

# ARITZIA

Aritzia Inc.

Consolidated Financial Statements  
**March 1, 2026 and March 2, 2025**  
(in thousands of Canadian dollars)



# Independent auditor's report

To the Shareholders of Aritzia Inc.

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## Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Aritzia Inc. and its subsidiaries (together, the Company) as at March 1, 2026 and March 2, 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at March 1, 2026 and March 2, 2025;
- the consolidated statements of operations for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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

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## Basis for opinion

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

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

## Independence

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

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 1, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Inventory</b></p> <p>Refer to note 2 – Material accounting policies, note 4 – Judgments and estimates and note 5 – Inventory to the consolidated financial statements.</p> <p>As at March 1, 2026, the Company held inventory of \$495.2 million including finished goods-in-transit of \$125.5 million. Inventory is carried at the lower of cost and net realizable value. Cost is determined using weighted average costs. Cost of inventory includes cost of merchandise and all costs incurred to deliver inventory to the Company's distribution centres.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"><li>• Tested the operating effectiveness of controls relating to the inventory count process and inventory costing.</li><li>• Tested a sample of inventory items to purchase invoices.</li><li>• Observed the annual inventory count process for one distribution centre and for a sample of boutiques near year-end and performed independent test counts.</li><li>• Observed and inspected a sample of inventory cycle counts for two distribution centres and performed independent test counts.</li></ul>

**Key audit matter**

We considered this a key audit matter due to the magnitude of the inventory balance and the audit effort in testing the inventory.

**How our audit addressed the key audit matter**

- Tested, on a sample basis, the finished goods-in-transit as at year-end by agreeing to third party shipment documents, receipt of inventory to distribution centres and purchase invoices.
- Tested, on a sample basis, inventory received post year-end to receiving documents to assess whether inventory was recorded appropriately as at year-end.
- Tested how management determined net realizable value, which included testing a sample of inventory items to the most recent retail prices of the inventory items.

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**Other information**

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, British Columbia

May 7, 2026

Aritzia Inc.  
Consolidated Statements of Financial Position  
As at March 1, 2026 and March 2, 2025

(in thousands of Canadian dollars)

	Note	March 1, 2026	March 2, 2025
<b>Assets</b>			
Cash and cash equivalents		\$ 592,127	\$ 285,635
Accounts receivable		23,750	26,311
Income taxes recoverable		26,233	4,342
Inventory	5	495,197	379,316
Derivative assets	11	78,121	21,210
Other current assets		37,024	40,029
<b>Total current assets</b>		<b>\$ 1,252,452</b>	<b>\$ 756,843</b>
Property and equipment	6	819,377	656,966
Intangible assets	7	104,767	104,221
Goodwill	7	198,846	198,846
Right-of-use assets	8	751,681	722,558
Other assets		3,809	11,564
Deferred tax assets	17	4,745	4,816
<b>Total assets</b>		<b>\$ 3,135,677</b>	<b>\$ 2,455,814</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	\$ 564,586	\$ 293,412
Income taxes payable		61,025	12,983
Current portion of lease liabilities	8	104,923	107,755
Deferred revenue		144,385	111,158
<b>Total current liabilities</b>		<b>\$ 874,919</b>	<b>\$ 525,308</b>
Lease liabilities	8	890,840	811,468
Other non-current liabilities		3,337	3,829
Deferred tax liabilities	17	5,553	20,626
<b>Total liabilities</b>		<b>\$ 1,774,649</b>	<b>\$ 1,361,231</b>
<b>Shareholders' equity</b>			
Share capital	12	\$ 440,637	\$ 383,482
Contributed surplus		136,013	101,568
Retained earnings		793,058	609,695
Accumulated other comprehensive loss		(8,680)	(162)
<b>Total shareholders' equity</b>		<b>1,361,028</b>	<b>1,094,583</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 3,135,677</b>	<b>\$ 2,455,814</b>

Commitments and contingencies

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Approved on behalf of the Board of Directors

Brian Hill

Director

John Currie

Director

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

**Aritzia Inc.**  
**Consolidated Statements of Operations**  
For the years ended March 1, 2026 and March 2, 2025

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

	Note	March 1, 2026	March 2, 2025
<b>Net revenue</b>	15, 18	<b>\$ 3,702,148</b>	\$ 2,738,112
<b>Cost of goods sold</b>	16	<b>2,040,815</b>	1,557,493
<b>Gross profit</b>		<b>1,661,333</b>	1,180,619
Selling, general and administrative		<b>1,075,570</b>	837,456
Stock-based compensation expense	13, 16	<b>61,709</b>	48,373
<b>Income from operations</b>		<b>524,054</b>	294,790
Finance expense	8, 10, 16	<b>56,764</b>	48,800
Other expense (income)	11, 16	<b>(49,468)</b>	(44,463)
<b>Income before income taxes</b>		<b>516,758</b>	290,453
Income tax expense	17	<b>134,910</b>	82,663
<b>Net income</b>		<b>\$ 381,848</b>	\$ 207,790
<b>Net income per share</b>			
Basic	14	<b>\$ 3.32</b>	\$ 1.85
Diluted	14	<b>\$ 3.20</b>	\$ 1.78
<b>Weighted average number of shares outstanding (thousands)</b>			
Basic	14	<b>115,037</b>	112,551
Diluted	14	<b>119,499</b>	116,731

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

**Aritzia Inc.**  
**Consolidated Statements of Comprehensive Income**  
For the years ended March 1, 2026 and March 2, 2025  
(in thousands of Canadian dollars)

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	<b>March 1, 2026</b>	<b>March 2, 2025</b>
<b>Net income</b>	<b>\$ 381,848</b>	<b>\$ 207,790</b>
<b>Other comprehensive income</b>		
Items that are or may be reclassified subsequently to net income:		
Foreign currency translation adjustment	<b>(8,518)</b>	3,666
<b>Comprehensive income</b>	<b>\$ 373,330</b>	<b>\$ 211,456</b>

