppliers and work with manufacturers to produce our merchandise. As of February 1, 2025, our top ten suppliers accounted for approximately 86% of our product cost, utilizing 48 factories with no single factory accounting for more than 5% of our costs. However, we do not have long-term contracts with our suppliers and manufacturers and we generally operate without any contractual assurances of continued supply or pricing. Any of our suppliers or manufacturers could discontinue their relationship with us, or cease to provide materials, merchandise or services on a satisfactory basis for a variety of reasons.

The benefits we currently experience from our supplier and manufacturer relationships could be adversely affected if our suppliers or manufacturers:

- choose to cease their relationship with us and we cannot replace those suppliers;
- raise the prices they charge us;
- change pricing terms to require us to pay earlier or upfront, including as a result of changes in the credit relationships some of our suppliers or manufacturers have with their various lending institutions;
- experience a business disruption driven by natural or other hazards impacting their ability to operate or export;
- sell competitive merchandise to our competitors with similar or better pricing, many of whom already purchase merchandise in significantly greater volume and, in some cases, at lower prices than we do; or
- lengthen their lead times.

There can be no assurance that we will be able to obtain desired merchandise in sufficient quantities on acceptable terms or at all in the future, especially if we need significantly greater amounts of inventory in connection with the growth of our business. We may need to develop relationships with new suppliers and manufacturers as our current suppliers and manufacturers may be unable to supply us with and produce needed quantities and we may not be able to obtain the same terms from new suppliers and manufacturers. If we are unable to obtain suitable merchandise in sufficient quantities, at acceptable prices with adequate delivery times due to the loss of or a deterioration or change in our relationship with one or more of our key suppliers or manufacturers or events harmful to our suppliers or manufacturers occur, it may adversely affect our business and results of operations.

We are subject to business strategy risks associated with supply chain transparency.

Apparel manufacturing supply chains are notoriously complex with poor visibility down to commodity-level raw materials. As a result, it is challenging to have full visibility of social, environmental and other standards in place in lower tiers of the supply chain, particularly where we do not have direct business relationships.

Social, environmental and other malpractice allegations at such tiers in the supply chain often target the industry at large (e.g., allegations regarding forced labour). It can be complex to determine the extent of the specific risk to the Company's supply chain and therefore challenging to respond to the allegation in detail. Ineffective action or perceived inaction to such allegations pertaining to our industry and business could adversely affect our reputation or financial performance. In approximately two to three years, we are planning to launch traceability software which will allow us to digitally manage our supply chain and provide us with greater visibility from yarn and fiber sources, to fabric facilities and finally to garment facilities.

If we fail to adequately continue to connect with our customer base, our business could be adversely affected.

Our marketing programs include fashion media, paid media, affiliates, influencers, direct to consumer, organic, social media and in-store marketing to capture the interest of our customers and drive them to our stores, website and app. We generally do not use traditional advertising channels, such as newspapers, magazines, billboards, television and radio, which are used by some of our competitors. This may impair our ability to successfully integrate new stores into the surrounding communities, to expand into new markets at all or to maintain the strength or distinctiveness of our brands in our existing markets. We have no assurance that our marketing efforts will prove successful outside of the narrow geographic regions in which they have been used in Canada and the United States. As we expand into new geographic markets, consumers in these markets may not accept our brand image. With future growth into new geographic markets, we may need to market through local platforms. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brands may become increasingly difficult and expensive.

We rely on social media, such as Instagram, TikTok, Snapchat, Pinterest, YouTube, and Facebook, to connect with our customer base. If our marketing efforts using social media are not successful or if one or more of these channels cease operating (or change the way they currently operate) it will impact our markets, there may be no immediately available or cost effective alternative marketing channel for us to use to build or maintain brand awareness. If we are required to use traditional advertising channels in our overall marketing strategy, we will incur additional expense associated with the transition to and operation of a traditional advertising channel. As we execute our growth strategies, our ability to successfully increase brand awareness and to expand our e-commerce business will be adversely impacted if we fail to connect with our target customers. Failure to successfully connect with our target customers in new and existing markets could harm our business, financial condition, results of operations and cash flow. Certain of our customers also find our business through internet search engines, such as Google, and advertisements online. The prominence of our website in response to internet searches is a critical factor in attracting potential customers to our platform. If we are listed less prominently or fail to appear in search results for any reason, visits to our website could decline significantly, and we may not be able to replace this traffic or may be required to increase our spending on other marketing channels to offset the loss in traffic.

In addition, we rely on grassroots marketing efforts to advertise our brands. These efforts include working with celebrity, micro- and nano- influencers and college ambassadors chosen by us, who we refer to as ambassadors, who assist us by introducing our brands and culture to the communities around our stores. Our grassroots marketing efforts must be tailored to each particular market, which may require substantial ongoing attention and resources. For instance, we must successfully identify and retain suitable ambassadors in each of our new and existing markets. Our future growth and profitability and the success of our new stores will depend in part upon the effectiveness and efficiency of these grassroots marketing efforts. If our grassroots marketing efforts are not successful, there may be no immediately available alternative marketing channel for us to build awareness of our products in a manner that we think will be successful. This may impair our ability to successfully integrate new stores into the surrounding communities, to expand into new markets at all or to maintain the strength or distinctiveness of our brands in our existing markets. In addition, if our grassroots marketing efforts are unsuccessful and we are required to use traditional advertising channels in our overall marketing strategy, then we will incur additional expense associated with the transition to and operation of a traditional advertising channel. Failure to successfully market our products and brands in new and existing markets could harm our business,

financial condition, results of operations and cash flow. Furthermore, in the event that one or more celebrities, ambassadors or influencers with whom we have an existing arrangement ceases to promote our brand, promotes our brand in a negative way, fails to adhere to applicable guidelines required by law or is subject to negative publicity in the media, our brand and reputation may be negatively impacted, we may be required to spend time and resources cultivating new celebrity, ambassador and influencer relationships, and these new relationships might not be as successful as our existing relationships. If we are unable to effectively recruit celebrities, ambassadors and influencers with a meaningful following to promote our brand and products, our business, financial condition, results of operations and cash flow may be adversely affected.

Our inability to maintain recent levels of comparable store sales or retail sales per square foot could cause the trading price of our Subordinate Voting Shares to decline.

We may not be able to maintain the levels of comparable store sales that we have experienced historically. In addition, we may not be able to replicate our historic comparable store sales or retail sales per square foot outside of North America. If our future comparable store sales or retail sales per square foot decline or fail to meet market expectations, the price of our Subordinate Voting Shares could decline. A variety of factors affect both comparable store sales or retail sales per square foot, including fashion trends, competition, current economic conditions, pricing, inflation, the timing of the release of new merchandise and promotional events, changes in our merchandise mix, the success of marketing programs and weather conditions. These factors may cause our comparable store sales results to be materially lower than recent periods and our expectations, which could harm our financial position, results of operations and cash flow and result in a decline in the trading price of the Subordinate Voting Shares.

If we fail to attract new customers, or retain existing customers, or fail to maintain or increase sales to those customers, our business, financial condition, results of operations and growth prospects may be harmed.

Our success depends, in part, on our ability to attract new customers, particularly, in accordance with our growth strategy, in the United States, and potentially internationally in markets in which we have limited brand awareness. In order to expand our customer base in these new markets, we must appeal to and attract customers who identify with our products, which may be more difficult outside of North America. If the number of customers who are willing to purchase our products does not continue to increase, if we fail to deliver a high-quality shopping experience or if our current or potential future customers are not convinced that our products are superior to the alternatives, then our ability to retain existing customers, acquire new customers and grow our business may be harmed. We have made significant investments in enhancing our brands and attracting new customers, and we expect to continue to make significant investments to promote our current products to new customers and new products to current and new customers, including through our e-commerce platforms and retail store presence. Such campaigns can be expensive and may not result in increased sales. Further, as our brands become more widely known, we may not attract new customers as we have in the past. If we are unable to attract new customers outside of the Canadian and United States markets who purchase products in numbers sufficient to grow our business, we may not be able to increase our sales.

In addition, our future success depends in part on our ability to increase sales to our existing customers over time, as our growth strategy includes increasing average order value and number of transactions with existing customers. If existing customers no longer find our products appealing, are not satisfied with our customer service, including shipping times, or if we are unable to timely update our products to meet current trends and customer demands, our existing customers may not make purchases, or if they do, they may make fewer or smaller purchases in the future.

If we are unable to continue to attract new customers or our existing customers decrease their spending on the products we offer or fail to make repeat purchases of our products, our business, financial condition, results of operations and growth prospects may be harmed.

A material disruption in our information technology systems or e-commerce business could significantly affect our business and lead to reduced revenue, growth prospects and reputational damage.

The protection of customer, employee and company data is critical to us. We rely extensively on our computer systems to track inventory and customer data, manage our supply chain, record and process transactions, collect and summarize data and manage our business. While our systems are designed to operate without interruption, we have experienced, and may in the future experience, interruptions to the availability of our computer systems from time to time. The failure of our computer systems to operate effectively, keep pace with our growing capacity requirements, smoothly transition to upgraded or replacement systems, such as new financial planning and management systems, or integrate with new systems could adversely affect our business. In addition, our computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyberattacks, phishing attacks and other scams, fraud, money laundering, theft and other criminal activity, denial-of-service attacks, social engineering attacks, ransomware attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, pandemics, acts of war or terrorism and breaches caused by usage errors by our employees, malfeasance or other disruptions. If our computer systems are damaged or cease to function properly, we may have to make a significant investment to fix or replace them, and we may suffer loss of critical data, compromise to the integrity or confidentiality of customer and employee information in our systems or networks, disruption to the systems or networks of third-parties on which we rely, and interruptions or delays in our operations. The rapid and exponential growth of cloud computing and e-commerce has resulted in the emergence of a global ecosystem of digital tools and applications that have been increasingly adopted by us and our peers. Migration to cloud-based providers has increased reliance on third-party technology providers and the associated exposure to risks of such service providers ceasing business operations, changing their business models, reducing functionality or experiencing cyberattacks or system outages. A lack of relevant and reliable information that enables management to effectively manage our business could preclude us from optimizing our overall performance. Actual or anticipated attacks may cause us to incur increased costs including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. Any significant loss of data or failure to maintain reliable data could have a material adverse effect on our business and results of operations. A disruption to our e-commerce business could reduce our e-commerce revenue, increase our costs, diminish our growth prospects, expose us to litigation, decrease customer confidence and damage our brands, and a material interruption to any of our computer systems could adversely affect our business or results of operations and our reputation.

Data security breaches and other cyber security events could result in disruption to our operations or financial losses and could negatively affect our reputation, credibility and business.

We and our service providers are subject to risks associated with data security breaches and other cyber security events. We collect, process, maintain and use personal information relating to our customers and employees. We also disclose personal information about customers and employees to third-party service providers, who help us with our business operations, including the operation of our e-commerce site and the provision of various social media tools and websites we use as part of our marketing strategy. Any attempted or actual unauthorized disclosure of personal information could harm our reputation and credibility, reduce our e-commerce sales, impair our ability to attract website visitors, reduce our ability to attract and retain customers and could result in litigation, including class action lawsuits, against us or the imposition of significant fines or penalties.

Our online activities, including our e-commerce websites, may also be subject to denial of service or other forms of cyberattacks. While we have taken measures we believe are reasonable to protect against those types of attacks, those measures may not adequately protect our online activities from such attacks. If a denial of service attack or other cyber event were to affect our e-commerce sites or other information technology systems, our business could be disrupted, we may lose sales or valuable data, and our reputation, results of operations and financial condition may be adversely affected. Additionally, new and

evolving data protection legislation could impose more onerous requirements that could increase the risks associated with data security breaches.

We have procedures and technology in place designed to safeguard our customers' debit and credit card information and our customers' and employees' other personal information under our control, and we continue to devote significant resources to network security, backup and disaster recovery and other security measures. Nevertheless, these security measures cannot provide absolute security or guarantee that we will be successful in preventing and responding to breaches, loss, theft or unauthorized access, disclosure, copying, use or modification of personal information under our control.

As consumers are gaining more data privacy awareness, in the future there may be new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security, as well as increased data protection obligations imposed on merchants by credit card issuers.

As a result, we may become subject to more extensive requirements to protect the personal information that we collect, use and disclose, resulting in, for example, increased compliance costs.

Brand and reputational risk resulting from influencers.

We increasingly leverage influencer relationships to further promote our brand and products. While we have a robust system for identifying and managing our partnerships, our brand and reputation may be negatively impacted as a result of influencers' social media engagements, publicized social, cultural and political beliefs, inauthentic use of our brand and products, morality conflicts or ethical disputes. The harm to our brand and reputation may be immediate without affording us an opportunity for redress or correction, and there can be no assurance that we will respond in an appropriate or timely manner.

If we are unable to attract, motivate and retain quality sales personnel and associates, we may not be able to maintain a consistently high level of customer service and grow or sustain our operations, and as a result our brands, business, financial condition, results of operations and cash flow may be harmed.

Our business is dependent on our ability to attract, motivate and retain a sufficient number of store employees, including store managers, who understand and appreciate our customers, brands and corporate culture, and are able to adequately and effectively represent our culture and establish credibility with our customers. Many of these employees are in entry-level or part-time positions, which have historically had high rates of turnover. There is also a high level of competition for experienced, qualified personnel in the retail industry and we compete for personnel with a variety of companies looking to hire for retail positions. Historically, we have prided ourselves on our commitment to employee growth and development and we focus on promoting from within our team. These problems could be exacerbated as we embark on our strategy of opening a significant number of new stores in the United States and elsewhere over the next few years. If we are unable to attract, train and retain store personnel capable of consistently providing exceptional customer service, as demonstrated by their enthusiasm for our culture and brands, understanding of our customers and knowledge of the merchandise we offer, our ability to open new stores may be impaired, the performance of our existing and new stores could be materially adversely affected and our brand image and our ability to continue to implement our growth strategies may be negatively impacted.

Fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and other currencies and fluctuations in input costs and inflation may impact our operating and financial results and may affect the comparability of our results between financial periods.

We are exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily changes in the value of the Canadian dollar versus the U.S. dollar. Exchange rate fluctuations could have an adverse effect on our operating and financial results including on our unit economics of a store.

Approximately half of our sales are derived in Canadian dollars while the vast majority of our inventory purchases are denominated in U.S. dollars, which could cause an impact to our cost of goods sold following

changes in the value of the Canadian dollar against the U.S. dollar. In the future, however, we expect to derive a significant yet diminishing portion of our sales in Canadian dollars and continue to incur a significant portion of our cost of goods sold and operating costs in U.S. dollars, and therefore changes in exchange rates between the Canadian dollar and the U.S. dollar may have a significant, and potentially adverse, effect on our results of operations.

We use from time to time foreign currency forward contracts to mitigate risks associated with forecasted U.S. dollar merchandise purchases sold in Canada, but there can be no assurances that such strategy will prove to be successful. Currency hedging entails a risk of illiquidity and, to the extent the applicable foreign currency depreciates or appreciates (depending on the direction of the hedge) against the Canadian dollar, the use of hedges could result in losses greater than if the hedging had not been used. Also, hedging arrangements may have the effect of limiting or reducing the total returns to us if management's expectations concerning future events or market conditions prove to be incorrect, in which case the costs associated with the hedging strategies may outweigh their benefits.

Our financial statements are presented in accordance with IFRS Accounting Standards, and we report, and will continue to report, our results in Canadian dollars, our functional currency. Our U.S. operations have a functional currency of U.S. dollars and are translated into Canadian dollars at each reporting period, with the resulting unrealized translation gains or losses included in other comprehensive income. Any change in the value of the U.S. dollar against the Canadian dollar during a given financial reporting period would result in a foreign currency loss or gain on the translation of U.S. dollar denominated sales and costs. Consequently, our reported earnings could fluctuate materially as a result of foreign exchange translation gains or losses and may not be comparable from period to period.

The Canadian and U.S. economies continue to experience relatively elevated interest rates which have an impact on business activities. As such, our operations could be negatively affected should interest rates, inflation or unemployment levels reach levels that adversely impact consumer trends and spending and, consequently, impact our sales and profitability. We may also not be able to effectively or successfully address such risks and uncertainties or successfully implement operating strategies to mitigate the impact of such risks and uncertainties.

Inflation could adversely impact our business, financial condition and results of operations.

Inflation in Canada, the United States and other jurisdictions in which we operate began to rise significantly in late 2021 and has continued to remain at high levels through 2023 and early 2024. This is primarily believed to be the result of the economic impacts from the COVID-19 pandemic, including the global supply chain disruptions, government stimulus packages, strong economic recovery and associated widespread demand for goods, among other factors. For instance, global supply chain disruptions have resulted in shortages in inventories, which has resulted in inflationary cost increases for inventories, and could continue to cause costs to increase as well as scarcity of certain products. We are experiencing inflationary pressures in certain areas of our business, including with respect to employee wages and the cost of inventories, although, to date, we have been able to mitigate such pressures through price increases and other measures. We cannot, however, predict any future trends in the rate of inflation or associated increases in our operating costs and how that may impact our business. To the extent we are unable to recover higher operating costs resulting from inflation or otherwise mitigate the impact of such costs on our business, our revenues and gross margins could decrease and our business, financial condition and results of operations could be adversely affected.

If we lose the services of members of our management team or other key personnel, or are unable to attract new team members who possess specialized market knowledge and technical skills, it could reduce our ability to compete and to manage our operations effectively.