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

# Aritzia Inc.

## Consolidated Statements of Changes in Shareholders' Equity

For the years ended March 1, 2026 and March 2, 2025

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

	Multiple voting shares		Subordinate voting shares		Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
	Shares	Amounts	Shares	Amounts				
<b>Balance, March 3, 2024</b>	20,437,349	\$ 14,774	90,723,027	\$ 292,963	\$ 96,249	\$ 407,337	\$ (3,828)	\$ 807,495
Net Income	—	—	—	—	—	207,790	—	207,790
Shares issued for equity settled plans (note 13)	—	—	3,355,720	76,219	(30,781)	—	—	45,438
Stock-based compensation expense on equity-settled plans (note 13)	—	—	—	—	33,972	—	—	33,972
Share exchange at secondary offering (note 12)	(758,105)	(548)	758,105	548	—	—	—	—
Shares repurchased for cancellation (note 12)	—	—	(134,200)	(474)	—	(5,432)	—	(5,906)
Tax impact related to stock-based compensation	—	—	—	—	2,128	—	—	2,128
Foreign currency translation adjustment	—	—	—	—	—	—	3,666	3,666
<b>Balance, March 2, 2025</b>	<b>19,679,244</b>	<b>\$ 14,226</b>	<b>94,702,652</b>	<b>\$ 369,256</b>	<b>\$ 101,568</b>	<b>\$ 609,695</b>	<b>\$ (162)</b>	<b>\$ 1,094,583</b>
Net Income	—	—	—	—	—	381,848	—	381,848
Shares issued for equity settled plans (note 13)	—	—	1,950,348	64,688	(30,645)	—	—	34,043
Stock-based compensation expense on equity-settled plans (note 13)	—	—	—	—	45,462	—	—	45,462
Share exchange at secondary offering (note 12)	(1,352,000)	(977)	1,352,000	977	—	—	—	—
Shares repurchased for cancellation (note 12)	—	—	(1,371,109)	(5,854)	—	(139,093)	—	(144,947)
Shares repurchased and held in trust (note 12)	—	—	(638,410)	(2,662)	—	(59,392)	—	(62,054)
Shares released from trust (note 12)	—	—	252,020	983	(983)	—	—	—
Tax impact related to stock-based compensation	—	—	—	—	20,611	—	—	20,611
Foreign currency translation adjustment	—	—	—	—	—	—	(8,518)	(8,518)
<b>Balance, March 1, 2026</b>	<b>18,327,244</b>	<b>\$ 13,249</b>	<b>96,247,501</b>	<b>\$ 427,388</b>	<b>\$ 136,013</b>	<b>\$ 793,058</b>	<b>\$ (8,680)</b>	<b>\$ 1,361,028</b>

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

# Aritzia Inc.

## Consolidated Statements of Cash Flows

For the years ended March 1, 2026 and March 2, 2025

(in thousands of Canadian dollars)

	Note	March 1, 2026	March 2, 2025
<b>Operating activities</b>			
Net income for the period		\$ 381,848	\$ 207,790
Adjustments for:			
Depreciation and amortization		111,447	84,415
Depreciation on right-of-use assets	8	102,642	102,238
Finance expense	16	56,764	48,800
Stock-based compensation expense	13, 16	61,709	48,373
Unrealized loss (gain) on equity derivative contracts	11, 16	(42,412)	(16,929)
Income tax expense	17	134,910	82,663
Fair value adjustments related to acquisition of CYC Design Corporation ("CYC")	11, 16	(6,000)	(7,500)
Other		(1,508)	649
Cash generated before non-cash working capital balances and interest and income taxes		799,400	550,499
Net change in non-cash working capital	21	188,680	4,173
Cash generated before interest and income taxes		988,080	554,672
Interest paid		(3,502)	(3,883)
Interest paid on lease liabilities	8	(59,053)	(49,949)
Income taxes paid		(102,750)	(45,203)
<b>Net cash generated from (used in) operating activities</b>		<b>822,775</b>	<b>455,637</b>
<b>Financing activities</b>			
Repayment of principal on lease liabilities	8	(101,694)	(110,432)
Proceeds from lease incentives		47,753	10,527
Proceeds from options exercised	13	34,043	45,438
Shares repurchased and held in trust	12	(62,054)	—
Shares repurchased for cancellation	12	(144,947)	(5,906)
<b>Net cash generated from (used in) financing activities</b>		<b>(226,899)</b>	<b>(60,373)</b>
<b>Investing activities</b>			
Purchase of property and equipment	6	(277,661)	(256,031)
Purchase of intangible assets	7	(7,551)	(21,085)
<b>Cash generated from (used in) investing activities</b>		<b>(285,212)</b>	<b>(277,116)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(4,172)</b>	<b>4,210</b>
<b>Change in cash and cash equivalents</b>		<b>306,492</b>	<b>122,358</b>
<b>Cash and cash equivalents – Beginning of period</b>		<b>285,635</b>	<b>163,277</b>
<b>Cash and cash equivalents – End of period</b>		<b>\$ 592,127</b>	<b>\$ 285,635</b>
Supplemental cash flow information	21		

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

# Aritzia Inc.

## Notes to Consolidated Financial Statements

March 1, 2026 and March 2, 2025

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(in thousands of Canadian dollars, unless otherwise noted)

### 1 Nature of operations and basis of presentation

#### Nature of operations

Aritzia Inc. and its subsidiaries (collectively referred to as the "Company") are a design house with an innovative global platform. The Company is a creator and purveyor of covetable styles, home to an extensive portfolio of exclusive brands for every function and individual aesthetic. The Company provides immersive and highly personal shopping experiences at aritzia.com, on the Company's app and in 144 boutiques throughout Canada and the United States.

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

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

#### Basis of presentation

##### *Statement of compliance*

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

##### *Fiscal year*

The Company's fiscal year-end is the Sunday closest to the last day of February, typically resulting in a 52-week year, but occasionally giving rise to an additional week, resulting in a 53-week year. Fiscal 2026 and Fiscal 2025 were both 52-week years. All references to Fiscal 2026 represent the fiscal year ended March 1, 2026 and all references to Fiscal 2025 represent the fiscal year ended March 2, 2025.

##### *Principles of consolidation*

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

##### *Functional and presentation currency*

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

##### *Cost of goods sold*

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

##### *Selling, general and administrative*

Selling, general and administrative expenses consist of selling expenses that are generally variable with revenues and general and administrative operating expenses that are primarily fixed. Selling, general and

# Aritzia Inc.

## Notes to Consolidated Financial Statements

March 1, 2026 and March 2, 2025

(in thousands of Canadian dollars, unless otherwise noted)

administrative expenses also include depreciation and amortization expense for all support office assets and intangible assets.

### *Seasonality of operations*

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

These consolidated financial statements were authorized for issue on May 7, 2026 by the Company's Board of Directors ("Board").