Our management team consists of a core group of long-serving senior executive officers. The loss of the technical knowledge, management expertise and knowledge of our operations of one or more members of our team could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves us and would need to spend time usually

reserved for managing our business to search for, hire and train new members of management. We do not have a key person life insurance policy for our Chief Executive Officer.

Furthermore, our Chief Executive Officer also acts as Chief Executive Officer of Carbonleo, a real estate manager and developer, and so his attention is not solely focused on the Company. Despite these other ventures, we believe they have synergistic effects on our business.

The loss of some or all of our management team or other key personnel, including our designers and managers of key functional areas, could negatively affect our ability to develop and pursue our growth strategy, which could adversely affect our business and financial condition. Any departures of key personnel could also be viewed in a negative light by investors and analysts, which could cause the trading price of our Subordinate Voting Shares to decline.

Additionally, the market for key personnel in the industry in which we compete is highly competitive. As a result, we may not be able to attract and retain key personnel with the skills and expertise necessary to manage our business and pursue our growth strategy.

We operate in a highly competitive industry and the size and resources of some of our competitors may allow them to compete more effectively than we can, which could adversely impact our growth and market share.

We face intense competition in the retail apparel and accessories industry. We compete on the basis of a combination of factors, including the location of stores, the breadth, style, quality, price and availability of merchandise, the level of customer service and brand recognition. We compete with a diverse group of specialty apparel retailers, department stores, fast fashion retailers and other manufacturers and retailers of branded apparel and accessories. Our expansion into markets served by our competitors and entry of new competitors or expansion of existing competitors into our markets could have an adverse effect on our business.

Many of our competitors are, and many of our potential competitors may be, larger and have greater brand recognition and access to greater financial, marketing and other resources. Therefore, these competitors may be able to devote greater resources to the marketing and sale of their products, generate greater brand recognition or adopt more aggressive pricing policies than we can. As a result, we may lose market share, which could reduce our revenue and adversely affect our results of operations. Many of our competitors also utilize advertising and marketing media which we generally do not, including advertising through the use of direct mail, newspapers, magazines, billboards, television and radio, which may provide them with greater brand recognition than we have.

We do not possess exclusive rights to some elements that comprise our in-store experience and merchandise offerings. Our competitors may seek to emulate facets of our business strategy, in-store experience or merchandise offerings, which could result in a reduction of any competitive advantage that we might possess. As a result, our current and future competitors, especially those with greater financial, marketing or other resources, may be able to duplicate or improve upon some or all of the elements of our in-store experience or merchandise offerings that we believe are important in differentiating our stores and our customers' shopping experience. If our competitors were to duplicate or improve upon some or all of the elements of our in-store experience or product offerings, our competitive position and our business could suffer. We cannot assure you that we will continue to be able to compete successfully against existing or future competitors.

We will require significant capital to fund our expanding business, which may not be available to us on satisfactory terms or at all. While we plan to use cash from operations to fund our operations and execute our growth strategies, if we are unable to maintain sufficient levels of cash flow, we may not meet our growth expectations or we may require additional financing which could adversely affect our financial health and impose covenants that limit our business activities, as well as cause dilution to existing shareholders.

We plan to continue our growth and expansion, including expanding our e-commerce business, opening new stores, and upgrading our information technology systems and other infrastructure as opportunities arise. Our plans to expand our store network and our e-commerce business may not be successful and the implementation of these plans may not result in expected increases in our revenue even though they increase our costs. Given that the growth initiatives that we intend to undertake will require significant capital investments over the near-to-medium-term, to the extent that we are unable to generate revenue growth at expected levels, our cash generated from operating activities may not be sufficient to fund our operations and execute our growth strategies, which could have an adverse effect on our business, financial condition and results of operations.

We did not receive any proceeds from the IPO. We primarily depend on cash generated from operating activities to fund our business and growth plans, and have continued to do so following the IPO. If our business does not generate sufficient cash from operating activities to fund these activities, and sufficient funds are not otherwise available to us from our credit facilities, we may need additional equity or debt financing. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us, or at all. If such financing is not available to us, or is not available on satisfactory terms, our ability to operate and expand our business or respond to competitive pressures would be curtailed and we may need to delay, limit or eliminate expansion plans or operations or other elements of our growth strategies.

The issuance of additional Subordinate Voting Shares under any equity financing may have a dilutive effect on the interests of shareholders. The number of Subordinate Voting Shares that we are authorized to issue is unlimited. We may, in our sole discretion, subject to applicable law and the rules of the TSX, issue additional Subordinate Voting Shares from time to time (including pursuant to any equity-based compensation plans), and the interests of shareholders may be diluted as a result.

The terms of our credit facilities do, and any additional debt financing may, restrict our current and future operations, which could adversely affect our ability to manage our operations and respond to changes in our business.

Although as at the end of Fiscal 2024, with the exception of our lease obligations, we have repaid all of our debt obligations, we may incur additional indebtedness under the Credit Agreement or otherwise in the future. We may be exposed to changes in interest rates on our cash and cash equivalents, bank indebtedness and long-term debt. Debt issued at variable rates exposes us to cash flow interest rate risk. Debt issued at fixed rates exposes us to fair value interest rate risk. Our borrowings may require interest payments and need to be repaid or refinanced, could require us to divert funds identified for other purposes to debt service and could create additional cash demands or impair our liquidity position and add financial risk for us. Diverting funds identified for other purposes for debt service may adversely affect our business and growth prospects.

Our Credit Agreement contains restrictive financial and other covenants which affect, among other things, the manner in which we may structure or operate our business. A failure by us to comply with our contractual obligations (including restrictive, financial and other covenants), or to pay our indebtedness and fixed costs under our current or future financing arrangements could result in a variety of material adverse consequences, including the acceleration of our indebtedness and the exercise of remedies by our creditors, and such defaults could trigger additional defaults under other agreements. In such a situation, it is unlikely that we would be able to repay the accelerated indebtedness or fulfill our obligations under certain

contracts, or otherwise cover our fixed costs, and our future financial condition would be materially adversely affected.

Our ability to manage our operations at our current size and successfully execute on our growth strategies is subject to numerous risks and uncertainties, and any failure to do so could have a negative impact on the trading price of our Subordinate Voting Shares.

The continued success of our growth strategies is dependent on, among other things, our ability to expand our store network (particularly in the United States), expand and reposition existing stores on a timely and profitable basis, grow our e-commerce business, drive revenue growth through brands and product innovation, leverage our competitive advantages and increase our brand awareness internationally, as well as factors which are beyond our control, including general economic conditions and consumer confidence in future economic conditions. If we fail to execute any one or more of these initiatives or fail to fully realize the benefits expected to result from these initiatives, our results of operations and our ability to remain competitive could be materially adversely impacted, and the trading price of our Subordinate Voting Shares could decline. Our results to date are not an indication of future results, and there can be no assurance that these initiatives will generate increased revenue or improve operating margins even if we are to successfully implement our growth strategies.

As we move forward, we expect our growth to bring new challenges and complexities that we have not faced before. Among other difficulties that we may encounter, this growth will place a strain on our existing infrastructure, including our distribution facilities, information technology systems, data center capacity, financial controls, real estate requirements and employee base and may make it more difficult for us to adequately forecast expenditures. Our budgeting will become more complex, and we may also place increased burdens on our suppliers and manufacturers, as we will likely increase the size of our merchandise orders. The increased demands that our growth plans will place on our infrastructure and our management team may cause us to operate our business less efficiently, which could cause deterioration in our performance. New order delivery times could lengthen as a result of the strains that growth may place on our existing resources and our growth may make it otherwise difficult for us to respond quickly to changing trends, consumer preferences and other factors. This could result in excess or deficient inventory, greater markdowns, loss of market share and decreased revenue. We cannot anticipate all of the demands that our expanding operations will impose on our business, and our failure to appropriately address these demands could have an adverse effect on us.

In addition, we believe that an important contributor to our success has been our corporate culture, which we believe fosters innovation, teamwork, passion for our brands and designs and personalized customer service. As we continue to grow, we must effectively integrate, develop and motivate a growing number of new employees. As a result, we may find it difficult to maintain our corporate culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to retain and recruit personnel, continue to perform at current levels or execute on our growth strategies.

Our ability to attract customers to our stores depends heavily on successfully locating our stores in suitable locations and any impairment of a store location, including any decrease in customer traffic, could cause our sales to be less than expected.

Our approach to identifying locations for our stores is centered on a proprietary matrix whereby we evaluate all our physical retail stores on a tiering basis focused on carefully evaluated criteria, neighboring tenants, private and public transportation alternatives, food, beverage, entertainment options and sustainability solutions. Sales at these stores are derived, in part, from the volume of foot traffic in these locations. Store locations may become unsuitable due to, and our sales volume and customer traffic generally may be harmed by, among other things:

- economic downturns in a particular area;

- competition from nearby retailers selling similar apparel;
- changing consumer demographics in a particular market;
- changing lifestyle choices of customers in a particular market; and
- the closing or decline in popularity of other businesses located near our store.

Changes in areas around our store locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our sales to be less than expected.

We are subject to risks associated with leasing retail space, and are subject to a number of long-term non-cancelable leases with substantial lease payments. Any failure to make these lease payments when due, or the inability to extend, renew or continue to lease space in key locations, would likely harm our business, financial condition, results of operations and cash flow.

We do not own any real estate. Instead, we lease all of our retail store locations, as well as our head office and distribution center. Accordingly, we are subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property, changes in availability of and contractual terms for leasable retail space, credit risk in relation to tenant improvement allowances from landlords and potential liability for environmental conditions or personal injury claims.

The success of any store depends substantially upon its location. There can be no assurance that our current store locations will continue to be desirable in the future, or that we will be able to secure new desirable locations in the future on favourable terms or at all. Store locations, customer conversion and sales may be adversely affected by, among other things, social and economic conditions in a particular area, competition from nearby retailers selling similar merchandise, changes in co-tenants that negatively impact the desirability of our store locations, changing lifestyle choices of customers in a particular market and the closing or decline in popularity of other businesses located near our store locations. Changes in areas around our store locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our revenue to be less than expected. If we cannot obtain desirable locations at reasonable costs, our cost structure will increase and our revenue will be adversely affected.

Our existing stores are leased from third-parties, with typical lease commitments of ten years. Some of our lease agreements also have additional renewal options. However, there can be no assurances that we will be able to extend, renew or continue to lease our existing store locations, or identify and secure alternative suitable locations. In addition to fixed minimum lease payments, most of our store leases provide for additional rental payments based on a percentage of revenue, or “percentage rent”, if revenue at the respective stores exceed specified levels, as well as the payment of common area maintenance charges, real property insurance, real estate taxes and other charges. Many of our lease agreements have defined escalating rent provisions over the initial term and any extensions. Increases in our already substantial occupancy costs and difficulty in identifying economically suitable new store locations could have significant negative consequences, which include:

- requiring that a greater portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes and reducing our profitability;
- increasing our vulnerability to general adverse economic and industry conditions; and
- limiting our flexibility in planning for, or reacting to changes in, our business or in the industry in which we compete.

We depend on cash generated from operating activities to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities to fund these expenses and sufficient funds are not otherwise available to us, we may not be able to service our lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital

needs, which could harm our business. Additional sites that we lease may be subject to long-term non-cancelable leases if we are unable to negotiate shorter terms. If an existing or future store is not profitable, and we decide to close it, we may nonetheless be committed to performing our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, if we are unable to enter into new leases or renew existing leases on terms acceptable to us, this could have an adverse effect on our results of operations and profitability.

Our growth strategies depend in part upon our ability to successfully open and operate new stores, primarily in the United States, in a timely and cost-effective manner, and new stores may take longer to mature than anticipated.

Part of our growth strategy depends on continuing to successfully open and operate new stores. During our initial expansion efforts in the United States, we encountered a lower degree of brand recognition and increased costs of operations resulting from higher payroll and rent expenses. Our ability to successfully open and operate new stores depends on many factors that may be outside of our control including, among others, our ability to:

- increase brand awareness;
- identify desirable store locations, primarily in malls, prime shopping destinations and street locations, which may be difficult and costly, particularly in an improving real estate environment;
- negotiate acceptable lease terms, including favorable levels of tenant improvement allowances;
- maintain out-of-pocket build-out costs in line with our store economic model, including by receiving expected levels of tenant improvement allowances for a portion of our construction expenses and managing construction costs at reasonable levels;
- efficiently design, source materials for, manufacture and distribute additional merchandise;
- hire, train and retain a growing workforce of store managers, sales associates and other personnel, including key management personnel;
- successfully integrate new stores into our existing control structure and operations, including our information technology systems;
- efficiently expand the operations of our distribution facilities to meet the needs of a growing store network;
- identify and satisfy the merchandise and other preferences of our customers in new geographic areas and markets; and
- address competitive, merchandising, marketing, distribution and other challenges encountered in connection with expansion into new geographic areas and markets.

To the extent that we open stores in markets where we already have existing stores, we may experience reduced revenue at those existing stores.

Newly opened stores may not meet the expectations of our customers or be received as well as, or achieve revenue or profitability levels comparable to those of, our existing stores in our estimated time periods, or at all. If our stores fail to achieve, or are unable to sustain, acceptable revenue and profitability levels, our business may be materially harmed and we may incur significant costs associated with closing or relocating stores. In addition, our current expansion plans are only estimates, and the actual number of stores we open, the timeline on which we do so and the actual number of suitable locations for our new stores could differ significantly from these estimates. If we fail to successfully open and operate new stores and execute our growth plans, the price of our Subordinate Voting Shares could decline.

Our limited operating experience and limited brand recognition in markets outside North America may limit our expansion efforts, subject us to additional risks and cause our business and growth to suffer.

Our long-term future growth depends, in part, on our expansion efforts outside North America. Our current operations are based in Canada and in the United States. As of February 1, 2025, we operate 183 stores in Canada and 115 stores in the United States and we have none outside North America. Therefore, our customer base and our operating experience outside Canada, and in particular outside North America, is limited. We also have limited experience with regulatory environments and market practices outside of North America, and cannot guarantee that we will be able to penetrate or successfully operate in any market outside of North America. In connection with any future expansion efforts outside of North America, we would expect to encounter many obstacles we do not face in North America, including cultural and linguistic differences, differences in regulatory environments and market practices, difficulties in keeping abreast of market, business and technical developments and foreign customers' tastes and preferences. We may also encounter difficulty expanding into new markets because of limited brand recognition. Failure to develop new markets outside of North America (through our e-commerce business or otherwise) may harm our business and results of operations.

If we fail to identify, recruit and contract with new qualified international operating partners, our ability to open new stores outside of North America and increase our sales may be affected.

Our growth strategy involves opening new stores in new markets outside of Canada and the United States. The opening of additional stores in new markets outside of North America depends, in part, upon the availability of prospective partners who meet our criteria. We may not be able to identify, recruit or contract with suitable partners in our target markets on a timely basis or at all. In addition, our partners may not ultimately be able to access the financial or management resources that they need to open the stores contemplated by their agreements with us, or they may elect to cease store development for other reasons. If we are unable to recruit suitable international operating partners or if such partners are unable or unwilling to open new stores as planned, our growth may be slower than anticipated, or cease, which could adversely affect our ability to increase our sales.

There can be no assurance that we will successfully manage and grow our e-commerce business, as planned, and any failure to do so could have a negative impact on the trading price of our Subordinate Voting Shares.

Growing our e-commerce platform is essential to our growth strategy, as is expanding our product offerings available through this platform. If our e-commerce web-store design does not appeal to our customers, reliably function as designed, maintain the privacy of customer data, or if we are unable to consistently meet our brands' promise to our customers, we may experience a loss of customer confidence or lost sales, or be exposed to fraudulent purchases, which could adversely affect our reputation and results of operations.

The usability of and customer experience provided by our online shopping platform and our mobile app is critical to the success and growth of our e-commerce business. Many of our competitors already have e-commerce businesses that are substantially larger and more developed than ours. In addition, e-commerce is a rapidly changing channel and many of our competitors update their e-commerce business on an ongoing basis to match consumer preferences. Any extended software disruption of our e-commerce business or the failure on our part to provide an attractive, effective, reliable, user-friendly e-commerce business that offers a wide assortment of merchandise with rapid delivery options and that continually meets the changing expectations of online customers could place us at a competitive disadvantage, result in the loss of revenue or harm our reputation with customers and could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our products are delivered through our e-commerce platform to two countries: Canada and the United States. The growth of our e-commerce business is also dependent on our ability to successfully introduce international shipping of our merchandise and successfully manage the costs, difficulties and competitive pressures associated with international shipping. Other risks specific to our e-commerce business include diversion of sales from our stores, difficulty in recreating the in-store experience through direct channels and liability for online content. If we are unable to expand or update our e-commerce business commensurately with our competitors, introduce and manage international shipping and successfully respond to the risks inherent to e-commerce, our financial results and the growth of our e-commerce business may be negatively impacted, and the price of our Subordinate Voting Shares could decline.

The countries to which we currently ship our product, and new countries to which we might ship our product through our e-commerce channel, may impose different and evolving laws governing the operation and marketing of e-commerce websites, as well as the collection, storage and use of information on customers interacting with those websites. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different territories. If so, we may incur additional costs which could negatively impact our financial condition, results of operations and cash flow.

Should we choose to expand our product offerings, these plans may not be successful, and implementation of these plans may divert our operational, managerial and administrative resources, which could harm our competitive position and reduce our revenue and profitability.