## **2 Material accounting policies**

### **Foreign currency translation**

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

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

### **Inventory**

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

### **Property and equipment**

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

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

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

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

# Aritzia Inc.

## Notes to Consolidated Financial Statements

March 1, 2026 and March 2, 2025

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(in thousands of Canadian dollars, unless otherwise noted)

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

### **Intangible assets**

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

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

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

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

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

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

### **Impairment of non-financial assets**

#### *General*

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

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

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

#### *Goodwill and intangible assets with indefinite lives*

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

# Aritzia Inc.

## Notes to Consolidated Financial Statements

March 1, 2026 and March 2, 2025

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(in thousands of Canadian dollars, unless otherwise noted)

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

### Leases

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

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

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

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

### Financial instruments

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

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

- (i) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

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- (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. All financial assets not classified as amortized cost as described above are measured at FVTPL.

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

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

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

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

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

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

### **Share capital**

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

### **Revenue recognition**

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

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

Receipts from the sale of gift cards are treated as deferred revenue. When gift cards are redeemed for merchandise, the Company recognizes the related revenue. The Company estimates gift card breakage, to the

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extent there is no requirement for remitting card balances to government agencies under unclaimed property laws, and recognizes revenue in proportion to actual gift card redemptions.

**Employee benefits**

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

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

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

**Income tax expense**

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

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

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

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

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

# Aritzia Inc.

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### **Stock-based compensation expense**

#### *General*

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

#### *Equity-settled plans*

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

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

#### *Cash-settled plans*

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

### **Net income per share**

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

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

## **3 Accounting policy developments**

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

The IASB issued IFRS 18 - Presentation and Disclosure in the Financial Statements, in April 2024 which is effective for annual reporting periods beginning on or after January 1, 2027. The new standard establishes a revised structure for the consolidated statements of operations to improve comparability across entities and

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introduce management-defined performance measures ("MPMs"). Based on the Company's preliminary assessments, the following changes are expected:

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

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

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

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as instruments with features linked to the achievement of environmental and social targets), and update the disclosure of equity instruments designated at fair value through other comprehensive income ("FVOCI"). These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company assessed the impact of these amendments and determined there is no material impact to the consolidated financial statements.

### ***Other***

A number of other new accounting standards, amendments to standards and interpretations of standards have been issued by the IASB but are not yet effective for the year ended March 1, 2026. The Company does not expect the implementation of these accounting pronouncements to have a significant impact to its accounting policies and consolidated financial statements.

## **4 Judgements and estimates**

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

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

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### *Judgements*

- Lease terms: whether the Company is reasonably certain, at the lease commencement date or before lease expiration, it will exercise available renewal or termination options and thus include such options in the lease terms (note 8).
- Impairment testing: judgement in determining the grouping of assets to identify its CGUs for purposes of testing for impairment.

### *Estimates*

- Return allowances: estimates of expected returns based on historical return patterns.
- Inventories: estimates of inventory net realizable value (note 5), which requires the Company to utilize estimates related to product quality, damages, inventory shrinkage for lost or stolen items, future demand, selling prices, and market conditions. The Company periodically reviews its inventories and records a write-down if the cost exceeds net realizable value of inventory, based on the above factors.
- Goodwill and indefinite life intangible asset impairment testing: estimates in the impairment testing model, which incorporate estimates regarding future events including future cash flows, growth rates and discount rates (note 7). On an annual basis, the Company tests whether goodwill and indefinite life intangible assets are impaired using discounted future cash flow models.
- Incremental borrowing rate: estimates of the incremental borrowing rate used for calculating lease liabilities and right-of-use-assets. The Company estimates the incremental borrowing rate of each leased asset as the rate of interest that the Company would have to pay to borrow, over a similar term with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment (note 8).
- Tariffs: The United States is Canada's largest trading and investment partner, and as a result, the Canadian economy is significantly affected by developments in the U.S. economy. On April 2, 2025, the U.S. announced a 10% baseline tariff on imports from nearly all countries with higher country-specific tariff rates beginning April 9, 2025 although the effective date was delayed to allow for negotiations. The U.S. completed negotiations with certain countries, including Vietnam, resulting in tariff rates higher than the 10% baseline rate. On July 30, 2025, the U.S. president signed an executive order removing the de minimis exemption for all countries effective August 29, 2025. On February 20, 2026, the Supreme Court of the United States issued a ruling against these tariffs, but did not address the process for tariff refunds. On March 4, 2026 the U.S. Court of International Trade ("CIT") ordered U.S. Customs and Border Protection to liquidate and, where applicable, re-liquidate, or correct, certain import entries without regard to duties imposed under the the International Emergency Economic Powers Act ("IEEPA"). The CIT order provides relief for entries affected by IEEPA tariffs, but the discussion regarding specific refund mechanisms is ongoing. As a result, there is uncertainty with respect to the timing and amount of potential tariff refunds, if any. As the trade landscape continues to evolve, to the extent certain tariffs on affected goods are permanent and applicable for an extended time period, there could be material impacts on the Company's results of operations and carrying amounts of certain assets and liabilities.
- Other: other estimates include determining the useful lives and depreciation methods applied to property and equipment and intangible assets with definite lives for the purposes of depreciation and amortization; in accounting for and measuring items such as deferred revenue, provisions, and purchase price adjustments on business combinations; and in measuring certain fair values, including those relating to the valuation of assets and liabilities acquired in a business combinations, share-based payments, and financial instruments.

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### 5 Inventory

	March 1, 2026	March 2, 2025
Finished goods	\$ 362,344	\$ 310,234
Finished goods-in-transit	125,527	64,469
Raw materials	7,326	4,613
<b>Inventory</b>	<b>\$ 495,197</b>	<b>\$ 379,316</b>

The Company records a reserve to value inventory to its estimated net realizable value. This resulted in an expense to cost of goods sold of \$9.2 million for the year ended March 1, 2026 (March 2, 2025 - \$12.0 million). No inventory write-downs recorded in previous periods were reversed.

All of the Company's inventory is pledged as security for the Company's revolving credit facility (note 10).