In addition to the expansion of our geographic footprint, should we choose to grow our business by expanding our product offerings, we could face the following risks:

- if our expanded product offerings fail to maintain and enhance our brand image and reputation, our brand image may be diminished and our sales may decrease;
- implementation of these plans may divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems; and
- incorporation of novel materials or features into our products may not be accepted by our customers or may be considered inferior to similar products offered by our competitors.

In addition, our ability to successfully carry out such plans may be affected by economic and competitive conditions, changes in consumer spending patterns and changes in consumer preferences and styles. These plans could be abandoned, could cost more than anticipated and could divert resources from other areas of our business, any of which could negatively impact our competitive position and reduce our revenue and profitability.

Our marketing programs, our e-commerce initiatives and our collection, use and disclosure of transactional and personal information about our customers are governed by an evolving set of laws and enforcement trends and changes in those laws or trends. Our failure or inadvertent failure to comply with existing or future laws, could substantially harm our business and results of operations.

We collect, process, disclose, maintain and otherwise use data, including personal information about individuals, including data available to us through online activities and other customer interactions in our business. Our current and future marketing programs may depend on our ability to collect, maintain, disclose and otherwise use this information, and our ability to do so is subject to evolving and increasingly demanding international legislation, jurisprudence and regulatory guidelines. In Canada and the United States, multiple provinces and states have implemented personal information protection legislation, and private sector organizations operating in Canada and the United States are subject to one or more federal, state or provincial privacy laws, which may include the federal *Personal Information Protection and*

Electronic Documents Act, provincial privacy legislation deemed substantially similar thereto, and/or state privacy legislation such as the *California Consumer Privacy Act*. These information and privacy laws require companies to satisfy new data governance requirements including implementing appropriate security measures to protect the confidentiality, integrity and availability of the personal information and allowing data subjects, depending on the jurisdiction, the right to access, correct or delete such data about themselves. Failure to comply with the data protection regulatory landscape could result in significant penalties. Companies are also facing an increasing number of class actions from consumer groups that claim loss or misuse of their personal information.

Although we strive to comply with all applicable laws and other security requirements related to privacy and information security, it is possible that these requirements are inconsistent from one jurisdiction to another. They may conflict with other rules or inadvertently not be reflected in our practices, our employees' behaviour or our agreements with business partners. If so, we may suffer damage to our reputation and be subject to proceedings or actions against us by governmental entities or private parties, including a class of plaintiffs in the event of a class action. Any such proceeding or action could hurt our reputation, force us to spend significant amounts to defend our practices, distract our management or otherwise have an adverse effect on our business.

We have privacy policies and practices concerning the collection, use and disclosure of personal information on our websites. Any failure by us to comply with our posted privacy policies or other privacy-related laws and regulations could result in proceedings which could potentially harm our business. In addition, certain of our marketing practices rely upon the sending of commercial electronic messages, including e-mails, to communicate with customers. We may face risks if our use of commercial electronic messages is found to violate applicable laws and regulations. As information and privacy laws and anti-spam laws change, we may incur additional costs to ensure we remain in compliance. If information and data privacy laws and anti-spam laws become more restrictive at the international, federal, provincial or state levels, our compliance costs may increase, our ability to effectively engage customers via personalized marketing may decrease, our investment in our e-commerce platform may not be fully realized, our opportunities for growth may be curtailed by our compliance burden and our potential reputational harm or liability for breaches may increase.

Development of artificial intelligence and its integration to our operations could present risks and challenges to our business.

We and our partners expect to incorporate artificial intelligence, or AI, solutions into our business and operations from time to time. As with many innovations, AI presents risks and challenges that could affect its further development, adoption and utilization, and therefore affect our business. If the content, recommendation or analyses that AI applications assist in producing are or are alleged to be deficient or inaccurate, we could be subject to competitive risks, potential legal or financial liability and reputational harm. The use of AI applications may also result in cybersecurity or privacy incidents. Any such incidents related to our use of AI applications could adversely affect our business. In addition, AI may present emerging ethical issues. If our future use of AI becomes controversial, we may experience reputational harm or other liabilities. Further, given the nascence of AI, factors that may impact AI, such as government regulations and market demand, are uncertain, and we may be unsuccessful in our product development efforts.

Our competitors or other third-parties may also incorporate AI into their products and operations. If they adopt the use of AI more quickly or more successfully than us, our ability to compete effectively may be impaired, which may adversely affect our business and results of operations.

Many of our business functions are centralized at our head office location. Disruptions to the operations at that location could have an adverse effect on our business.

Our head office is located in Montréal, Québec. We have centralized a large number of business functions at this location, including product and store design, customer support, marketing and retail management. Most of our senior management are located at our head office. If we were required to shut down the head office location for any reason, including fire, earthquake or other natural disaster or civil disruption, our management and our operations staff would need to find an alternative location, causing significant disruption and expense to our business and operations.

Without disaster recovery, business continuity and document retention plans, if we encounter difficulties or disasters at our support office, our critical systems, operations and information may not be restored in a timely manner, or at all, and may adversely impact our business operations.

Union attempts to organize our employees could negatively affect our business.

None of our employees are currently subject to a collective bargaining agreement. As we continue to grow and enter different regions, unions may attempt to organize all or part of our employee base at certain stores, our distribution center or within certain regions. Responding to such organization attempts may distract management and employees and may have a negative financial impact on individual stores, or on our business as a whole.

The maintenance of a productive and efficient labour environment and, in the event of unionization of these employees, the successful negotiation of a collective bargaining agreement, cannot be assured. Protracted and extensive work stoppages or labour disruptions such as strikes or lockouts could have a material adverse effect on our business, financial condition and results of operations.

We rely upon independent third-party transportation providers for substantially all of our merchandise shipments, in addition we will rely in the future upon an independent third-party for warehousing services in the United States.

We currently rely upon independent third-party transportation providers for substantially all of our merchandise shipments in the United States and Canada, including shipments to our distribution center, all of our stores and our e-commerce customers. Our use of outside delivery services for shipments is subject to risks, including increases in fuel prices, which would increase our shipping costs (freight and delivery), labour disruptions, inclement weather and shipment delays. If we change transportation providers, we could face logistical difficulties that could adversely impact deliveries, and we may incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favorable as those received from the independent third-party transportation providers we currently use, which may also result in increased costs. In addition, we depend on multiple forms of transportation to distribute our products to, and receive raw materials from, international markets, including air, road, rail and port. As with all companies that are dependent on air, road, rail, port and other transportation methods for distribution purposes, strikes of certain operational groups of such transportation workers can disrupt our distribution system, thereby representing an ongoing risk to our business. Prolonged strike action can cause significant upheaval to our distribution operations. Failure of our third-party transportation providers to deliver our merchandise in a timely manner may negatively impact our ability to optimize merchandise offerings, customer service levels, brand reputation and results of operations.

Specifically, in the United States, as we transition to a warehousing agreement with an independent third-party based in the United States to provide warehousing and distribution services in the United States, we may experience disruptions or delays in our logistics system as we transition resources, employees, systems and technology. In addition, if the third-party does not provide the services as required under the warehousing agreement, or if external factors prevent the third-party from providing the services, this could

adversely affect our ability to deliver goods to our brick-and-mortar stores in the United States and to our e-commerce customers in the United States. While we could always revert to serving these customers from our Canadian facility, such a disruption in service could affect our inventory levels in the United States and have a material adverse effect on our sales and financial results.

Increases in the cost to our suppliers of the raw materials or other inputs used in the production, manufacturing and transportation of our merchandise or import taxes and duties could result in increases in our cost of goods sold and adversely affect our results of operations.

Fluctuations in the cost, availability and quality of the fabrics or other raw materials, particularly cotton and synthetics used in our manufactured apparel and accessories, could have a material adverse effect on cost of goods sold or our ability to meet customer demands. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in our apparel, may fluctuate significantly depending on many factors, including inflationary pressures, weather patterns, crop yields, labour costs, tariff rates, foreign currency exchange rates and changes in oil prices. Further, freight cost is impacted by changes in fuel prices. Fuel prices affect freight cost both on inbound freight from manufacturers to the distribution center and outbound freight from the distribution center to our stores and e-commerce customers. Increased fabric, material and transport costs increase our cost of goods sold and could impair our ability to meet production or purchasing requirements in a timely manner. An inability to mitigate these cost increases could lead us to attempt to pass on such cost increases to our customers through retail price increases on our merchandise, which could adversely affect our sales volume. It could also lead to a change in our merchandise mix or inventory levels, which could result in a decrease in our profitability.

Our revenue and inventory purchases fluctuate on a seasonal basis, which could adversely affect our business and financial condition.

Our business operates on a seasonal basis, with a higher proportion of revenue and operating income being realized in the third and fourth quarters of the fiscal year, coinciding with key shopping periods such as back-to-school and the holiday season. Additionally, our working capital demands escalate prior to the introduction of new seasonal lines, due to launching new seasons and acquiring new inventory. We manage our working capital needs through cash flow from operations and our credit facilities, resulting generally in increased leverage during the first half of the fiscal year. This seasonality in revenue, cash flow and expenses may impact the comparability of our results of operations and could adversely affect our business and financial condition. Seasonal or cyclical variations in our business may become more pronounced over time and may harm our results of operations in the future.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things, the following: the timing of new store openings; revenue and profitability contributed by new stores; increases or decreases in comparable store sales; changes in our product mix; the timing of new advertising and new brands or product introductions; and shifts in observed holiday schedules.

As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our operating results between different quarters within a single fiscal year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance.

Any future seasonal or quarterly fluctuations in our results of operations may not match the expectations of market analysts and investors. Disappointing quarterly results could cause the trading price of our Subordinate Voting Shares to decline. Seasonal or quarterly factors in our business and results of operations may also make it more difficult for market analysts and investors to assess the longer-term profitability and strength of our business at any particular point, which could lead to increased volatility in

the trading price of our Subordinate Voting Shares. Increased volatility could cause the trading price of our Subordinate Voting Shares to suffer in comparison to less volatile investments.

We may be unable to continue to grow revenue levels or meet other financial targets, which could cause the trading price of our Subordinate Voting Shares to decline.

Our success depends, in part, upon our ability to improve comparable store sales and achieve revenue and other financial targets for our stores and e-commerce business. Various factors affect sales levels, including competition, consumer trends and preferences, the general economic and retail environment, natural and other disasters, impacts of climate change, disease outbreaks, our ability to efficiently source and distribute products, brand innovation and changes in our merchandising mix, the timing of release of new merchandise and promotional events, the success of marketing programs, prior period sales levels, inventory shrinkage, the timing and amount of markdowns, weather conditions and changes in the other tenants in the shopping centers or other locations in which our stores are located. These factors may cause our sales results to differ materially from prior periods and from expectations. Past sales and other financial results are no indication of future results, and there can be no assurance that our sales levels will not decrease in the future. We have made and intend to continue to make significant capital investments to increase comparable store sales growth by focusing on our brands and on product innovation and optimizing store layout, merchandise and product offerings and presentation. Failure to continue to grow comparable store sales or failure to meet other financial targets or expectations could adversely affect our revenue and the trading price of our Subordinate Voting Shares could decline.

A failure to reduce operating expenses in a timely manner in response to changes in our business could adversely affect our results of operations.

Our business and results of operations are sensitive to a number of factors, both within and outside our control. In the event of a sustained reduction in revenue or profitability, for whatever reason, it may be necessary to implement an expense reduction plan. The successful implementation of an expense reduction plan, if and when deemed advisable by management, depends on many factors, including our ability to identify the need for such a plan in a timely manner, to effectively implement such plan, as well as certain factors which are beyond our control, including economic conditions, labour market conditions, ability to maintain our management team to implement our plan, and any one of these factors or other unforeseen factors could have a material adverse effect on our ability to implement any targeted cost savings to stabilize our results of operations.

We are incurring increased expenses as a result of being a public company and our current resources may not be sufficient to fulfill our public company obligations.

We are incurring significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact our performance and could cause our results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the TSX increases our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. Reporting obligations as a public company and our anticipated growth may place a strain on our financial and management systems, processes and controls, as well as on our personnel.

We also expect these laws, rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our Board or as officers. As a result of the foregoing, we expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

We are responsible for establishing and maintaining adequate internal control over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of our inherent limitations and the fact that we are a new public company and are implementing new financial control and management systems, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the trading price of our Subordinate Voting Shares and harm our ability to raise capital in the future. See “Risk Factors – We previously identified material weaknesses in our internal controls over financial reporting, and if conditions in our control environment were to deteriorate, there would be a risk that control deficiencies may have an impact on our ability to produce accurate and timely financial statements. This, in turn, would harm our operating results, our ability to operate our business and investors’ views of us”.

If our management is unable to certify the effectiveness of our internal controls or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the trading price of our Subordinate Voting Shares. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in the trading price of our Subordinate Voting Shares and harm our ability to raise capital. Failure to accurately report our financial performance on a timely basis could also jeopardize our listing on the TSX or any other stock exchange on which our Subordinate Voting Shares may be listed.

We may be unable to protect our trademarks or other intellectual property rights, and may be subject to claims that we, or our suppliers, have infringed upon the trademarks or other intellectual property rights of third-parties.

We believe that our trademarks are integral to our stores and our e-commerce business and our success in building our brand image and customer loyalty. We rely on trademark registrations and common law trademark and copyright rights to protect the distinctiveness of our brands and have registered those trademarks that we believe are important to our business in Canada and the United States and in many other countries, and may seek to expand these registrations in the future. However, international protection of our brand image and the use of these marks may be unavailable or could be limited. In some cases, there may be trademark owners who have prior rights to our marks because the laws of certain foreign countries may not protect intellectual property rights to the same extent as do the laws of Canada or the United States. We are not aware of any material infringement upon or challenges to our right to use any of our brand names or trademarks in Canada and the United States. Nevertheless, we cannot assure you that our registrations will prevent imitation of our name, or exclusive brands, or the infringement of our other intellectual property rights by others within North America or elsewhere. Imitation of our brands in a manner that projects lesser quality or carries a negative connotation of our brand image could have an adverse effect on our business, financial condition and results of operations. Similarly, use of or negative publicity or events associated with our brands or trademarks in jurisdictions where our intellectual property rights are not protected may negatively affect our image and reputation in North America or elsewhere. If we fail to enforce or maintain any of our intellectual property rights, we may be unable to capitalize on our efforts to maintain and, in new markets, increase our brand equity.

We currently own no patents or exclusive intellectual property rights in the fabrics or processes used for our merchandise. Any such intellectual property rights are owned or controlled by our suppliers and manufacturers and are generally not unique to us. We do not generally seek to patent our merchandise designs given the time, expense and degree of distinctiveness required to do so. Intellectual property protection for our merchandise is therefore limited. As a result, our current and future competitors may be able to manufacture and sell merchandise with fabrications, characteristics and styling similar to our

merchandise. Because some of our competitors may have greater financial, distribution, marketing and other resources than we do, they may be able to manufacture and sell merchandise based on our designs, fabrics and manufacturing processes at lower prices than we can. If our competitors do sell similar merchandise to ours at lower prices, it could result in customer confusion or a loss of our market share, and our revenue and results of operations could suffer.

Litigation may be necessary to protect and enforce our trademarks and other intellectual property rights, or to defend against claims brought by third parties. Although we are not aware of any current material claims, our internally designed merchandise or our marketing materials may, or may in the future, be claimed to violate intellectual property rights of third parties. We also purchase certain finished merchandise that may be subject to design copyrights, design patents or otherwise may incorporate protected intellectual property and we do not independently investigate whether the suppliers legally hold the intellectual property rights to the merchandise sold to us.

Although we cannot currently estimate the likely outcome of any intellectual property-related claims or lawsuits, any such litigation or claims brought by or against us could result in substantial costs and diversion of our resources, which could have an adverse effect on our business, financial condition and results of operations. If disputes arise in the future, we may not be able to successfully resolve these types of conflicts to our satisfaction.

Our business activities may negatively impact the human rights of people connected to our business.

We recognize that our business activities may affect people along the value chain, both directly and indirectly. With approximately 6,500 employees, a network of third-party suppliers across the globe with their own workforces, and a presence in several communities across the value chain, there are a vast number of people potentially affected by our business. We are committed to respecting and upholding human rights along our value chain, by striving to do business responsibly. We recognize the risks of modern slavery, including human trafficking, forced labour and child labour across our global supply chains and therefore mitigating and managing human rights risks is pivotal to our business success. A potential or perceived human rights violation against any person across our value chain could negatively impact our reputation, employee retention, business and financial results.

We are subject to operational and business impacts of climate change.

As climate change accelerates, its impacts to businesses and their supply chains is becoming more widespread and unpredictable. The short-term and long-term financial and operational impacts are uncertain. The physical impacts as a result of climate change leading to more volatile weather patterns including flooding, hurricanes, rising sea levels and diminishing fresh water availability may impact operations and supply chains in the textile manufacturing industry as well as the global logistics, distribution and retail operations. These events could also reduce the availability and quality of the fabrics or other raw materials used to manufacture our merchandise, which could result in delays in responding to consumer demand resulting in the potential loss of customers and revenues, or we may incur increased costs to meet demand and may not be able to pass all or a portion of higher costs on to our customers, which could adversely affect our gross profit and results of our operations. Our suppliers' ability to source raw materials may be adversely impacted by severe weather events that significantly destroy the raw material crops, such as cotton, or significantly limit the processing of raw materials due to droughts that bring on water scarcity in geographic areas where our raw materials are processed.