### 6 Property and equipment

	Leasehold improvements	Furniture and equipment	Computer hardware and software	Construction in- progress	Total
<b>Cost</b>					
Balance, March 3, 2024	\$ 482,070	\$ 139,997	\$ 43,792	\$ 46,626	\$ 712,485
Additions	208,354	20,743	5,110	60,759	294,966
Transfers from construction-in-progress	39,109	5,758	1,101	(45,968)	—
Dispositions and other	(27,040)	(5,005)	(2,388)	—	(34,433)
Foreign exchange	15,364	3,108	246	2,844	21,562
Balance, March 2, 2025	\$ 717,857	\$ 164,601	\$ 47,861	\$ 64,261	\$ 994,580
Additions	129,365	27,141	8,609	126,116	291,231
Transfers from construction-in-progress	34,047	5,493	930	(40,470)	—
Dispositions	(23,235)	(5,752)	(6,468)	—	(35,455)
Foreign exchange	(25,111)	(4,069)	(148)	(1,875)	(31,203)
<b>Balance, March 1, 2026</b>	<b>\$ 832,923</b>	<b>\$ 187,414</b>	<b>\$ 50,784</b>	<b>\$ 148,032</b>	<b>\$ 1,219,153</b>
<b>Accumulated depreciation</b>					
Balance, March 3, 2024	\$ 200,740	\$ 54,636	\$ 25,744	\$ —	\$ 281,120
Depreciation	55,897	17,874	7,531	—	81,302
Dispositions and other	(26,402)	(4,824)	(2,388)	—	(33,614)
Foreign exchange	6,993	1,640	173	—	8,806
Balance, March 2, 2025	\$ 237,228	\$ 69,326	\$ 31,060	\$ —	\$ 337,614
Depreciation	76,392	20,963	8,266	—	105,621
Dispositions	(23,235)	(5,752)	(6,468)	—	(35,455)
Foreign exchange	(6,389)	(1,648)	33	—	(8,004)
<b>Balance, March 1, 2026</b>	<b>\$ 283,996</b>	<b>\$ 82,889</b>	<b>\$ 32,891</b>	<b>\$ —</b>	<b>\$ 399,776</b>
<b>Net carrying value</b>					
Balance, March 2, 2025	\$ 480,629	\$ 95,275	\$ 16,801	\$ 64,261	\$ 656,966
<b>Balance, March 1, 2026</b>	<b>\$ 548,927</b>	<b>\$ 104,525</b>	<b>\$ 17,893</b>	<b>\$ 148,032</b>	<b>\$ 819,377</b>

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Construction-in-progress primarily includes build costs for boutiques and a distribution centre not yet opened. Additions include capitalized right-of-use depreciation and borrowing costs for certain boutiques and a distribution centre totaling \$18.3 million for the year ended March 1, 2026 (March 2, 2025 - \$15.1 million).

### 7 Goodwill and intangible assets

	Indefinite life trade names	Definite life trade names and trademarks	Computer software	Non-compet agreements	Construction- in- progress	Total Intangible assets	Goodwill
<b>Cost</b>							
Balance, March 3, 2024	\$ 72,292	\$ 19,184	\$ 38,286	\$ 1,200	\$ 2,036	\$ 132,998	\$ 198,846
Additions	—	13,099	7,986	—	1,274	22,359	—
Transfers from construction in progress	—	—	2,037	—	(2,037)	—	—
Dispositions	—	—	(1,841)	—	—	(1,841)	—
Balance, March 2, 2025	\$ 72,292	\$ 32,283	\$ 46,468	\$ 1,200	\$ 1,273	\$ 153,516	\$ 198,846
Additions	—	—	5,395	—	977	6,372	—
Transfers from construction in progress	—	—	962	—	(962)	—	—
Dispositions	—	—	(10,250)	—	—	(10,250)	—
<b>Balance, March 1, 2026</b>	<b>\$ 72,292</b>	<b>\$ 32,283</b>	<b>\$ 42,575</b>	<b>\$ 1,200</b>	<b>\$ 1,288</b>	<b>\$ 149,638</b>	<b>\$ 198,846</b>
<b>Accumulated amortization</b>							
Balance, March 3, 2024	\$ —	\$ 16,003	\$ 31,380	\$ 640	\$ —	\$ 48,023	\$ —
Amortization	—	904	1,969	240	—	3,113	—
Dispositions	—	—	(1,841)	—	—	(1,841)	—
Balance, March 2, 2025	\$ —	\$ 16,907	\$ 31,508	\$ 880	\$ —	\$ 49,295	\$ —
Amortization	—	1,807	3,779	240	—	5,826	—
Dispositions	—	—	(10,250)	—	—	(10,250)	—
<b>Balance, March 1, 2026</b>	<b>\$ —</b>	<b>\$ 18,714</b>	<b>\$ 25,037</b>	<b>\$ 1,120</b>	<b>\$ —</b>	<b>\$ 44,871</b>	<b>\$ —</b>
<b>Net carrying value</b>							
Balance, March 2, 2025	\$ 72,292	\$ 15,376	\$ 14,960	\$ 320	\$ 1,273	\$ 104,221	\$ 198,846
<b>Balance, March 1, 2026</b>	<b>\$ 72,292</b>	<b>\$ 13,569</b>	<b>\$ 17,538</b>	<b>\$ 80</b>	<b>\$ 1,288</b>	<b>\$ 104,767</b>	<b>\$ 198,846</b>

Construction-in-progress includes internally generated computer software not put into use.

#### Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill is monitored corporately at the level of the Company's single operating segment. A pre-tax discount rate of 10.0% and a terminal growth assumption rate of 2.0% were used in the impairment model.

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

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	March 1, 2026	March 2, 2025
Aritzia trade name	\$ 46,092	\$ 46,092
Reigning Champ trade name	26,200	26,200
Indefinite life trade names	\$ 72,292	\$ 72,292

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

Specific cash flow estimates for the trade names are projected based on approved financial forecasts, annual growth assumptions, royalty rates, discount rates and a terminal growth rate to extrapolate the cash flow projections. A pre-tax discount rate of 10.0% and 14.0% for each of the Aritzia and Reigning Champ trade names, respectively, and a terminal growth assumption rate of 2.0% (aligned with the Bank of Canada's inflation-control target midpoint) were used in the impairment models for each trade name.

As at March 1, 2026 and March 2, 2025, management has determined that there was no impairment of goodwill or the indefinite life trade names. The Company believes that any reasonably possible change in the key assumptions on which the calculation of the recoverable amount of the CGUs is based would not cause the CGUs carrying values to exceed their recoverable amounts.

## 8 Leases

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

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The following table reconciles the change in right-of-use assets for the year ended March 1, 2026 and March 2, 2025:

	March 1, 2026	March 2, 2025
<b>Cost</b>		
Opening balance	\$ 1,182,364	\$ 996,699
Additions	153,498	152,374
Lease incentives	(45,938)	(15,780)
Modifications	43,985	33,746
Lease expirations	(13,308)	(30,236)
Foreign exchange	(41,348)	45,561
<b>Closing balance</b>	<b>\$ 1,279,253</b>	<b>\$ 1,182,364</b>
<b>Accumulated depreciation</b>		
Opening balance	\$ 459,806	\$ 364,408
Depreciation	102,642	101,732
Amortization of fair value adjustment on CYC leases	—	507
Modifications	(5,239)	5,774
Lease expirations	(13,308)	(30,056)
Foreign exchange	(16,329)	17,441
<b>Closing balance</b>	<b>\$ 527,572</b>	<b>\$ 459,806</b>
<b>Net carrying value, closing balance</b>	<b>\$ 751,681</b>	<b>\$ 722,558</b>

The following table reconciles the change in lease liabilities for the year ended March 1, 2026 and March 2, 2025:

	March 1, 2026	March 2, 2025
Opening balance	\$ 919,223	\$ 805,886
Additions	162,794	151,849
Interest expense on lease liabilities (note 16)	52,911	44,615
Repayment of interest and principal on lease liabilities	(160,747)	(160,381)
Modifications	54,845	41,452
Foreign exchange	(33,263)	35,802
<b>Closing balance</b>	<b>\$ 995,763</b>	<b>\$ 919,223</b>
Current portion of lease liabilities	104,923	107,755
Long-term portion of lease liabilities	890,840	811,468
<b>Lease liabilities</b>	<b>\$ 995,763</b>	<b>\$ 919,223</b>

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The following table summarizes the Company's rent and rent-related expenses (which also approximate the cash outflow) for the years ended March 1, 2026 and March 2, 2025:

	March 1, 2026	March 2, 2025
Depreciation on right-of-use assets, excluding fair value adjustments	\$ 102,642	\$ 101,732
Interest expense on lease liabilities (note 16)	52,911	44,615
Variable lease expense	41,251	22,261
Common area maintenance, property taxes and other	77,465	69,568
Lease payments relating to short-term or low value leases	1,002	2,004
<b>Total rent and rent-related expenses</b>	<b>\$ 275,271</b>	<b>\$ 240,180</b>

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

Less than 1 year	\$ 161,324
Between 1 and 5 years	621,797
More than 5 years	494,363
<b>Future undiscounted minimum lease payments</b>	<b>\$ 1,277,484</b>

In addition to the amount disclosed in the table above, as at March 1, 2026, the Company also had future undiscounted minimum lease payments of \$251.1 million for leases committed to but not yet commenced (March 2, 2025 - \$186.2 million).

## 9 Accounts payable and accrued liabilities

	March 1, 2026	March 2, 2025
Trade accounts payable	\$ 410,791	\$ 189,222
Employee benefits payable	99,866	64,692
Other non-trade payables	30,248	21,790
Restricted Share Unit ("RSU") and Deferred Share Unit ("DSU") plans liabilities (note 13)	23,681	17,708
<b>Accounts payable and accrued liabilities</b>	<b>\$ 564,586</b>	<b>\$ 293,412</b>

As at March 1, 2026, \$131.7 million of trade accounts payable was outstanding as part of a payable services arrangement with a third party financial institution (March 2, 2025 - \$nil), of which \$26.6 million were elected by suppliers to be paid by the financial institution prior to the maturity date (March 2, 2025 - \$nil). Balances outstanding under the payable services arrangement allows eligible suppliers to elect to be paid by the financial institution earlier than the maturity date (generally 90 days) of the invoices subject to a discount. The Company's rights and obligations to suppliers with respect to those invoices are not impacted. The Company will pay the full amount owing to the financial institution according to the maturity dates and terms negotiated with the supplier. The amounts paid by the Company to the financial institution related to this program is classified as an operating activity within the consolidated statements of cash flows.

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### 10 Bank indebtedness

The Company has a \$300.0 million revolving credit facility which bears interest at Canadian Overnight Repo Rate Average, Secured Overnight Financing Rate ("SOFR") (prior to June 30, 2023, London Inter-Bank Offered Rate) or Canadian prime or base rate, plus a marginal rate between 0.45% and 2.45% (March 2, 2025 – 0.75% and 2.75%), and a maturity date of October 8, 2030. Up to \$10.0 million of the facility can be drawn upon by way of a swingline loan. As at March 1, 2026, no amounts were drawn under the revolving credit facility (March 2, 2025 - \$nil).

The Company also has a revolving line of credit with a limit of US\$10.0 million and expiring on December 14, 2026. The revolving line of credit bears interest at the daily SOFR, plus a marginal rate between 1.45% and 2.45% (March 2, 2025 – 1.75% and 2.75%). As at March 1, 2026, no amounts were drawn under the revolving line of credit (March 2, 2025 - \$nil).

The Company also has an uncommitted revolving demand credit facility for general cash management needs with a limit of \$5.0 million. The revolving demand credit facility bears interest at the daily Royal Bank Prime rate or Royal Bank U.S. Base Rate, plus a marginal rate between 0.45% and 1.45%. As at March 1, 2026, no amounts were drawn under the revolving demand credit facility (March 2, 2025 - \$nil).

The Company also has available a \$25.0 million cash-secured letter of credit as part of the revolving credit facility and other letters of credit facilities of CAD\$30.0 million and US\$25.0 million (March 2, 2025 - CAD\$30.0 million and US\$25.0 million) secured pari passu with the revolving credit facility and the revolving line of credit. The interest rate for the letters of credit is between 1.17% and 2.75% (March 2, 2025 - 1.17% and 2.75%). As at March 1, 2026, the amount available under these facilities, which excludes the undrawn cash-secured letter of credit, was increased to \$59.5 million (March 2, 2025 - \$57.8 million) by certain open letters of credit (note 19).

The revolving credit facility is collateralized by a first priority lien on all property and equipment, leased real property interests and inventory. In addition, the Company is required to maintain certain financial covenants. As at March 1, 2026 and March 2, 2025, the Company was in compliance with all financial covenants.