The growing incidences of severe, unpredictable seasonal weather patterns may curtail, extend or eliminate fashion seasons impacting retail timing and customer purchasing forecasts. Our stores, support offices and distribution center, as well as the operations of our suppliers, vendors, and manufacturers are vulnerable to disruption from extreme weather events which could severely damage or destroy one or more of our

stores, support offices or distribution center located in the affected areas, thereby disrupting our business operations.

Climate change-related transition risks are also growing in many countries, as governmental bodies are enacting new legislation and regulations to reduce or mitigate the potential impacts of climate change. If we, or our suppliers, or our manufacturers are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on climate change, we may experience increases in energy, production, transportation, and raw material costs, capital expenditures, or insurance premiums and deductibles. Varied legislation and regulations across jurisdictions may also make it more challenging and affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations, or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change.

We are subject to complex and changing laws and regulations, which may expose us to liability, increased costs or have other adverse effects that could harm our business.

We are subject to numerous laws and regulations, including labour and employment, consumer protection, human rights, advertising, environmental, customs, taxes, accessibility and other laws that regulate retailers generally or govern the importation, labeling, promotion, distribution and sale of merchandise (including product safety laws) and the operation of stores and other facilities in each of the jurisdictions in which our merchandise is distributed and sold. Although we have implemented procedures designed to ensure compliance with applicable laws and regulations, if our management, employees, suppliers, manufacturers or others fail to comply with any of these laws or regulations for any reason, we could become subject to enforcement actions or the imposition of significant penalties or claims, or suffer reputational harm, any of which could adversely affect our business. Additionally, although we undertake to monitor applicable laws, it is possible that changes may be implemented or new laws or regulations may be introduced without our knowledge, creating a greater risk of non-compliance. The adoption of new laws or regulations or requirements for public companies or changes in the interpretation of existing laws or regulations may result in increased compliance costs and could make the ordinary conduct of our business more expensive or require us to change the way we do business. It is often difficult for us to plan and prepare for potential changes to applicable laws, and future actions or expenses related to any such changes could be material to us. Political and economic factors could also lead to unfavourable changes in trade and tax laws, which may increase our tax and duty liabilities and could have a material adverse effect on our businesses and results of operations.

We post our privacy policies and practices concerning the collection, use and disclosure of personal information on our websites. Any failure by us to comply with our posted privacy policies or other privacy-related laws and regulations could result in proceedings which could potentially harm our business. In addition, certain of our marketing practices rely upon the sending of commercial electronic messages, including e-mails, to communicate with customers. We may face risks if our use of e-mail is found to violate the applicable law. In addition, as data privacy and marketing laws change, we may incur additional costs to ensure we remain in compliance with such laws. If applicable data privacy and marketing laws become more restrictive at the international, federal, provincial or state levels, our compliance costs may increase, our ability to effectively engage customers via personalized marketing may decrease, our investment in our e-commerce platform may not be fully realized, our opportunities for growth may be curtailed by our compliance burden and our potential reputational harm or liability for security breaches may increase.

We are subject to the Accessibility for Ontarians with Disabilities Act (the "AODA"), the Americans with Disabilities Act and other similar federal, state and provincial laws that give civil rights protections to individuals with disabilities in the context of employment, public accommodations and other areas. We may in the future have to modify stores, for example by adding access ramps or redesigning certain architectural features, to provide service to, or make accommodations for, disabled persons or modify our e-commerce platforms under these laws. The expenses associated with these modifications, or any damages, legal fees

and costs associated with litigating or resolving claims under the AODA or similar state or provincial laws, could be material.

Furthermore, we are subject to the Criminal Code of Canada, Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act and the anti-corruption laws of other countries in which we may operate. Our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, may take actions in violation of our policies or such laws. Any such violation could result in sanctions or other penalties and have an adverse effect on our reputation, business, results of operations, financial condition.

We are subject to numerous consumer product safety laws and regulations in the jurisdictions in which our merchandise is sold. Any violation of such applicable product safety laws and regulations in the jurisdictions in which we operate could result in liability and risk of business interruption, which could have an adverse effect on our reputation, business, results of operations and financial condition.

The laws governing our business and operations are continuously evolving, particularly as they relate to internet and multi-channel commerce platforms as many of these laws do not address the unique issues raised by online platforms and e-commerce. New laws governing online platforms, potential amendments to existing laws, and ongoing regulatory and judicial interpretation of existing laws imposing liability on online platforms for the conduct by, or content from customers of, a platform may be interpreted overly broadly or in a manner that restricts the scope of applicable protections and create liability, costs or uncertainty for our business. Additionally, if third parties with whom we work violate applicable laws, those violations could result in other liabilities for us and could harm our business. Such violations may also negatively impact our reputation and brand in ways that could cause additional harm to our business.

There are claims made against us from time to time that can result in litigation that could distract management from our business activities and result in significant liability or damage to our brands.

As a growing company with expanding operations, we increasingly face the risk of litigation and other claims against us. Litigation and other claims may arise in the ordinary course of our business and include employee and customer claims, commercial disputes, landlord-tenant disputes, intellectual property issues, product-oriented allegations and personal injury claims. These claims can raise complex factual and legal issues that are subject to risks and uncertainties and could require significant management time. Although not a significant portion of our business, we do sell some products that are produced by third party manufacturers. Some of these products may expose us to various claims, including class action claims relating to merchandise that is subject to a product recall or liability claim. Litigation and other claims against us could result in unexpected expenses and liabilities, which could materially adversely affect our operations and our reputation.

Although we maintain liability insurance to mitigate potential claims, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available on economically reasonable terms or at all.

We are subject to many hazards and operational risks that can disrupt our business, some of which may not be insured or fully covered by insurance.

Our operations are subject to many hazards and operational risks inherent to our business, including: general business risks, false or misleading advertising claims and damage to third parties, risk to our infrastructure or properties caused by fires, floods and other natural disasters, power losses, telecommunications failures, terrorist attacks, public health emergencies (including epidemics and pandemics, such as the COVID-19 pandemic), cyber security events, human errors, political instability, social and labour unrest or war and similar events.

Our insurance coverage may exclude or may be inadequate to cover our liabilities related to such hazards or operational risks. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim, or a claim in excess of the insurance coverage limits maintained by us could harm our business, results of operations and financial condition.

Furthermore, our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm, or legal liability.

We may be subject to in-store and workplace health and safety liability, claims and penalties.

We are committed to protecting the health and well-being of our customers and employees in all of our stores and workplaces. We have workplace and in-store health and safety programs in place and have established policies and procedures aimed at ensuring compliance with applicable legislative requirements within our stores. Failure to comply with established policies and procedures or applicable legislative requirements could result in increased workplace or in-store injury-related liability and penalties. Any workplace or in-store injuries could lead to claims or litigation being brought against us, which could adversely affect our reputation and could have a material adverse effect on our business, operating results and financial condition. Although we maintain insurance policies we deem sufficient to address those situations, there is no guarantee a particular claim would be accepted by the insurer or that the insurance coverage would be sufficient.

Further, the risks to our business due to a pandemic or other public health emergency, such as the COVID-19 pandemic, include risks to employee health and safety, prolonged restrictive measures put in place in order to control the crisis and limitations on travel, which may result in temporary shortages of staff or unavailability of certain employees or consultants with key expertise or knowledge of our business and impact on workforce productivity.

We may be subject to additional taxes, which could affect our operating results.

We may be subject to government audits and assessments for additional taxes, including sales and value-added taxes, which could reduce our operating results. In accordance with current law, we pay, collect and remit taxes in those jurisdictions where we maintain a physical presence. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities.

While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, it is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us if the applicable authorities do not agree with our positions. A successful challenge by a tax authority, through asserting either an error in our calculation, or a change in the application of law or an interpretation of the law that differs from our own, could adversely affect the results of operations.

The forward-looking statements contained in this Annual Information Form may prove to be incorrect.

The forward-looking information contained in this Annual Information Form may prove to be incorrect. The forward-looking information relating to, among other things, estimated and future results, performance, achievements, prospects, or opportunities of the Company included in this Annual Information Form are based on opinions, assumptions, and estimates made by the Company in light of its experience and perception of historical trends, current conditions, and expected future developments, as well as other factors the Company believes are appropriate and reasonable in the circumstances. However, there can

be no assurance that such estimates and assumptions will prove to be correct. Actual results of the Company in the future may vary materially from the historical and estimated results. See “Forward-Looking Statements”.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit cards, debit cards and gift cards. For existing and future payment methods we offer to our customers, we may become subject to additional regulations and compliance requirements, as well as fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, raising our operating costs and lowering profitability. We rely on third party service providers for payment processing services, including the processing of credit and debit cards. Our business may be negatively affected if these third party service providers become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security rules, certification requirements and rules governing electronic funds transfers and if we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for card-issuing banks' costs, subject to fines and higher transaction fees or lose our ability to accept credit and debit card payments from our customers and process electronic funds transfers or facilitate other types of payments, and our business and operating results could be adversely affected.

We may incur significant losses from customer and/or credit card fraud.

We have in the past incurred and may in the future incur losses from various types of fraud, including stolen credit card numbers, claims that a customer did not authorize a purchase, merchant fraud and customers who have closed bank accounts or have insufficient funds in open bank accounts to satisfy payments, and any such losses may be significant. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could potentially result in us paying higher fees or losing the right to accept credit cards for payment. In addition, under current credit card practices, we are liable for fraudulent in-store credit card transactions because we do not obtain a cardholder's signature. Our failure to adequately prevent fraudulent transactions could damage our reputation, result in litigation or regulatory action and lead to expenses that could substantially impact our results of operations.

Our financial condition could be adversely affected by global or regional health events, and geopolitical events such as the conflicts in Ukraine and the Middle East and related government, private sector and individual consumer responsive actions.

The COVID-19 pandemic negatively impacted the global economy, and ultimately led us to go through the CCAA Proceedings, disrupted consumer spending and global supply chains and created significant volatility and disruption of financial markets. The COVID-19 pandemic and related government, private sector and individual consumer responsive actions negatively impacted our business operations, store traffic, employee availability, supply chain, financial condition, liquidity and cash flows.

These impacts were only worsened by supply shocks arising from the conflicts in Ukraine and the Middle East and other geopolitical events worldwide. In response, central banks around the world have aggressively raised interest rates in an effort to ease rising inflation. We rely, to a large extent, on free movement of goods, services and capital from around the world and, as a result, are facing upward cost pressures. The conflicts in Ukraine and the Middle East may continue to adversely affect our business, financial position, results of operations and cash flows, including by resulting in (i) significant volatility in demand for our products and services, (ii) changes in consumer behaviour and preferences, (iii) disruptions of our manufacturing and supply chain operations, (iv) disruption of our cost saving programs, (v) limitations on our employees' ability to work and travel and (vi) changes to economic or political conditions in markets in which we operate. Given the ongoing and dynamic nature of the circumstances surrounding the conflicts in Ukraine and the Middle East and other geopolitical events worldwide, it is difficult to predict how

significant these continuing events will be on the global economy and on our business and employees, or for how long any further disruptions in the future are likely to continue. Despite our efforts to manage these matters, their ultimate effects also depend on factors beyond our knowledge or control, and such further developments could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The occurrence or resurgence of global or regional health events and the related governmental, private sector and individual consumer responses, could contribute to a recession, depression or global economic downturn, reduce store traffic and consumer spending, increase costs of labour or wages, result in temporary or permanent closures of retail locations, offices, and factories, and could negatively impact the flow of goods. Such events could cause health officials to impose restrictions and recommend precautions to mitigate the health crisis such as the temporary closure of our stores, limitations on the number of guests allowed in our stores at any single time, minimum physical distancing requirements and limited operating hours. A health event could also negatively impact our employees, guests and brand by reducing consumer willingness to visit stores, malls and lifestyle centers and employee willingness to staff our stores. A global or regional health event may also cause long-term changes to consumer shopping behavior, preferences and demand for our products that may have a material adverse effect on our business.

A global or regional health event could significantly and adversely impact our supply chain if the factories that manufacture our products, the distribution center where we manage our inventory, or the operations of our logistics and other service providers are disrupted, temporarily closed or experience worker shortages.

Natural disasters, unusual weather and geopolitical events or acts of terrorism could adversely affect our operations and financial results.

Extreme weather conditions in the areas in which our stores are located could adversely affect our business. For example, frequent or unusually heavy snowfall, ice storms, rainstorms or other extreme weather conditions over a prolonged period could make it difficult for our customers to travel to or employees to operate our stores and thereby reduce our revenue and profitability, as our business depends on high customer conversion. Our business is also susceptible to unseasonable weather conditions. For example, extended periods of unseasonably warm temperatures during the winter season or cool weather during the summer season could render a portion of our inventory incompatible with those unseasonable conditions, which could adversely affect our ability to execute our strategy to effectively present seasonal inventory. Reduced revenue from extreme or prolonged unseasonable weather conditions could adversely affect our business, financial condition, results of operations and cash flow.

In addition, natural disasters such as hurricanes, tornadoes and earthquakes or a combination of these or other factors, could severely damage or destroy one or more of our stores or warehouses or the facilities of our suppliers located in the affected areas, thereby disrupting our business operations.

Furthermore, unstable political conditions or civil unrest, including terrorist activities, military and domestic disturbances and conflicts, may disrupt commerce, our supply chain operations, international trade or result in political or economic instability and could have a material adverse effect on our business and results of operations.

Parties with whom we do business may be subject to insolvency risks or may otherwise become unable or unwilling to perform their obligations to us.

We are party to contracts, transactions and business relationships with various third parties, pursuant to which such third parties have performance, payment and other obligations to us. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, our rights and benefits in relation to our contracts, transactions and business relationships with such third parties could be terminated, modified in a manner adverse to us, or otherwise impaired. We cannot give any assurances that we would

be able to arrange for alternate or replacement contracts, transactions or business relationships on terms as favorable as our existing contracts, transactions or business relationships, if at all. Any inability on our part to do so could have a material adverse effect on our business and results of operations.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition.

IFRS Accounting Standards and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, income taxes, leases and provisions, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with IFRS Accounting Standards.

We are subject to insurance-related risks.

We maintain director and officer and other customary insurance coverage and such insurance coverage includes deductibles, self-insured retentions, limits of liability and similar provisions. However, there is no guarantee that our insurance coverage will be sufficient to cover our liabilities, or that insurance proceeds will be paid to us on a timely basis. In addition, there are types of losses we may incur but against which we cannot be insured or which we believe are not economically reasonable to insure, such as losses due to acts of war, certain natural disasters or pandemics. If we incur these losses and they are material, our business, operating results, financial condition and results of operations may be adversely affected. Also, certain material events may result in sizable losses for the insurance industry and materially adversely impact the availability of adequate insurance coverage or result in significant premium increases. Accordingly, we may elect to self-insure, accept higher deductibles or reduce the amount of coverage in response to such market changes. Even though we believe that we maintain insurance customary for businesses of our size and type, in the event an insurance provider disagrees with whether a claimed loss is covered by such insurance, there is uncertainty with respect to how the courts will interpret the insurance provisions in our policies. As a result, the coverage that we carry may not be adequate to compensate us fully or at all for losses that occur.

We conduct business with suppliers and manufacturers based in China, which exposes us to risks inherent in doing business there.

We source the materials for our merchandise from, and our independent suppliers and manufacturers operate in, among other countries, China. With the rapid development of the Chinese economy, the cost of labour has increased and may continue to increase. Our results of operations will be adversely affected if the labour costs of our third party suppliers and manufacturers increase significantly. In addition, our manufacturers and suppliers may be unable to find a sufficient number of qualified workers due to the competitive market for skilled labour in China.

Conducting business in China exposes us to political, legal and economic risks. In particular, the political, legal and economic climate in China is fluid and unpredictable. Our ability to operate in China may be adversely affected by changes in Canadian, U.S. or Chinese laws and regulations, including those related to taxation, import and export tariffs, environmental regulations, land use rights, intellectual property, currency controls, network security, employee benefits, hygiene supervision and other matters. In addition, Chinese trade regulations are continuously evolving, and we may become subject to other forms of taxation, tariffs and duties. Furthermore, the third parties we rely on in China may disclose our confidential information to competitors or other third parties, which could result in the sale of merchandise similar to ours by such competitors or third-parties. If any of these events occur, our business, financial condition and results of operations could be adversely affected.

We may not accurately forecast income and appropriately plan our expenses.

We base our current and future expense levels on our operating forecasts and estimates of future income. We may not appropriately forecast our future income and results of operations. Income and results of operations are difficult to forecast because they generally depend on the volume and timing of the orders we receive, which are uncertain. Additionally, our business is affected by general economic and business conditions around the world. Our revenue levels may decrease, and we may be unable to adjust our spending in a timely manner to compensate for any unexpected shortfall in income. This inability could cause our net earnings in a given 13-week period to be higher or lower than expected. We also will make certain assumptions when forecasting the amount of expense we expect related to our future share-based payments, which includes the expected volatility of our share price, the expected life of share awards granted and the expected rate of share awards forfeitures. These assumptions are partly based on historical results. If actual results differ from our estimates, our net earnings in a given quarter may be lower than expected or our net loss in a given quarter may be higher than expected.

Our business depends on the transportation of a large number of products. Our ability to accurately forecast and plan expenses could be adversely impacted by limitations on fuel supplies or increases in fuel prices that result in higher costs of transportation and distribution of our products. Although we are able to update our forecasts and estimates based on current data and modify the pricing of our products accordingly, there is often a lag before such modified pricing is reflected in our operating results, and there is a limit to how much of any fuel price or other distribution cost increases we can pass onto our customers. Any such limits may adversely affect our results of operations.

Merchandise returns could harm our business.

We allow our customers to return merchandise, subject to our return policy. If merchandise return economics become more costly, our business, financial condition and results of operations could be harmed. Further, we modify our policies relating to returns from time to time, which may result in customer dissatisfaction or an increase in the number of merchandise returns. Supplier non-compliance can also result in increased returns. From time to time, our products are damaged in transit, which can increase return rates and harm our brand. Competitive pressures could cause us to alter our return policies or our shipping policies, which could result in an increase in damaged products and an increase in merchandise returns.

Our financial performance may be impacted by inventory shrinkage.

We are subject to the risk of inventory loss and administrative errors, including mishandling, damage and internal and external theft and fraud. Inventory shrinkage is a cost of doing business for retailers. Although we have and continue to implement processes to limit inventory loss, if we experience higher rates of inventory shrinkage or incur increased security costs to manage inventory, our financial performance could be adversely affected.

We previously identified material weaknesses in our internal controls over financial reporting, and if conditions in our control environment were to deteriorate, there would be a risk that control deficiencies may have an impact on our ability to produce accurate and timely financial statements. This, in turn, would harm our operating results, our ability to operate our business and investors' views of us.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements is a costly and time-consuming effort that needs to be evaluated frequently. As a public company, we are now required to evaluate our disclosure control procedures (DC&P) and internal controls

over financial reporting (ICFR) in a manner that meets the standards of publicly traded companies as required by Regulation 52-109 Respecting Certification of Disclosure in Issuers' Annual and Interim Filings.

During the three months ended February 1, 2025, management's remediation efforts resolved the previously disclosed material weaknesses in the Company's internal control over financial reporting, as described in the prospectus dated November 20, 2024. An evaluation of the design effectiveness of the Company's disclosure controls and internal control over financial reporting that led to the material weaknesses was performed as of February 1, 2025. Based on this evaluation, senior management, including the CEO and CFO, concluded that the Company's remediation that was completed addressed the material weaknesses and that the Company's Disclosure Controls and internal controls over financial reporting that led to the material weaknesses are designed effectively.

Continuous updates, maintenance and monitoring of our internal controls requires officers and employees to be consistently engaged and may require additional costs to implement new processes and modify our existing processes and take significant time to complete. If we fail to enhance our internal control over financial reporting to meet the demands that are placed upon us as a public company, we may be unable to report our financial results accurately, which could increase operating costs and harm our business, including our investors' perception of our business and our share price. The actions we are taking and plan to take are subject to continued management review supported by testing, as well as Audit Committee oversight.

Increased scrutiny from investors and others regarding our environmental, social, governance or sustainability responsibilities could result in additional costs or risks and adversely impact our reputation, employee retention, and willingness of customers and suppliers to do business with us.

Investor advocacy groups, certain institutional investors, investment funds, other market participants, stockholders, current and prospective employees and customers have focused increasingly on the ESG or "sustainability" practices of companies, including those associated with climate change. These parties have placed increased importance on the implications of the social cost of their investments. If our ESG practices do not meet investor or other industry stakeholder expectations and standards, which continue to evolve, our brands, reputation and employee retention may be negatively impacted based on an assessment of our ESG practices. Any sustainability report which we publish or other sustainability disclosures we make may include our policies and practices on a variety of social and ethical matters, including corporate governance, environmental compliance, employee health and safety practices, human capital management, product quality, supply chain management and workforce inclusion and diversity. We could also incur additional costs and require additional resources to monitor, report and comply with various ESG practices, including the integration of ESG into our financial reporting in due course. Further, our failure, or perceived failure, to meet the standards included in any sustainability disclosure could negatively impact our reputation, employee retention and the willingness of our customers and suppliers to do business with us.

Risks Related to the Ownership of Our Subordinate Voting Shares

The dual class structure contained in our Articles has the effect of concentrating voting control with the Principal Shareholders (as defined below) and may prevent investors from influencing significant corporate decisions, which may have a negative impact on the trading price of our Subordinate Voting Shares.

Our multiple voting shares (the "Multiple Voting Shares") have 10 votes per share and our Subordinate Voting Shares, which are the shares listed on the TSX, have one vote per share. 16084583 Canada Inc., 16084729 Canada Inc., 16084737 Canada Inc., 16084893 Canada Inc., 16084915 Canada Inc. 16084940 Canada Inc., 16086349 Canada Inc. and 16084800 Canada Inc. (which are, directly or indirectly, controlled

by Andrew Lutfy and collectively referred to as the “**Principal Shareholders**”) collectively hold virtually all of our issued and outstanding Multiple Voting Shares. Currently, the Principal Shareholders collectively hold approximately 85.7% of our total issued and outstanding Shares and hold approximately 98.4% of the voting power attached to all of the Shares. As a result, the Principal Shareholders have a significant influence over us, including election of directors and significant corporate transactions.

In addition, because of the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares, the holders of our Multiple Voting Shares will continue to control a majority of the combined voting power of our Voting Shares even where the Multiple Voting Shares represent a substantially reduced percentage of our total outstanding Shares. The concentrated voting control of holders of our Multiple Voting Shares will limit the ability of holders of Subordinate Voting Shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amendment of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of Multiple Voting Shares have the ability to influence many matters affecting us and actions may be taken that holders of Subordinate Voting Shares may not view as beneficial. The market price of our Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of the holders of Multiple Voting Shares. Additionally, the significant voting interest of holders of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Multiple Voting Shares.

The market price for Subordinate Voting Shares may be volatile and your investment could suffer a decline in value.

The market price of our Subordinate Voting Shares could be subject to significant fluctuations, including to decline below the IPO Price from time to time. Some of the factors that may cause the market price of our Subordinate Voting Shares to fluctuate include:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our Shares;
- litigation or regulatory action against us;
- investors’ general perception of us and the public’s reaction to our press releases, our other public announcements and our filings with Canadian securities regulators, including our financial statements;
- publication of research reports or media stories about us, our competitors or our industry;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;
- shareholder grievances or activism, including associated activities such as short selling, which may have a significant impact on the market price for Subordinate Voting Shares and constitute a significant distraction for the Company and its management team;
- changes in general political, economic, industry and market conditions and trends;

- sales of our Shares by existing shareholders;
- recruitment or departure of key personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- the other risk factors described in this section of this Annual Information Form.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Subordinate Voting Shares by those institutions, which could materially adversely affect the trading price of the Subordinate Voting Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our operations and the trading price of the Subordinate Voting Shares may be materially adversely affected.

In addition, broad market and industry factors may harm the market price of our Subordinate Voting Shares. Hence, the price of our Subordinate Voting Shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Subordinate Voting Shares regardless of our operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs, our management's attention and resources could be diverted and it could harm our business, operating results and financial condition.

Future sales of our securities by existing shareholders or by us could cause the market price for our Subordinate Voting Shares to fall.

No prediction can be made as to the effect, if any, of future sales of a substantial number of our Subordinate Voting Shares on the market price of the Subordinate Voting Shares. However, the future sale of a substantial number of Subordinate Voting Shares by the Principal Shareholders or the perception that such sales could occur, could adversely affect prevailing market prices for the Subordinate Voting Shares. After the expiry of the 180-day lock-up period imposed upon the Principal Shareholders in connection with the IPO, scheduled to occur on May 26, 2025, nothing prevents the Principal Shareholders from selling or otherwise disposing of their Subordinate Voting Shares.

Our ability to pay dividends will be dependent on our financial condition and other restrictions.

While we currently intend to retain any future earnings, or at a minimum, the large majority of such future earnings to fund the development and growth of our business, should we decide to pay dividends on the Subordinate Voting Shares in the future, the declaration, timing, amount and payment of dividends will be at the discretion of the Board and will depend upon our future earnings, cash flows, acquisition capital requirements and financial condition, contractual restrictions and financing agreement covenants, including those under our Credit Agreement, solvency tests imposed by applicable corporate law and other relevant factors. There can be no assurance that we will declare a dividend on a quarterly, annual or other basis. See "Dividend Policy".

Any issuance of preferred shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Shares, which could depress the price of our Subordinate Voting Shares.

Our Board has the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our shareholders. Our preferred shares could be issued with liquidation, dividend and other rights superior to the rights of our Shares. The potential issuance of preferred shares may delay or prevent a change in control of us, discourage bids for our Shares at a premium over the market price and adversely affect the market price and other rights of the holders of our Subordinate Voting Shares.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us or our business, our trading price and volume could decline.

The trading market for our Subordinate Voting Shares depends in part on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. We cannot assure that analysts will cover us or provide favorable coverage. If one or more of the analysts who cover us downgrade our Subordinate Voting Shares or publish inaccurate or unfavorable research about our business, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which could cause our trading price and volume to decline.

Recent international tax developments may affect our financial results.

The Organisation for Economic Co-operation and Development, together with the G20 countries, has committed to reduce perceived abusive global tax avoidance, referred to as base erosion and profit shifting (“BEPS”). As part of this commitment, an action plan has been developed to address BEPS with the aim of securing revenue by realigning taxation with economic activities and value creation by creating a single set of consensus-based international tax rules dealing with various matters, such as the definition of permanent establishment and the taxation of hybrid instruments. As part of the BEPS project, a multilateral instrument (“MLI”) intended to allow participating jurisdictions to swiftly modify their bilateral tax treaties to facilitate various BEPS initiatives has been ratified by a significant number of countries, including Canada. Also consistent with adoption of BEPS, the Department of Finance has introduced (i) new excessive interest and financing expenses limitation (“EIFEL”) rules that would limit interest deduction in certain circumstances, (ii) legislation addressing hybrid mismatch arrangements and (iii) legislation to enact a Canadian “Global Minimum Tax Act”. The BEPS project (including the foregoing initiatives) and the MLI may have a material impact on how our operating results are taxed, and may also give rise to additional reporting and disclosure obligations.

DESCRIPTION OF CAPITAL STRUCTURE

The following description is subject to, and qualified in its entirety by reference to, the terms and provisions of our articles (“Articles”) and by-laws.

Our authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, (ii) an unlimited number of Multiple Voting Shares and (iii) an unlimited number of preferred shares, issuable in series (collectively, the “Shares”). As at February 1, 2025, there is an aggregate of 15,405,043 Subordinate Voting Shares and 92,615,622 Multiple Voting Shares and no preferred shares are issued and outstanding. All of the issued and outstanding Multiple Voting Shares are, collectively, held or controlled, directly or indirectly, by the Principal Shareholders.

The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable securities laws in Canada.

Subordinate Voting Shares and Multiple Voting Shares

Dividend Rights

Holders of Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as our board of directors (the “**Board**” or our “**Board of Directors**”) may from time to time determine, subject to any preferential rights of the holders of any outstanding preferred shares. In the event of the payment of a dividend in the form of Shares, holders of Subordinate Voting Shares will receive Subordinate Voting Shares and holders of Multiple Voting Shares will receive Multiple Voting Shares unless otherwise determined by the Board.

Voting Rights

Holders of Multiple Voting Shares are entitled to 10 votes per Multiple Voting Share, and holders of Subordinate Voting Shares are entitled to one vote per Subordinate Voting Share on all matters upon which holders of Shares are entitled to vote. The Subordinate Voting Shares represent 14.3% of our total issued and outstanding Shares and 1.6% of the voting power attached to all of our Shares.

Certain Class Votes

Except as required by the CBCA, applicable securities laws or our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. Under the CBCA, certain types of amendments to our Articles are subject to approval by special resolution of the holders of our classes of shares voting separately as a class, including amendments to:

- change the rights, privileges, restrictions or conditions attached to the shares of that class;
- increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of Subordinate Voting Shares or Multiple Voting Shares to vote separately as a class, neither the holders of the Subordinate Voting Shares nor the holders of the Multiple Voting Shares shall be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment to

- (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or
- (2) create a new class of shares equal or superior to the shares of such class, in each of cases (1) and (2), which rights are otherwise provided for in paragraphs (a), and (e) of subsection 176(1) of the CBCA.

Pursuant to our Articles, neither holders of our Subordinate Voting Shares nor holders of our Multiple Voting Shares will be entitled to vote separately as a class on a proposal to amend our Articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class unless such exchange, reclassification or cancellation: (a) affects only the holders of that class or (b) affects the holders of

Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable law or our Articles.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the CBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that any Multiple Voting Share shall be held by a Person other than by a Permitted Holder, the Permitted Holder that held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Multiple Voting Share into one Subordinate Voting Share.

In addition, all of the Multiple Voting Shares held by the Permitted Holders will convert automatically into Subordinate Voting Shares at such time that is the earlier to occur of the following: (i) the Permitted Holders that hold Multiple Voting Shares no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 10% of the issued and outstanding Shares on a non-diluted basis and (ii) Andrew Lutfy is no longer serving as a director or in a senior management position of the Company or any of its subsidiaries.

For the purposes of the foregoing:

"Members of the Immediate Family" means with respect to any individual, each parent (whether by birth or adoption), spouse or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the Tax Act as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual.

"Permitted Holders" means any one or more of (i) Andrew Lutfy, Donna Lutfy or any Members of the Immediate Family of Andrew Lutfy, (ii) AJL Family Trust 2017 (the **"Trust"**), or (iii) any Person controlled, directly or indirectly by one or more of the Persons referred to in clauses (i) or (ii) above.

"Person" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

A Person is **"controlled"** by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and securities representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities

are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) interests and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

Meetings of Shareholders

Holders of Multiple Voting Shares and Subordinate Voting Shares will be entitled to receive notice of any meeting of our shareholders and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of Shareholders is present if at least two shareholders holding in aggregate not less than 25% of the votes attaching to our outstanding Shares entitled to vote at the meeting are present in person or represented by proxy.

Pre-Emptive and Redemption Rights

Holders of Subordinate Voting Shares will have no pre-emptive or redemption rights. Holders of Multiple Voting Shares will have no pre-emptive or redemption rights under our Articles. However, the Principal Shareholders will be entitled to certain pre-emptive rights to subscribe for additional Multiple Voting Shares provided for in the Investor Rights Agreement.

Liquidation Rights

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of Subordinate Voting Shares and Multiple Voting Shares, without preference or distinction, will be entitled to receive rateably all of our assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding preferred shares.

Subdivision, Consolidation and Issuance of Rights

No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares may occur unless the shares of both classes are concurrently subdivided or consolidated and in the same manner and proportion. Other than as described in this Annual Information Form, no new rights to acquire additional shares or other securities or property of ours will be issued to holders of Subordinate Voting Shares or Multiple Voting Shares unless the same rights are concurrently issued to the holders of shares of both classes.

Certain Amendments

In addition to any other voting right or power to which the holders of Subordinate Voting Shares shall be entitled by law or regulation or other provisions of our Articles from time to time in effect, but subject to the provisions of our Articles, holders of Subordinate Voting Shares shall be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of our Articles which would adversely affect the rights of the holders of Subordinate Voting Shares or affect the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, including an amendment to the terms of our Articles that provides that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares, see “Conversion”.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the CBCA, unless different treatment of the shares of each such class is

approved by a majority of the votes cast by the holders of Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Investor Rights Agreement

We are party to an investor rights agreement dated November 26, 2024 with the Principal Shareholders (the “**Investor Rights Agreement**”) that gives the Principal Shareholders certain shareholder rights and other rights, including director nomination rights, demand registration rights, piggy-back registration rights and information rights. The Investors Rights Agreement is available on SEDAR+ at www.sedarplus.ca.

Issuance of Additional Multiple Voting Shares

Subject to the Rights to Subscribe provided to the Principal Shareholders described under Investor Rights Agreement, we may not issue additional Multiple Voting Shares without the approval of at least two-thirds of the votes cast at a meeting of the holders of Subordinate Voting Shares duly held for that purpose. However, approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Subordinate Voting Shares and the Multiple Voting Shares or the issuance of Multiple Voting Shares upon the exercise of the Rights to Subscribe.

Any further issuances of Subordinate Voting Shares or Multiple Voting Shares will result in immediate dilution to existing shareholders and may have an adverse effect on the value of their shareholdings.

Take-over Bid Protection

Under applicable securities laws in Canada, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the Toronto Stock Exchange (the “**TSX**”) designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, on November 26, 2024, the Principal Shareholders entered into a customary coattail agreement with us and a trustee (the “**Coattail Agreement**”). The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable securities laws in Canada to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by the Principal Shareholders or their Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- offers a price per Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Multiple Voting Shares;
- provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and
- is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares by the Principal Shareholders (or other Permitted Holder) to Permitted Holders (including to any Principal Shareholder),

provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of Multiple Voting Shares into Subordinate Voting Shares, whether or not such Subordinate Voting Shares are subsequently sold, would not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement will be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on us or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may reasonably require. No holder of Subordinate Voting Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of Subordinate Voting Shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held by the holders of Multiple Voting Shares or their affiliates and related parties and any person who has an agreement to purchase Multiple Voting Shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

The Board may issue the preferred shares at any time and from time to time in one or more series. Before the first shares of a particular series are issued, the Board may fix the number of shares in such series and shall determine the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series including, without limitation, the rate(s), amount(s) or method(s) of calculation of preferential dividends, whether cumulative or non-cumulative or partially cumulative and whether such rate(s), amount(s) or method(s) of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the date(s) and place(s) of payment of dividends and the date(s) from which such preferential dividends shall accrue, the consideration and terms and conditions of any purchase for cancellation, redemption or retraction rights (if any), the conversion or exchange rights (if any), the voting rights (if any), and the terms and conditions of any sinking fund or share purchase plan. Before the issue of the first shares of a series, the Board shall send to the Director (as such term is defined in the CBCA) articles of amendment in the prescribed form containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the directors.