### 11 Financial instruments

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

	Classification	Fair Value Level	As at March 1, 2026		As at March 2, 2025	
			Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>						
Cash and cash equivalents	Amortized cost	1	\$ 592,127	\$ 592,127	\$ 285,635	\$ 285,635
Accounts receivable	Amortized cost	2	23,750	23,750	26,311	26,311
Equity derivative contracts	FVTPL	2	63,621	63,621	21,210	21,210
Share Adjustments	FVTPL	3	14,500	14,500	8,500	8,500
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities	Amortized cost	2	\$ 564,586	\$ 564,586	\$ 275,704	\$ 275,704
Lease liabilities	Amortized cost	2	995,763	995,763	919,223	919,223

# Aritzia Inc.

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There were no transfers between the levels of the fair value of hierarchy for the years ended March 1, 2026 and March 2, 2025.

The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the immediate or short-term maturity of these financial instruments.

### **Equity derivative contracts**

The Company has equity derivative contracts (total return swaps) to hedge the share price exposure on its cash-settled DSUs and RSUs and open market-settled RSUs and Performance Share Units ("PSUs"), as applicable. These contracts are not designated as hedging instruments for accounting purposes. During the year ended March 1, 2026, the Company recorded an unrealized gain of \$42.4 million (March 2, 2025 - unrealized gain of \$16.9 million) for the change in fair value for these contracts in the consolidated statements of operations in other expense (income). During the year ended March 1, 2026, the Company recorded no realized gains or losses (March 2, 2025 - \$nil) arising from the settlement of equity derivative contracts. As at March 1, 2026, the equity derivative contracts had a positive fair value of \$63.6 million (March 2, 2025 - \$21.2 million) which is recorded in derivative assets in the consolidated statements of financial position.

### **Early 100% Acquisition of CYC**

On May 26, 2023, the Company and the exchangeable shareholders agreed to the Company's early acquisition of the remaining 25% ownership interest held through the CYC exchangeable shares. The Company issued 419,047 SVS ("Upfront Shares") on May 26, 2023 and the right to receive additional SVS ("Additional Shares") by March 31, 2026 with a value based on certain Fiscal 2026 operational performance metrics of the Reigning Champ brand. No forfeiture occurred for the Upfront Shares and Additional Shares. The Upfront Shares were recognized in share capital (\$15.4 million) and the Additional Shares with an estimated value up to \$9.4 million were treated as compensation for future services with a portion recognized in contributed surplus (\$6.6 million) and the remainder, net of any changes estimated or fair value, to be recognized over the period ending in early Fiscal 2027.

The Upfront Shares are also subject to an escrow agreement with one-third to be released at the end of each of Fiscal 2024, 2025 and 2026 and subject to future adjustments ("Share Adjustments") based on the Company's share price on March 1, 2026, limited to minimum and maximum total values. The Share Adjustments feature is treated as an embedded derivative within derivative assets on the consolidated statements of financial position. Given the increase in the Company's share price since issuance, the Share Adjustments value increased to \$14.5 million on March 1, 2026 (March 2, 2025 - \$8.5 million) resulting in a \$6.0 million unrealized gain during the year ended March 1, 2026 included in other expense (income) (March 2, 2025 - \$7.5 million).

On March 31, 2026, the Share Adjustments clause resulted in 139,679 Upfront Shares and the Additional Shares entitlement to be forfeited. As a result, the embedded derivative of \$14.5 million was extinguished and the shares returned were recorded in share capital and contributed surplus.

## **12 Share capital**

### *Secondary offering*

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

# Aritzia Inc.

## Notes to Consolidated Financial Statements

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offerings. Underwriting fees are paid by the Selling Shareholders and other expenses related to the secondary offerings are paid by the Company.

On January 13, 2026, the Company announced a secondary offering (the "2026 Secondary Offering"). As part of the 2026 Secondary Offering, the Selling Shareholders exchanged 1,352,000 of their MVS for SVS. On February 11, 2025, the Company announced a secondary offering (the "2025 Secondary Offering"). As part of the 2025 Secondary Offering, the Selling Shareholders exchanged 758,105 of their MVS for SVS. Details relating to the secondary offerings are summarized in the following table:

	<b>2026 Secondary Offering</b>	<b>2025 Secondary Offering</b>
Completion date	January 29, 2026	February 28, 2025
Number of SVS	1,602,000	1,045,000
Price per SVS	\$ 130.20	\$ 69.85
Gross proceeds to the Selling Shareholders	\$ 208,580	\$ 72,993
Other expenses paid by the Company	\$ 520	\$ 550

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

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

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

During the year-ended March 1, 2026, the Company repurchased a total of 1,371,109 SVS for cancellation under the 2025 NCIB at an average price of \$105.72 per SVS for total cash consideration of \$144.9 million (52-week period ended March 2, 2025 - 134,200 SVS, at an average price of \$44.00 per SVS, for total cash consideration of \$5.9 million).

As at March 1, 2026, there were 18,327,244 MVS and 96,247,501 SVS issued and outstanding (including 386,390 SVS held in trust for the settlement of equity compensation awards, which were acquired through open market purchases). There were no preferred shares issued and outstanding as at March 1, 2026. Neither the MVS nor the SVS issued have a par value.

### *Shares repurchased and held in trust*

During the year ended March 1, 2026, Company established a trust for the RSU and PSU equity-settled plans to facilitate the purchase of shares for future settlement upon vesting of RSU and PSU grants. The Company is the sponsor of the trust and has assigned TSX Trust Company as the trustee. The trust is considered a structured entity and is consolidated in the Company's financial statements with the cost of the acquired shares recorded as a reduction to equity until released into circulation when the RSUs and PSUs settle. During the year ended March 1, 2026, the Company purchased 638,410 SVS for \$62.1 million, of which 252,020 shares were released.

# Aritzia Inc.

## Notes to Consolidated Financial Statements

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### 13 Stock-based compensation

#### Details of stock-based compensation expense

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

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

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

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

	<b>March 1, 2026</b>	<b>March 2, 2025</b>
<b>Equity-settled plans</b>		
Stock options	\$ 20,110	\$ 19,961
Restricted Share Units	13,028	10,242
Performance Share Units	12,324	3,768
<b>Cash-settled plans</b>	<b>16,247</b>	<b>14,402</b>
<b>Stock-based compensation expense</b>	<b>\$ 61,709</b>	<b>\$ 48,373</b>

#### Stock Options

##### *Legacy Plan*

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

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## Notes to Consolidated Financial Statements

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Transactions for options granted under the Legacy Plan for the years ended on March 1, 2026 and March 2, 2025 were as follows:

	March 1, 2026		March 2, 2025	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of year	703,039	\$ 6.23	1,703,211	\$ 5.56
Exercised	(678,416)	6.20	(1,000,172)	5.09
Outstanding, at end of year	24,623	\$ 7.09	703,039	\$ 6.23
Exercisable, at end of year	24,623	\$ 7.09	703,039	\$ 6.23

The weighted average share price on the dates the stock options were exercised during the year ended March 1, 2026 was \$76.72 (March 2, 2025 - \$52.36).