No rights, privileges, restrictions or conditions attached to a series of preferred shares shall confer upon a series a priority in respect of dividends or return of capital over any other series of preferred shares then outstanding.

If any cumulative dividends, whether or not declared, or declared non-cumulative dividends, or amounts payable on a return of capital in respect of preferred shares are not paid in full, the preferred shares of all series shall participate rateably in respect of such dividends, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims to dividends and return of capital, the claims of the holders of the preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

In the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, the holders of preferred shares will be entitled to preference with respect to distribution of our property or assets over the Subordinate Voting Shares and the Multiple Voting Shares and any other of our shares ranking junior to the preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the preferred shares. We currently anticipate that there will be no pre-emptive, subscription, redemption or conversion rights attaching to any series of preferred shares issued from time to time.

Advance Notice Provisions

Our by-laws include certain advance notice provisions with respect to the election of our directors (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting is called is the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director is required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (which includes an annual and special meeting), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the date (the “**Special Meeting Notice Date**”) on which the first public announcement of the date of the special meeting of shareholders is made, and (iii) where notice-and-access (as defined in Regulation 54-101 *respecting Communication with Beneficial Owners of Securities of a Reporting Issuer*) is available and used for delivery of proxy-related materials in connection with a meeting described in clause (i) or (ii), not later than the close of business on the 40th day prior to the meeting date (unless the meeting is to be held on a date that is less than 50 days after the Notice Date or the Special Meeting Notice Date, as applicable, in which case the nominating Shareholder must provide us notice not later than the close of business on the 10th day following the Notice Date in the case of a meeting described in clause (i), and not later than the close of business on the 15th day following the Special Meeting Notice Date in the case of a meeting described in clause (ii)).

Forum Selection Provisions

We have included a forum selection provision in our by-laws that provides that, unless we consent in writing to the selection of an alternative forum, the Court (Superior Court of Québec) and appellate Courts of the Province of Québec, will be the sole and exclusive forum for (i) any derivative action or proceeding brought

on our behalf, (ii) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us, (iii) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our Articles or by-laws, or (iv) any action or proceeding asserting a claim otherwise related to our “affairs” (as defined in the CBCA). Our forum selection provision also provides that our shareholders are deemed to have consented to personal jurisdiction in the Province of Québec and to service of process on their counsel in any foreign action initiated in violation of our by-laws.

Majority Voting

While we do not have a “Majority Voting” policy, we are subject to the provisions of section 106(3.4) of the CBCA, which came into effect on August 31, 2022. Section 106(3.4) of the CBCA provides that if, at a meeting of shareholders of a corporation at which an election of directors is required, there is only one candidate nominated for each position available on the Board (an “**Uncontested Meeting**”), each candidate is elected only if the number of votes cast in their favour represents a majority of the votes cast for and against them by the shareholders who are present in person or represented by proxy. If an incumbent director who was a candidate in an election held in an Uncontested Meeting was not elected during the election, the director may continue in office until the earlier of: (i) the 90th day after the day of the election; and (ii) the day on which the director’s successor is appointed or elected.

DIVIDEND POLICY

We currently intend to retain any future earnings, or at a minimum, the large majority of such future earnings to fund the development and growth of our business. However, in due course, we intend to declare and pay dividends. No specific timing has been established and any determination to pay dividends in the future will be at the discretion of our Board and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, including those under the Credit Agreement, solvency tests imposed by applicable corporate law and other factors that our Board may deem relevant. Currently, the provisions of the Credit Agreement place certain limitations surrounding the payment of dividends.

We also plan to return capital to shareholders in the near term through our NCIB while maintaining a solid balance sheet. With the belief that the market price of the Subordinate Voting Shares may from time to time not reflect the underlying value of the Subordinate Voting Shares, the Board of Directors approved, on April 14, 2025, the implementation of a NCIB which is expected to commence on or about April 17, 2025.

MARKET FOR SECURITIES

The Subordinate Voting Shares are listed on the TSX and are traded under the symbol “GRGD”. The high and low reported trading price and volumes of Subordinate Voting Shares on the TSX from November 26, 2024, the date of closing of our IPO, to February 1, 2025 were as follows:

Months	High	Low	Total monthly Volume
November 2024.....	20.90	19.80	1,401,902
December 2024.....	21.48	19.02	1,867,332
January 2025.....	19.51	16.08	749,244

In connection with the IPO and the Pre-IPO Reorganization, our Class “A” shares have been redesignated as Multiple Voting Shares on the basis of 4.249 Class “A” shares per Multiple Voting Shares, and our Class “G” shares, having at the time an aggregate redemption value equal to approximately \$500,000, have been redesignated for such number of Multiple Voting Shares as is equal to the aggregate redemption value divided by the IPO Price, such that on November 26, 2024 there were 91,144,732 Multiple Voting Shares issued and outstanding.

SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table reflects securities of the Company that are subject to a contractual restriction on transfer:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer ⁽¹⁾	Percentage of Class ⁽²⁾
Subordinate Voting Shares	471,471	3.1%
Multiple Voting Shares	92,615,622	100%

Notes:

- (1) Represent the Subordinate Voting Shares and the Multiple Voting Shares which are subject to a Lock-up Agreement (as defined below) pursuant to which they shall not be sold or otherwise disposed of until May 25, 2025.
- (2) These percentages are calculated based on the numbers of outstanding Subordinate Voting Shares and Multiple Voting Shares as at February 1, 2025.

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The Board consists of eight members. The following table sets out the name, residence and position of each person that is a member of our Board. Additional biographical information for each individual is provided below under "Biographical Information Regarding our Directors and Executive Officers".

Name, Province or State and Country of Residence	Position/Title⁽¹⁾	Director Since
Andrew Lutfy <i>Québec, Canada</i>	Director, Chair of the Board and Chief Executive Officer	February 3, 2019
Chris Arsenault ⁽³⁾⁽⁴⁾⁽⁵⁾ <i>Québec, Canada</i>	Lead Director	June 28, 2019
Marie-Josée Lamothe ⁽²⁾⁽⁴⁾⁽⁵⁾ <i>Québec, Canada</i>	Director	November 16, 2023
Andy Janowski ⁽²⁾⁽³⁾⁽⁵⁾ <i>California, United States</i>	Director	June 28, 2019
Peter Iliopoulos <i>Québec, Canada</i>	Director	September 3, 2024
Linda Drysdale ⁽²⁾⁽⁵⁾ <i>Ontario, Canada</i>	Director	September 23, 2024
Angelic Vendette ⁽⁴⁾⁽⁵⁾ <i>California, United States</i>	Director	October 16, 2024
Hollie S. Castro ⁽³⁾⁽⁵⁾ <i>Texas, United States</i>	Director	November 1, 2024

Notes:

- (1) All directors hold office for a term expiring at the close of the next annual meeting of shareholders or until their respective successors are elected or appointed.
- (2) Member of the Audit Committee.
- (3) Member of the Human Resources and Compensation Committee.
- (4) Member of the Nominating and Governance Committee.
- (5) Independent director for the purposes of Regulation 58-101 respecting *Disclosure of Corporate Governance Practices* ("Regulation 58-101") of the Canadian Securities Administrators. See "Director Independence".

Executive Officers

The following table sets out the name, residence and position of each of our executive officers. Additional biographical information for each individual is provided below under “Biographical Information Regarding our Directors and Executive Officers”.

Name, Province or State and Country of Residence	Position/Title with the Company
Andrew Lutfy <i>Québec, Canada</i>	Chair and Chief Executive Officer
Stacie Beaver <i>Québec, Canada</i>	President and Chief Operating Officer
Jean-Philippe D. Lachance <i>Québec, Canada</i>	Chief Financial Officer
Dave Stevens <i>Ontario, Canada</i>	Chief Technology Officer
Maxime Boyer <i>Québec, Canada</i>	Chief Digital Officer
Sarah Paula Brami <i>Québec, Canada</i>	Senior Vice President, Talent & Culture
Michael Olson <i>Québec, Canada</i>	Senior Vice President, Commercial Operations
Christian Roy <i>Québec, Canada</i>	Vice President, Legal Affairs and Corporate Secretary

Biographical Information Regarding our Directors and Executive Officers

The following are brief profiles of the directors and executive officers of the Company, including a description of each individual's principal occupation within the past five years.

Andrew Lutfy – Chair of the Board and Chief Executive Officer

Known as a results oriented entrepreneur and visionary leader in the world of fashion, hospitality, and real estate... Andrew Lutfy's story is nothing less than remarkable. From humble beginnings as a stockroom clerk at the age of 18 in the first Garage store in east end Montreal, Andrew's results oriented, “value led” leadership style is synonymous through all his well earned achievements. Today GDI not only thrives in Canada but throughout the USA which has been the main driver of profitable growth over the past 10 years. The same customer obsession which is at the heart of Garage and Dynamite's success is also found in his real estate development and management company CarbonLeo, founded in 2012. The recognized Four Seasons Montréal Hotel and Residences, and newly opened ROYALMOUNT, are wonderful examples redefining a more youthful magnetic luxury lifestyle. In addition to his many accolades, Andrew's unwavering commitment to excellence was acknowledged in 2007 when he received the Entrepreneur of the Year award from Ernst & Young. In 2016, he was awarded the distinguished Canadian Retailer of the Year Award for his leadership, and his ability to embrace change in today's retail landscape. Also, Andrew's personal mission is to build strong communities that can thrive and grow beyond the walls

of his businesses. He continues to raise awareness and resources for both Centraide and the Cedars Cancer Institute, with efforts which have resulted in generating over millions of dollars for both institutions.

Chris Arsenault – *Lead Director, Chair of the Nominating and Governance Committee and Member of the Human Resources and Compensation Committee*

Chris Arsenault has built extensive management experience in high-tech industries, where he has honed his skills in business development, strategic planning, venture growth, and scaling operations. As the co-founder, President, and Chief Executive Officer of Inovia Capital, Mr. Arsenault has played a pivotal role in the company's success. He also serves as a director for AppDirect, Super.com, Talent.com, and Plenty. Previously, Mr. Arsenault has held directorships at Lightspeed, Poka, Luxury Retreats, Forum AI Québec, Reflex Photonics, and Well.ca. In addition to his corporate roles, Mr. Arsenault is a board member of the Montréal Heart Institute Foundation and a Charter Member of Silicon Valley-based The C100.

Marie-Josée Lamothe – *Director, Member of the Audit Committee and Member of the Nominating and Governance Committee*

Marie-Josée Lamothe has over 25 years of experience in the competitive digital and consumer products world (Google, L'Oréal, Procter & Gamble). She is best noted for her expertise in Digital Transformation and Global Branding. Since 2018, she is the President of Tandem International and works closely with VCs as an advisory partner to their portfolio of small/medium enterprises. She serves on the board of Alimentation Couche-Tard, where she is a member of the Audit Committee, and on the board of RioCan Real Estate Investment Trust as a member of the Investment Committee and the Nominating, Environmental, Social, and Governance Committee. Ms. Lamothe is also a Professor of Practice at McGill University (Desautels Faculty of Management) and administers McGill's Dobson Centre for Entrepreneurship, whose mission is to transform the University's innovation into viable startups. From 2014 to 2018, she acted as Managing Director at Google Canada, overseeing go-to-market practices for 14 industries. She also held several executive positions at L'Oréal between 2002 and 2014, from International Marketing Director in France to Chief Marketing Officer and Chief Corporate Communications Officer in Canada. Ms. Lamothe has recently earned Triple E Award recognition for her entrepreneurship and Engagement Excellence in higher education. She was awarded the Desautels Achievement Award by McGill University, which recognizes individuals who serve as role models for students in their education, careers, and philanthropic contributions. She received an honorary degree from the University of Montréal for her contribution to the advancement of our society. The Boardlist named her among the Top 10 Women in Technology in Canada. She was also recognized among Canada's Top 100 Most Influential Women in the Financial Post and Canada's Marketer of the Year by Strategy Magazine. Forbes and Social Media Magazines (US) recognized her among the top marketing minds in Canada and North America, and Canadian Business Magazine nominated her among Canada's Global Leaders. Ms. Lamothe is a graduate of Mathematics and Economics with honors from the University of Montréal and INSEAD's L'Oréal's Executive Management Program, with program certifications from MIT Sloan and MIT CSAIL: Artificial Intelligence Implications for Business Strategy (2020), from Saïd Business School at Oxford University in Cybersecurity for Business Leaders (2021), and NASBA (National Association of State Boards of Accountancy) in Assessing Cybersecurity Risks (2021). In 2023, she earned a Professional Designation in regulatory standards of environmental, social, and governance (ESG): GCB.D.

Andy Janowski – Director, Member of the Audit Committee and Member of the Human Resources and Compensation Committee

Andy Janowski brings a wealth of experience in the fashion industry. He currently serves as a board member at TechStyle Fashion Group. His extensive career includes roles such as Chief Executive Officer of J. Hilburn, Chief Executive Officer of Smythson, and Chief Operations Officer at Burberry. Additionally, Mr. Janowski has served as Vice President at Gap, and has served as Chairman of the Board at both J. Hilburn and Zachary Prell. He has also been a director on the board at Escada. Mr. Janowski holds a Bachelor of Arts degree from Michigan State University.

Peter Iliopoulos – Director

Peter Iliopoulos serves as the President of The Andrew Lutfy Family Office division of 3752372 Canada Inc., an affiliate of the Company under common control of Mr. Lutfy. In this capacity, Mr. Iliopoulos is responsible for complete oversight over the family office's investment portfolio including financial performance, tax and estate planning, risk management and overall governance. Prior to this role, Mr. Iliopoulos held the position of Senior Vice President, Taxation, Sustainability and Governmental Affairs at Gildan Activewear Inc. (TSX: GIL), where he dedicated over 22 years of service. During his tenure at Gildan, Mr. Iliopoulos was responsible for a number of functional areas including taxation, customs, duties and international trade, governmental affairs, ESG, enterprise risk management, corporate communications and human resources. In 2024, Mr. Iliopoulos was a recipient of the Canada Clean50 Award, demonstrating his leadership in sustainability. Prior to joining Gildan, Mr. Iliopoulos held positions as head of taxation for a public manufacturing company and a mutual fund company. He started his professional career at KPMG where he worked in the audit and tax departments. Mr. Iliopoulos has previously served the board of directors of the National Council of Textile Organizations in the United States as well as the Sustainable Apparel Coalition (now known as Cascale) where he also chaired the Audit and Finance Committee of that Board. He holds a Bachelor of Commerce degree and a Graduate Diploma in Public Accountancy from McGill University. Additionally, Mr. Iliopoulos earned his Chartered Professional Accountant designation from the Québec Order of Chartered Professional Accountants in 1995.

Linda Drysdale – Director and Chair of the Audit Committee

Linda Drysdale is the Chief Financial Officer of Pet Valu (TSX: PET), the largest pet specialty retailer in Canada. Prior to joining as CFO, Ms. Drysdale served on the Pet Valu Board of Directors and as Chair of the Audit Committee. Previously, she served as Chief Financial Officer of Interac Corp., Canada's leading payment services provider, and Canadian Tire Bank. Ms. Drysdale has held senior executive roles in finance and internal audit with Canadian Tire and BCE, including serving as the lead audit executive of Canadian Tire. Earlier in her career, she was the national leader of PwC's privacy services practice and a founding member of Deloitte & Touche's Enterprise Risk Management Services practice, as well as the deputy leader of the U.K. risk management practice. Ms. Drysdale has over 25 years of extensive knowledge in finance, risk management, audit and retail, and over 15 years of experience working closely with boards of directors and board audit committees. Ms. Drysdale holds a Bachelor of Arts in Economics from the University of Waterloo and a Graduate Diploma in Accounting from Wilfrid Laurier University. Ms. Drysdale is a Chartered Professional Accountant.

Angelic Vendette – Director and Member of the Nominating and Governance Committee

Angelic Vendette has over 20 years of experience in the retail industry, specializing in marketing, branding, and digital innovation. She has held leadership roles at Sephora, Farfetch, Holt Renfrew, Alo Yoga, and Stitch Fix, where she has led brand-building initiatives, developed transformative consumer experiences, and driven strategic growth across e-commerce, brick-and-mortar, and omnichannel retail. Ms. Vendette has been recognized as one of Vogue Business 100 Innovators and Forbes 50 Most Entrepreneurial CMOs, as well as by Business Insider, Glossy, and Adweek for her contributions to the Fashion and Marketing industries. She holds a Bachelor of Business Administration and a Master of Business Administration from Université Laval. In addition to her executive experience, she is an active investor and serves as a board member and advisor to companies shaping the future of retail and consumer engagement.