The outstanding and exercisable Legacy Plan stock options as at March 1, 2026 were 24,623 stock options, with a weighted average remaining contractual life of 0.27 and weighted average exercise price of \$7.09.

### Omnibus Plan

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

Transactions for options granted under the Omnibus Plan for the years ended March 1, 2026 and March 2, 2025 were as follows:

	March 1, 2026		March 2, 2025	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, at beginning of year	6,602,692	\$ 31.72	8,239,589	\$ 26.32
Granted	766,345	76.13	900,616	48.02
Exercised	(1,195,929)	25.14	(2,221,721)	18.16
Forfeited	(334,423)	34.77	(305,728)	32.88
Expired	—	—	(10,064)	36.33
Outstanding, at end of year	5,838,685	\$ 38.66	6,602,692	\$ 31.72
Exercisable, at end of year	2,445,884	\$ 31.79	2,276,912	\$ 28.53

The weighted average share price on the dates the stock options were exercised during the year ended March 1, 2026 was \$95.31 (March 2, 2025 - \$52.45).

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## Notes to Consolidated Financial Statements

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Information relating to the Company's Omnibus Plan stock options outstanding and exercisable as at March 1, 2026 is as follows:

Range of exercise prices	Stock options outstanding			Stock options exercisable		
	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price
\$17.59 to \$25.98	1,972,285	6.28	\$ 24.20	845,748	4.90	\$ 22.60
\$25.99 to \$36.68	2,096,103	5.91	\$ 33.84	1,293,342	5.76	\$ 33.44
\$36.69 to \$131.47	1,770,297	8.48	\$ 60.48	306,794	7.10	\$ 50.21
	5,838,685	6.82	\$ 38.66	2,445,884	5.63	\$ 31.79

The weighted average fair value of stock options estimated at the grant date for the year ended March 1, 2026 was \$36.20 (March 2, 2025 - \$22.82), based on the Black-Scholes option pricing model using the following assumptions:

Dividend yield	0.0%
Expected volatility	44.8% to 47.0%
Risk-free interest rate	2.7% to 3.3%
Expected life	5.0 to 8.0 years
Exercise price	\$56.42 to \$131.47

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

### Restricted Share Unit Plan

The following table summarizes information related to RSUs for the years ended March 1, 2026 and March 2, 2025:

	March 1, 2026		March 2, 2025	
	Cash-settled	Equity-settled	Cash-settled	Equity-settled
<b>Number of units</b>				
Outstanding, at beginning of year	1,046	1,074,896	319,699	786,568
Granted	11,236	316,388	3,584	387,246
Settled and issued	(12,282)	(294,957)	(314,195)	(13,401)
Forfeited	—	(86,976)	(8,042)	(85,517)
Outstanding, at end of year	—	1,009,351	1,046	1,074,896
<b>Additional information</b>				
Fair value of RSU liability	\$ —		\$ 56	

The weighted average fair value of the grant price for the year ended March 1, 2026 was \$78.07 (March 2, 2025 - \$49.08).

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### Performance Share Unit Plan

The following table summarizes information related to PSUs for the years ended March 1, 2026 and March 2, 2025:

	March 1, 2026	March 2, 2025
<b>Number of units</b>		
Outstanding, at beginning of year	550,644	497,746
Granted	145,966	178,393
Settled and issued	(34,741)	(125,495)
Forfeited	(20,953)	—
Outstanding, at end of year	640,916	550,644
Vested but unissued PSUs, at end of year	69,483	—

The weighted average fair value of the grant price for the year ended March 1, 2026 was \$75.14 (March 2, 2025 - \$47.66).

### Director Deferred Share Unit Plan

The following table summarizes information related to DSUs for the years ended March 1, 2026 and March 2, 2025:

	March 1, 2026	March 2, 2025
<b>Number of units</b>		
Outstanding, at beginning of year	239,902	232,207
Granted	19,207	31,973
Settled and issued	(63,078)	(24,278)
Outstanding, at end of year	196,031	239,902
Vested, at end of year	196,031	239,902
<b>Additional information</b>		
Fair value of DSU liability	\$ 23,677	\$ 15,986

The weighted average fair value of the grant price for the year ended March 1, 2026 was \$91.73 (March 2, 2025 - \$45.66).

## 14 Net income per share

### Basic

	March 1, 2026	March 2, 2025
Net income attributable to shareholders of the Company	\$ 381,848	\$ 207,790
Weighted average number of shares outstanding during the period (thousands)	115,037	112,551
<b>Basic net income per share</b>	<b>\$ 3.32</b>	<b>\$ 1.85</b>

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## Notes to Consolidated Financial Statements

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### Diluted

	March 1, 2026	March 2, 2025
Net income attributable to shareholders of the Company	\$ 381,848	\$ 207,790
Weighted average number of shares for net income per diluted share (thousands)	119,499	116,731
<b>Net income per diluted share</b>	<b>\$ 3.20</b>	<b>\$ 1.78</b>

For the year ended March 1, 2026, 1,319,632 stock options and equity-settled RSUs and PSUs along with the Additional Shares were not included in the calculation of diluted net income per share as they were anti-dilutive or contingently issuable (March 2, 2025 – 1,503,091 stock options and equity-settled RSUs and PSU's along with the Additional Shares).