Hollie S. Castro – Director and Chair of the Human Resources and Compensation Committee

Hollie S. Castro has over 25 years of experience driving shareholder value through strategic growth and transformation at global companies. A five-time Chief Human Resources Officer across technology, consumer, and energy sectors, Ms. Castro has overseen talent investment ROI, governance, and has shaped organizational culture. Her expertise spans IPOs, public-to-private transitions, global expansion, mergers, acquisitions, divestitures, and cultural evolution. From 2022 until early 2024, Ms. Castro served as Chief People Officer at Miro, a SaaS and AI-powered collaboration platform. Prior to that, she was Chief Human Resources Officer and SVP of ESG at YETI for over four years. She also led Castro Consulting Group from 2015 to 2018, advising executives at startups and Fortune 500 companies. Her earlier roles include Executive Vice President at Kony, SVP of Administration at BMC Software, and SVP of Corporate Services at Talisman Energy in Calgary, with her foundational experience including positions at General Electric and Cisco Systems. Ms. Castro serves on the Advisory Board for Woba.io, an AI-driven HR platform based in Copenhagen that helps companies predict and prevent critical workplace challenges. She also sits on the Advisory Board for Texas A&M's Mays School of Business Center for Human Resources and serves as the Co-Chair for the National Association of Corporate Directors' Austin Chapter. She holds a B.A. in Interpreting Italian and French from Marlboro College and an M.B.A. in International Management from Thunderbird. She is Board-certified by both Stanford University and the National Association of Corporate Directors and has lived and worked in five countries, speaking Italian, Portuguese, French, Spanish, and English. Ms. Castro currently advises Boards and the CSuite on human capital matters through her advisory firm, HC Advice.

Stacie Beaver – President and Chief Operating Officer

Stacie Beaver serves as our President and Chief Operating Officer, leading the Company's daily operations since April 2024. Previously, she served as Chief Customer Officer and Executive Vice President, overseeing marketing, customer insights, brick-and-mortar and digital operations, design and merchandising. With over 16 years of leadership experience at Abercrombie & Fitch, including roles as Group Vice President, Women's Merchandising, she brings extensive expertise in product design, merchandising, and brand development across global markets. Ms. Beaver's career is marked by her ability to drive customer-focused innovation and operational excellence. Ms. Beaver has approximately 30 years of retail and other relevant experience. She holds a Bachelor of Science degree in Retail Management from Purdue University.

Jean-Philippe D. Lachance – Chief Financial Officer

Jean-Philippe D. Lachance serves as our Chief Financial Officer, responsible for all finance functions including financial planning and analysis, financial reporting, treasury, internal controls, investor relations, indirect procurement and tax, as well as overseeing the ESG and real estate functions. Prior to joining Groupe Dynamite where he orchestrated the IPO, Mr. Lachance held the position of Vice President of Investor Relations, Treasury, and FP&A at Alimentation Couche-Tard, where he oversaw the company's treasury strategy and operations, optimized its capital structure and allocation activities, and developed the organization's investor relations strategy, engaging with institutional investors and research analysts. Prior to that, he held a similar role as Vice President of Corporate Finance and Treasurer at Dollarama. Mr. Lachance has approximately 15 years of retail and other relevant experience. Mr. Lachance also sits on the Board of Directors of the *Conseil québécois du commerce de détail* and was recognized by Brendan Wood International as a Top Gun Investor Relations Officer in 2023. Mr. Lachance holds a Bachelor of Business Administration degree in Corporate Finance from HEC Montréal and a CFA designation.

Dave Stevens – Chief Technology Officer

Dave Stevens serves as our Chief Technology Officer, overseeing all aspects of technology, data, cyber security and artificial intelligence engineering. Mr. Stevens joined us in 2022, bringing extensive experience from his previous roles as Senior Vice President of Global Technology at Spin Master and Vice President of Innovation and Chief Information Officer at Munich Re Canada. Mr. Stevens has approximately 32 years of retail and other relevant experience. He holds a Bachelor of Applied Arts degree from Toronto Metropolitan University.

Maxime Boyer – Chief Digital Officer

Maxime Boyer serves as our Chief Digital Officer, overseeing all digital strategy and execution across product management, ecommerce operations, performance marketing, and brand marketing. Mr. Boyer joined us in 2023, bringing with him a vast amount of experience in ecommerce, data, and luxury from his previous role as Executive Vice President of Growth at SSENSE where he led growth for 9 years while reporting to the chief executive officer. For the last five years, Mr. Boyer has also been a member of the advisory committee of SPI Health & Safety, a Canadian retail leader in worker protection solutions. Mr. Boyer has approximately 17 years of retail and other relevant experience. He holds a Bachelor of Engineering degree with high honors from *École Polytechnique de Montréal* and a Master of Business Administration degree with high honors from Carnegie Mellon University.

Sarah Paula Bami – Senior Vice President, Talent & Culture

Sarah Paula Bami serves as our Senior Vice President, Talent & Culture. She joined Groupe Dynamite in 2010 to manage the talent team and has progressively taken on other human resources functions such as the internal communications and corporate events function, human resources business partnering, and learning and development. In 2018, when she took on the role of Vice President, Talent & Culture, compensation and benefits was added to her portfolio. Ms. Bami has approximately 28 years of retail and other relevant experience. She graduated with a Bachelor and Masters in Psychology from the University of Montréal.

Michael Olson – Senior Vice President, Commercial Operations

Michael Olson serves as our Senior Vice President, Commercial Operations, overseeing the brands' commercial strategies to drive revenue growth and profitability. With over 20 years of retail experience in Merchandise Planning, Allocation, Assortment Planning, and Buying, Mr. Olson has led global change initiatives at Abercrombie & Fitch, Claire's Boutique as Global VP of Planning & Allocation, and most recently at Pimkie as Chief Merchandising Officer. Mr. Olson has approximately 30 years of retail and other relevant experience. He holds a Bachelor of Business Administration degree from the University of Michigan Business School.

Christian Roy – Vice President, Legal Affairs and Corporate Secretary

Christian Roy serves as our Vice President, Legal Affairs and Corporate Secretary, overseeing all legal, regulatory, and compliance matters. With nearly 20 years of dedicated service at Groupe Dynamite, Mr. Roy brings a richness of experience and expertise to his role. Prior to being with the Company, Mr. Roy was Director of Legal Affairs and Assistant Secretary of a publicly traded company listed on the TSX, and prior to that he worked 10 years in private practice mainly in M&A, intellectual property and corporate law matters. Mr. Roy has approximately 33 years of retail and other relevant experience. He holds a Bachelor of Laws degree from the University of Montréal.

Non-Executive Senior Management Team

The following sets forth the biographies for our non-executive senior management team:

Jacee Scoular – Vice President Marketing

Ms. Scoular is currently the Vice President, Marketing at Groupe Dynamite, a position she has held since 2023. Prior to this role, she has worked in brand marketing at Hollister Co., Victoria's Secret, and Abercrombie & Fitch. Ms. Scoular has approximately 18 years of retail and other relevant experience. She holds a Bachelor's of Arts, Journalism and Communications from Ohio University.

Romina Kolodziejska – Vice President Real Estate

Ms. Kolodziejska is currently the Vice President, Real Estate at Groupe Dynamite, a position she has held since 2021. Prior to this role, she was the Director of Real Estate at Gap Inc., a position she held from 2019 until 2021. From 2017 to 2021, Ms. Kolodziejska expanded Old Navy's presence in Canada to more than 100 store locations. Ms. Kolodziejska has approximately 12 years of retail and other relevant experience. Ms. Kolodziejska holds a Bachelor's Degree in Geography from University of Guelph and has completed Pluma Executive Training in 2020 and 2021. She is a member, Co-Chair and Volunteer with ICSC and has been nominated for Outstanding Young Leader awards with the Real Estate Forum in 2020 and 2021 along with a nomination in 2022 for the under 40 award in North America.

Martin St-Pierre – Vice President Global Logistics

Mr. St-Pierre is currently the Vice President, Global Logistics at Groupe Dynamite, a position he has held since 2022. Prior to this role, he was Sr. Director Logistics & Vice President, Supply Chain at Sephora Canada, a position he held for nearly a decade starting in July 2012. Mr. St-Pierre has approximately 30 years of retail and other relevant experience. Mr. St-Pierre holds a Bachelor of Commerce degree from Concordia University.

Pina Borsellino – Vice President Sourcing

Ms. Borsellino is currently the Vice President, Sourcing at Groupe Dynamite. Ms. Borsellino joined Groupe Dynamite in 2016 and has served in increasingly senior capacities within the organization, including Senior Director Sourcing and Sourcing Manager. Ms. Borsellino has approximately 20 years of retail and other relevant experience. She has a Professional Certificate of Fashion Marketing from LaSalle College.

Mary-Ann Vitale – Vice President Merchandising

Ms. Vitale is currently the Vice President, Merchandising at Groupe Dynamite, a position she has held since 2021. Her career at Groupe Dynamite began as Director, Merchandising in 2002, a role she held for a cumulative 13 years. In addition to her experience at Groupe Dynamite, Ms. Vitale also served as Director, Merchandising at Reitmans Canada Ltd. from 2012 to 2018. Ms. Vitale has approximately 27 years of retail and other relevant experience. She holds a Professional Certificate in Fashion Marketing from LaSalle College.

Corporate Cease Trade Orders

None of the directors or executive officers of the Company is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

Except in connection with the CCAA Proceedings and other than as disclosed below, none of the directors or executive officers of the Company, nor, to the best of the Company’s knowledge, any other shareholder holding a sufficient number of securities to affect materially the control of the Company, is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, (a) a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or (b) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Ms. Lamothe was a director of Reitmans (Canada) Limited (“**Reitmans**”) until August 30, 2019 as well as a director of Aldo Group Inc., (“**Aldo**”) until December 31, 2019. In 2020, given the impact of COVID-19 on the retail industry, Reitmans and Aldo sought protection from their creditors under the CCAA on May 19, 2020 and May 6, 2020, respectively. On January 4, 2022, Reitmans obtained a sanction order from the Superior Court of Québec for the distribution of a settlement amount to Reitmans’ creditors.

Penalties or Sanctions

None of the directors or executive officers of the Company, nor, to the best of the Company's knowledge, any other shareholder holding a sufficient number of securities to affect materially control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Our Board believes that given its size and structure, including the fact that it has a Lead Director and that a majority of its directors are independent, it is able to facilitate independent judgment in carrying out its responsibilities and will continue to do so for the foreseeable future. To enhance such independent judgment, the independent members of the Board hold in-camera meetings with members of management and the non-independent directors not in attendance, as part of regularly scheduled Board meetings. Open and candid discussion among the independent directors is facilitated by the relatively small size of the Board and great weight is attributed to the views and opinions of the independent directors.

Our Board has not appointed an independent Chair; however, Chris Arsenault has been appointed as Lead Director by our Board and is responsible for ensuring that the directors who are independent of management have opportunities to meet without management present, as required. The Lead Director shall be appointed and replaced from time to time by the Board. Discussions are led by the Lead Director who provides feedback subsequently to the Chair.

A director who has a material interest in a matter before our Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, such director may be required to recuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors are also required to comply with the relevant provisions of the CBCA regarding conflicts of interest.

Ownership Interests

Our directors and executive officers, as a group own, control or direct, directly or indirectly, (i) 85.7% of our issued and outstanding Shares and (ii) 98.4% of the voting power attached to all of the issued and outstanding Shares.

AUDIT COMMITTEE

Our Audit Committee is charged with reviewing, overseeing and evaluating our financial controls and reporting. Our Audit Committee consists of a minimum of three directors. The members of the Audit Committee are appointed by our Board, having considered the recommendation of the Nominating and Governance Committee. Our Audit Committee members must all be independent and financially literate within the meaning of Regulation 52-110. Our Audit Committee currently comprises Linda Drysdale (Chair), Marie-Josée Lamothe and Andy Janowski. Each of our Audit Committee members has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. For additional details regarding the relevant education and experience of each member of our Audit Committee, see "Directors and Executive Officers — Biographical Information Regarding our Directors and Executive Officers".

Our Board has adopted a formal charter in the form set forth in Schedule A, setting forth the purpose, composition, authority and responsibility of our Audit Committee, consistent with Regulation 52-110. The Audit Committee assists our Board in fulfilling its oversight of, among others:

- the integrity of the Company's accounting and financial reporting systems, including those used in connection with the preparation of its financial statements, budgets and forecasts;
- the adequacy of the Company's internal controls over financial reporting and disclosure controls and procedures;
- the Company's compliance with legal and regulatory requirements;
- the external auditor's independence, qualifications and performance;
- approving and monitoring the Company's insider trading policy;
- the work of the external auditor; and
- the Company's strategy and initiatives relating to environmental, social, and corporate governance matters that are significant to the Company, including monitoring and reporting to the Board on emerging trends, risks, or issues relating to relevant environmental, social, and corporate governance matters and reviewing the Company's public disclosure with respect to environmental, social, and corporate governance matters.

The Audit Committee may also perform any other activities consistent with the Audit Committee's charter or specifically assigned to the Audit Committee by the Board.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditors and management of the Company. The Audit Committee is given full access to the Company's management and records and external and internal auditors as necessary to carry out these responsibilities. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company provides appropriate funding and will continue to do so in the foreseeable future, as determined by the Audit Committee, for ordinary administrative expenses necessary or appropriate in carrying out the Audit Committee's duties or for the payment of compensation to the external auditors or any other independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

EXTERNAL AUDITORS SERVICE FEES

For Fiscal 2024 and Fiscal 2023, we incurred the following fees by our external auditor, Deloitte LLP:

	Fiscal 2024	Fiscal 2023
Audit fees ⁽¹⁾	\$1,481,917	\$475,990
Audit-related fees ⁽²⁾	\$1,671,531	-
Tax fees ⁽³⁾	\$311,438	\$605,423
All other fees ⁽⁴⁾	\$400,517	\$137,268
Total	\$3,865,403	\$1,218,681

Notes:

- (1) Audit fees include the audit of the Fiscal 2024 year-end financial statements as well as the audit of the Fiscal 2023 year-end financial statements included in the prospectus related to the IPO.
- (2) Fees for audit-related services not included in audit fees above. Fees include an IFRS assurance engagement related to the IPO.
- (3) Tax fees related to tax compliance, tax advice and tax planning services. The tax fees for Fiscal 2024 and 2023 included services rendered by Deloitte LLP in connection with, among other things, the following matters: preparation of tax returns (including US employee tax returns), transfer pricing studies, incentive compensation analyses and reorganization matters.
- (4) Other than the services reported under "Audit fees", "Audit-related fees" and "Tax fees".

PROMOTER

For purposes of the IPO, Mr. Andrew Lutfy may be considered a promoter of the Company within the meaning of applicable securities legislation. Mr. Andrew Lutfy, directly or indirectly, owns or controls all of the issued and outstanding Multiple Voting Shares, representing approximately 85.7% of the issued and outstanding Shares and approximately 98.4% of the voting power attached to all of our Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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

There have been no penalties or sanctions imposed against GDI by a court related to securities legislation or by a securities regulatory authority during Fiscal 2024 and there have been no other penalties or sanctions imposed by a court or regulatory body against GDI that would likely be considered important to a reasonable investor in making an investment decision. GDI has not entered into any settlement agreement before a court related to securities legislation or with a securities regulatory authority during Fiscal 2024.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in the Annual Information Form and as noted below, there are no material interests, direct or indirect, of any of our directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of the aggregate votes attached to the Subordinate Voting Shares, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

The Company is party to a lease agreement with AJL 5550 Ferrier Inc. and with 4450329 Canada Inc. for its head office at 5540, 5550 and 5592 Rue Ferrier, Mont-Royal, Québec H4P 1M2, Canada. Regarding its retail operations, the Company is party to a lease agreement with 9224-2239 Québec Inc., 9224-1892 Québec Inc., 4240073 Canada Inc. and 9171-9922 Québec Inc. for the locations at Units L08E-2, L11C and S8L in the Quartier Dix30 shopping centre, Brossard, Québec, Canada, as well as to a lease agreement with Quartier Royalmount Limited Partnership for Units E207 and E209 in the Royalmount shopping centre, Mont-Royal, Québec, Canada.

MATERIAL CONTRACTS

The only material contracts entered into by the Company as of the date of this Annual Information Form or before such time that are still in effect, other than material contracts entered into in the ordinary course of business, are the Investor Rights Agreement and the Coattail Agreement (described above under "Description of the Capital Structure – Take-over Bid Protection"). Copies of the foregoing documents are available on SEDAR+ at www.sedarplus.ca. Investors are encouraged to read the full text of such material agreements.

Investor Rights Agreement

The following is a summary of the material terms of the Investor Rights Agreement; this summary is qualified in its entirety by reference to the provisions of the agreement, which is available on SEDAR+ at www.sedarplus.ca.

Board of Directors

The Principal Shareholders were initially entitled to nominate for election a majority of the members of the Board and will continue to be entitled to nominate for election a majority of directors for so long as they hold in the aggregate more than 50% of combined voting power of our issued and outstanding Shares (on a non-diluted basis). If the Principal Shareholders cease to hold in the aggregate more than 50% of combined voting power of our issued and outstanding Shares (on a non-diluted basis), the Principal Shareholders shall be entitled to nominate for election to the Board such number of directors (rounded up to the nearest whole) that is proportionate to the combined voting power of our issued and outstanding Shares (on a non-diluted basis) held by the Principal Shareholders. The nomination rights of the Principal Shareholders will terminate at the time at which they hold less than 10% of the combined voting power of our issued and outstanding Shares.

Chair of our Board and Committees

For so long as Andrew Lutfy is a director, he is entitled to be the chair (the “**Chair**”) of our Board. Notwithstanding the foregoing, Andrew Lutfy will be entitled to resign as the Chair at any time. Upon Andrew Lutfy ceasing to be a director, or in the event that Andrew Lutfy does not wish to be the Chair, then the Chair shall be appointed by our Board.

Information Rights

The Principal Shareholders shall be entitled to certain information rights, such as the right to have reasonable access to the books, records, material contracts, properties, employees and management of the Company during normal business hours and the right to receive from the Company monthly reports (including financial statements and management financial accounts) with respect to the business, operations and financial performance of the Company.

Pre-Emptive Rights

In the event of any distribution or issuance, including by way of a share dividend (a “**Distribution**”) of our voting shares (other than Multiple Voting Shares, Subordinate Voting Shares issued upon the conversion of Multiple Voting Shares or voting shares issued pursuant to the exercise of a right attached to any of our securities issued prior to the Distribution) (the “**Voting Shares**”) or of our securities convertible or exchangeable into Voting Shares or giving the right to acquire Voting Shares (other than options or other securities issued under compensatory plans or other plans to purchase Voting Shares or any other securities in favour of our management, directors, employees or consultants) (the “**Convertible Securities**”) and, together with the Voting Shares, the “**Distributed Securities**”), we shall issue to the Principal Shareholders rights to subscribe for that number of Multiple Voting Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, *mutatis mutandis* (except for the ultimate underlying securities which shall be Multiple Voting Shares), as those stipulated in the Convertible Securities, that number of Multiple Voting Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully diluted basis) associated with the then outstanding Multiple Voting Shares (the “**Rights to Subscribe**”).

The Rights to Subscribe shall be issued to the Principal Shareholders in a proportion equal to their holdings of Multiple Voting Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the “**Subscription Securities**”) shall be issued and must be paid for concurrently with the completion of the Distribution and payment to us of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Subordinate Voting Shares, the price at which Subordinate Voting Shares are then being issued or distributed; (ii) if the Distributed Securities are Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are Voting Shares other than Subordinate Voting Shares, the higher of (a) the weighted average price of the transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be) for the 5 trading days preceding the Distribution of such Voting Shares or (b) the weighted average price of transactions on the Subordinate Voting Shares on the TSX (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such Voting Shares.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Multiple Voting Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Multiple Voting Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Multiple Voting Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.

The right to receive Rights to Subscribe as described above, and the legal or beneficial ownership of the Rights to Subscribe, may be assigned in whole or in part among Permitted Holders, provided that written notice of any such assignment shall be sent promptly to us.

Holders of Subordinate Voting Shares have no pre-emptive or subscription rights to purchase any of our securities. An issuance of participating (equity) securities will not be rendered invalid due to any failure by us to comply with the foregoing.

Demand Registration Rights and Piggy-Back Registration Rights

The Investor Rights Agreement provides for demand registration rights in favour of the Principal Shareholders that enables them, under certain circumstances, to require the Company to qualify by prospectus in Canada all or any portion of the shares held by them for a distribution to the public, provided that the Company is not be obliged to effect (i) more than 4 demand registrations in any 12-month period or (ii) any demand registration where the value of the shares offered under such demand registration is less than \$25 million.

The Investor Rights Agreement also provides for incidental or “piggy-back” registration rights allowing the Principal Shareholders to include their shares in certain public offerings of our Subordinate Voting Shares, subject to certain underwriters’ cutback rights.

As a result of the lock-up agreements entered into by each of the Company, the Selling Shareholders, the Principal Shareholders, our directors and executive officers, and certain other securityholders, with the underwriters of the IPO (the “**Lock-Up Agreement**”), the demand and incidental registration rights granted pursuant to the Investor Rights Agreement is not exercisable by the Principal Shareholders during a period of at least 180 days after the IPO without the prior written consent of each of Goldman Sachs Canada Inc. and BMO Nesbitt Burns Inc.

Term

The rights of the Principal Shareholders under the Investor Rights Agreement will terminate on the date after the first continuous 180-day period during which the Shares owned, directly or indirectly, in the aggregate, by the Principal Shareholders constitutes less than 5% of all of the issued and outstanding Shares (on a non-diluted basis). In addition, the Investor Rights Agreement will terminate on the earlier of: (a) the date on which the Investor Rights Agreement is terminated by written agreement of the Principal Shareholders and us; and (b) our dissolution or liquidation.

INTERESTS OF EXPERTS, TRANSFER AGENTS AND REGISTRARS

The Company's auditor is Deloitte LLP, whose office is located at La Tour Deloitte, 1190 Ave Des Canadiens-De-Montréal, Suite 500, Montréal, Québec H3B 0M7, Canada. Deloitte LLP is independent of the Company within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

The transfer agent and registrar for the Subordinate Voting Shares is Computershare Investor Services Inc. at its principal offices in the cities of Montréal, Québec and Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular for its next annual meeting of shareholders to be held on June 17, 2025.

Additional financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis for Fiscal 2024 available on SEDAR+ at www.sedarplus.ca.

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE OF GROUPE DYNAMITE INC.

1. PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

1.1 Purpose

The purpose of the audit committee (the “**Committee**”) of Groupe Dynamite Inc. (the “**Company**”) is to assist the board of directors of the Company (the “**Board**”) in its oversight of:

- (a) the integrity of the Company’s accounting and financial reporting systems, including those used in connection with the preparation of its financial statements, budgets and forecasts;
- (b) the adequacy of the Company’s internal controls over financial reporting and disclosure controls and procedures;
- (c) the Company’s compliance with legal and regulatory requirements;
- (d) the External Auditor’s independence, qualifications, and performance;
- (e) approving and monitoring the Company’s insider trading policy;
- (f) the work of the External Auditor and the performance of the Company’s internal controls function;
- (g) the Company’s strategy and initiatives relating to environmental, social, and corporate governance matters that are significant to the Company, including monitoring and reporting to the Board on emerging trends, risks, or issues relating to relevant environmental, social, and corporate governance matters and reviewing the Company’s public disclosure with respect to environmental, social, and corporate governance matters; and
- (h) performing any other activities consistent with this Charter or specifically assigned to the Committee by the Board.

1.2 Investor Rights Agreement

Certain aspects of the composition and organization of the Board and the committees of the Board are governed by investor rights agreements or similar agreements which may exist from time to time between the Company and certain of its shareholders (the “**Investor Rights Agreements**”). Certain of the provisions of this Charter may be modified or superseded by the provisions of the Investor Rights Agreements. In the event of a conflict between this Charter and the Investor Rights Agreements, the Investor Rights Agreements shall prevail.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) **"Chair"** means the Chair of the Committee;
- (b) **"Charter"** means this Charter, as amended from time to time;
- (c) **"CEO"** means the Chief Executive Officer of the Company;
- (d) **"Director"** means a member of the Board;
- (e) **"External Auditor"** means the accounting firm that serves as the Company's independent auditor;
- (f) **"Human Resources and Compensation Committee"** means the human resources and compensation committee of the Board;
- (g) **"Nominating and Governance Committee"** means the nominating and governance committee of the Board;
- (h) **"President"** means the President and Chief Operating Officer of the Company;
- (i) **"Shareholders"** means the shareholders of the Company; and
- (j) **"Stock Exchange"** means, at any time, the Toronto Stock Exchange, and any other stock exchange on which any securities of the Company are listed for trading at the applicable time.

2.2 Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with the articles and by-laws of the Company, the *Canada Business Corporations Act*, and any other applicable legislation.

3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE

3.1 Establishment of the Audit Committee

The Committee is hereby established with the constitution, function and responsibilities set forth herein.

3.2 Appointment and Removal of Members of the Committee

- (a) **Appointment of Members.** The members of the Committee shall be appointed by the Board, having considered the recommendation of the Nominating and Governance Committee.
- (b) **Annual Appointments.** The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

- (c) **Vacancies.** The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.
- (d) **Removal of Members.** Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Qualifications and Independence of Members

- (a) **Financial Literacy.** Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. For the purposes of this Charter being “**financially literate**” means having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
- (b) **Accounting or Financial Management Expertise.** The Board will appoint to the Committee at least one Director who has accounting or financial management expertise.
- (c) **Independence.** Each member of the Committee shall be independent for the purposes of all applicable laws and Stock Exchange requirements.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from among the members who are appointed to the Committee in accordance with Section 3.4(b) and who have accounting or financial management expertise.

4.2 Chair to be Appointed Annually

The appointment of the Chair shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be a majority of the members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to act as the secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, that the Committee shall meet at least quarterly.

5.4 Meetings with Management and Auditors

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee approves the interim financial statements, the Committee may, at its request, meet separately with each of:

- (a) the relevant members of management of the Company;
- (b) the External Auditor.

5.5 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

5.7 Invitees

The Committee may invite any Directors, officers or employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The External Auditor may, at the request of the Committee, receive notice of and attend, at the expense of the Company, any meeting of the Committee.

5.8 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6. AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee has the authority to retain independent counsel or any other advisors as the Committee may deem appropriate, in its sole and absolute discretion. The Committee is not required to obtain the approval of the Board in order to retain or compensate such counsel or other advisors.

6.2 Funding

The Chair of the Committee has the authority to authorize the payment of:

- (a) the compensation of the External Auditor or any other independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company;
- (b) the compensation of any independent counsel or other advisors retained by the Committee under Section 6.1; and
- (c) and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6.3 Communication with Auditors

The Committee has the authority to communicate directly with the External Auditor.

6.4 Subcommittees

The Committee may delegate authority to individual members or subcommittees if deemed appropriate.

6.5 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter or as specifically delegated by the Board.

7. REMUNERATION OF COMMITTEE MEMBERS

7.1 Remuneration of Committee Members

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time, having considered the recommendation of the Human Resources and Compensation Committee.

7.2 Directors' Fees

No member of the Committee may earn fees from the Company or any of its subsidiaries other than Directors' fees (which fees may include a combination of cash, benefits and subordinate voting shares, options, or other equity securities of the Company). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company.

8. PRIMARY DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

8.1 Review and Approval of Financial Information

- (a) **Annual Financial Statements.** The Committee shall review and discuss with the relevant members of management and the External Auditor the audited annual financial statements of the Company, together with the notes thereto and the report of the External Auditor thereon, and any related materials, including management's discussion and analysis ("MD&A") and, if appropriate, recommend to the Board that it approve such audited annual financial statements and the related MD&A.
- (b) **Interim Financial Statements.** The Committee shall review and discuss with the relevant members of management and the External Auditor the interim unaudited financial statements of the Company, together with the notes thereto, and the related MD&A and, if appropriate, approve such interim unaudited financial statements and the related MD&A.
- (c) **Material Public Financial Disclosure.** The Committee shall review and discuss with the relevant members of management and the External Auditor:
 - (i) financial information to be disclosed in the press releases discussing the annual and interim profits or losses of the Company;
 - (ii) financial information to be disclosed in any other press releases issued by the Company;
 - (iii) financial information contained in any prospectuses, annual information forms, annual reports to Shareholders, management proxy circulars, material change reports and other filings the content of which may be incorporated by reference into a prospectus; and
 - (iv) financial information and earnings guidance provided to analysts and rating agencies or otherwise publicly disseminated.
- (d) **Procedures for Review.** The Committee shall review and discuss with the relevant members of management the Company's disclosure policies and procedures, including any significant deficiencies in or material non-compliance with, such policies and procedures. The Committee shall be satisfied that adequate procedures are in place for the review of disclosure containing financial information extracted or derived from the Company's financial statements and shall periodically assess the adequacy of those procedures.
- (e) **General.** The Committee shall review and discuss with the relevant members of management and, if applicable, the External Auditor:
 - (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
 - (ii) major issues as to the adequacy of the Company's internal controls over financial reporting and any special audit steps adopted in light of material internal control deficiencies;

- (iii) analyses prepared by management or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements;
- (iv) the effect on the financial statements of the Company of regulatory and accounting initiatives;
- (v) the effect on the financial statements of the Company of off-balance sheet transaction structures, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Company;
- (vi) the extent to which changes or improvements in financial or accounting practices approved by the Committee have been implemented;
- (vii) any financial information or financial statements to be disclosed in a prospectus, offering memorandum or other offering document of the Company; and
- (viii) management's certification of the financial statements as required under applicable laws and Stock Exchange requirements.

8.2 Oversight of the External Auditor

- (a) **Authority with Respect to External Auditor.** The Committee shall be responsible for the selection, compensation, retention, and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company. In discharging its responsibilities, the Committee shall:
 - (i) recommend to the Board the accounting firm to be proposed to the Shareholders for appointment as the External Auditor;
 - (ii) recommend to the Board the compensation of the External Auditor;
 - (iii) determine, at any time, whether the Board should recommend to the Shareholders that the incumbent External Auditor be removed from office;
 - (iv) review the terms of the External Auditor's engagement and discuss the audit fees with the External Auditor, as necessary; and
 - (v) require the External Auditor report directly to the Committee.
- (b) **Independence of External Auditor.** The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process, the Committee shall:
 - (i) assure the regular rotation of the lead audit partner as required by applicable laws and consider whether, in order to ensure continuing independence of the External Auditor, the Company should periodically rotate the accounting firm that serves as External Auditor;

- (ii) require the External Auditor to submit at least annually to the Committee a formal written statement delineating all relationships between the External Auditor and the Company, engage in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor, and recommend to the Board the appropriate actions to be taken in response to the External Auditor's report to satisfy itself of the External Auditor's independence;
 - (iii) unless the Committee adopts pre-approval policies and procedures, it must pre-approve any non-audit services provided by the External Auditor to the Company or its subsidiaries; provided, however, that the Committee may delegate such pre-approval authority to one or more of its members, who shall report to the Committee concerning their exercise of such delegated authority at or prior to the next scheduled meeting of the Committee; and
 - (iv) establish, approve and periodically review the Company's hiring policy regarding partners, employees and former partners and employees of the External Auditor and any accounting firm that used to serve as External Auditor.
- (c) **Issues Between External Auditor and Management.** The Committee shall satisfy itself that any disagreement between management and the External Auditor regarding the Company's financial reporting is resolved. As part of this process, the Committee shall:
 - (i) review any problems experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or on its access to requested information;
 - (ii) act as an intermediary with a view of resolving any significant disagreements that may arise between management of the Company and the External Auditor; and
 - (iii) review with the External Auditor:
 - (A) any accounting adjustments that were noted or proposed by the External Auditor, but were ultimately not made;
 - (B) any auditing or accounting issues presented by the engagement;
 - (C) any internal control issues or weaknesses identified by the External Auditor.
- (d) **Evaluation of External Auditor.** The Committee shall evaluate the External Auditor each year and present its conclusions to the Board. In connection with this evaluation, the Committee shall:
 - (i) obtain and review a report prepared by the External Auditor describing:
 - (A) the External Auditor's quality-control procedures;
 - (B) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor or by any inquiry, review, inspection or investigation involving the External Auditor by governmental or professional authorities, within the preceding five years,

in respect of one or more independent audits carried out by the External Auditor, and any steps taken to deal with any such issues; and

- (C) all relationships between the External Auditor and the Company;
- (ii) review and evaluate the performance of the lead partner of the External Auditor; and
- (iii) obtain the feedback from the relevant members of management of the Company on the performance of the External Auditor.

8.3 Risk Assessment and Risk Management

The Committee shall assist the executive officers of the Company in assessing and managing the Company's risk exposure. In doing so, the Committee shall:

- (a) discuss the Company's major financial risk exposures with the executive officers and review the systems implemented and strategies taken by management to monitor and control such financial risk exposures, and make recommendations to the Board whether any new risk management strategies should be considered or implemented;
- (b) review the External Auditor's recommendations to address any weaknesses in the Company's internal controls and the steps taken by management to implement such recommendations;

9. OTHER DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

9.1 Related Party Transactions

The Committee shall review all related party transactions involving the Company and make recommendations to the Board regarding any actions to be taken, including the approval of any proposed transactions.

9.2 Insider Trading Policy

The Committee shall review, approve and receive regular reports from management with respect to the Company's insider trading policy.

9.3 Expense Reimbursement Policy

The Committee shall review and make recommendations with respect to the Company's expense reimbursement policy and the rules relating to the standardization of the Company's expense reporting practices. The Committee shall also review the expense reimbursement summaries submitted by the CEO and the President of the Company on a quarterly basis.

9.4 Integrity Assurance

The Committee shall review and make recommendations with respect to the Company's integrity assurance policy. In connection therewith, the Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;

- (b) the confidentiality and anonymity of submissions made by employees of the Company regarding questionable accounting or auditing practices;
- (c) the receipt of reports by the VP, Legal Affairs and Corporate Secretary of the Company on all complaints received under the integrity assurance policy; and
- (d) considering the recommendations of the VP, Legal Affairs and Corporate Secretary of the Company in respect of actions to be taken in response to the complaints received.

9.5 Environmental, Social and Governance

The Committee shall review and make recommendations with respect to the Company's strategy and initiatives relating to environmental, social, and corporate governance matters that are significant to the Company. The Committee shall monitor and report to the Board on emerging trends, risks, or issues relating to relevant environmental, social, and corporate governance matters and review the Company's public disclosure with respect to environmental, social, and corporate governance matters.

10. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the Nominating and Governance Committee for assessing the performance and effectiveness of the Committee.

11. CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.

Amended by the Board of Directors of the Company on April 14, 2025.

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