### 15 Net Revenue

Net revenue disaggregated for boutiques and Digital was as follows:

	March 1, 2026	March 2, 2025
Retail net revenue	\$ 2,407,538	\$ 1,787,084
Digital net revenue	1,294,610	951,028
<b>Net revenue</b>	<b>\$ 3,702,148</b>	<b>\$ 2,738,112</b>

### 16 Expenses by nature

	March 1, 2026	March 2, 2025
<b>Cost of goods sold</b>		
Inventory and product-related costs and occupancy costs	\$ 1,855,735	\$ 1,397,312
Depreciation on right-of-use assets	94,860	94,342
Depreciation on property and equipment	90,220	65,839
<b>Cost of goods sold</b>	<b>\$ 2,040,815</b>	<b>\$ 1,557,493</b>

	March 1, 2026	March 2, 2025
<b>Personnel expenses</b>		
Salaries, wages and employee benefits	\$ 781,936	\$ 616,989
Stock-based compensation expense relating to employees (note 13)	49,330	38,914
<b>Personnel expenses</b>	<b>\$ 831,266</b>	<b>\$ 655,903</b>

	March 1, 2026	March 2, 2025
<b>Finance expense</b>		
Interest expense on lease liabilities (note 8)	\$ 52,911	\$ 44,615
Interest expense and banking fees	3,500	3,882
Amortization of deferred financing fees	353	303
<b>Finance expense</b>	<b>\$ 56,764</b>	<b>\$ 48,800</b>

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	March 1, 2026	March 2, 2025
<b>Other expense (income)</b>		
Realized foreign exchange loss (gain)	\$ 7,820	\$ (13,374)
Unrealized foreign exchange loss (gain)	3,463	(3,012)
Unrealized loss (gain) on equity derivative contracts (note 11)	(42,412)	(16,929)
CYC integration costs and other	(5,673)	(5,209)
Secondary offering transaction costs (note 12)	520	550
Interest and other income	(13,186)	(6,489)
<b>Other expense (income)</b>	<b>\$ (49,468)</b>	<b>\$ (44,463)</b>

## 17 Income taxes

### Income tax expense

	March 1, 2026	March 2, 2025
Current period	\$ 130,437	\$ 58,255
Share-based compensation tax impacts recorded in equity	4,599	—
Adjustments with respect to prior years	(994)	1,962
<b>Current tax expense</b>	<b>134,042</b>	<b>60,217</b>
Origination and reversal of temporary differences	(10,819)	25,865
Changes in substantively enacted tax rates	44	320
Share-based compensation tax impacts recorded in equity	14,283	(1,628)
Adjustments with respect to prior years	(2,640)	(2,111)
<b>Deferred tax expense</b>	<b>\$ 868</b>	<b>\$ 22,446</b>
<b>Income tax expense</b>	<b>\$ 134,910</b>	<b>\$ 82,663</b>

# Aritzia Inc.

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### Reconciliation of effective tax rate

The Company's income tax expense differs from that calculated by applying the combined substantively enacted Canadian federal and provincial statutory income tax rates for the years ended March 1, 2026 and March 2, 2025 of 26.7% and 26.8%, respectively, as follows:

	March 1, 2026	March 2, 2025
Income before income taxes	\$ 516,758	\$ 290,453
Expected income tax expense	137,974	77,841
Increase (decrease) in income taxes resulting from:		
Non-deductible stock-based compensation	119	5,313
Newly deductible stock-based compensation	(3,509)	—
Deductible stock-based compensation recognized through equity	4,599	—
Net non-taxable fair value adjustment of Share Adjustments	(1,620)	(2,025)
Foreign tax rate differences	(18)	977
Adjustments with respect to prior years	(3,634)	(149)
Change in substantively enacted tax rates	132	320
Other	867	386
<b>Income tax expense</b>	<b>\$ 134,910</b>	<b>\$ 82,663</b>

### Deferred income tax

The tax effects of the significant temporary differences that comprise deferred tax assets and liabilities as at March 1, 2026 and March 2, 2025 are as follows:

	March 1, 2026	March 2, 2025
Leases	\$ 71,496	\$ 58,140
Deferred revenue	13,482	10,759
Net operating loss	4,298	10,197
Inventory	13,562	9,329
Accounts payable and accrued liabilities	7,109	5,280
Stock-based compensation	18,843	4,676
Financing and share issuance costs	1,150	1,003
Deferred lease incentives	687	926
Other	2,003	227
<b>Deferred tax assets</b>	<b>\$ 132,630</b>	<b>\$ 100,537</b>
Property and equipment	\$ 98,047	\$ 81,702
Goodwill and intangible assets	35,296	34,483
Other	95	162
<b>Deferred tax liabilities</b>	<b>\$ 133,438</b>	<b>\$ 116,347</b>
<b>Net deferred tax assets (liabilities)</b>	<b>\$ (808)</b>	<b>\$ (15,810)</b>

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

	March 1, 2026	March 2, 2025
Deferred tax expense (recovery) recorded in net income	\$ 868	\$ 22,446
Deferred tax recovery recorded in equity	\$ (16,443)	\$ (1,628)
Foreign currency translation adjustment on deferred taxes	573	(926)
<b>Change in net deferred tax (assets) liabilities</b>	<b>\$ (15,002)</b>	<b>\$ 19,892</b>

Of the deferred income tax balances, the Company expects \$63.5 million of the deferred tax assets to be recovered within 12 months and \$33.7 million of the deferred tax liabilities to be settled within 12 months.

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

### 18 Segment information

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

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

	March 1, 2026	March 2, 2025
United States	\$ 2,275,431	\$ 1,581,821
Canada	1,426,717	1,156,291
<b>Net revenue</b>	<b>\$ 3,702,148</b>	<b>\$ 2,738,112</b>

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

	March 1, 2026	March 2, 2025
United States	\$ 987,617	\$ 891,160
Canada	887,054	791,431
<b>Non-current, non-financial assets</b>	<b>\$ 1,874,671</b>	<b>\$ 1,682,591</b>

# Aritzia Inc.

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### 19 Commitments and contingencies

#### Product purchase obligations

At March 1, 2026, the Company had purchase obligations of \$211.7 million (March 2, 2025 - \$157.2 million), which represent commitments for fabric expected to be used during upcoming seasons, made in the normal course of business.

#### Letters of credit

At March 1, 2026, the Company had open letters of credit of \$4.6 million (March 2, 2025 - \$8.3 million).

### 20 Related party transactions

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

During the year ended March 1, 2026, the Company made payments of \$10.4 million (March 2, 2025 - \$10.1 million) for lease of premises and management services and \$1.1 million (March 2, 2025 - \$1.5 million) for the use of assets and other operational items to companies, that are owned wholly or partially by Brian Hill. As at March 1, 2026, \$0.3 million was included in accounts payable and accrued liabilities (March 2, 2025 - \$0.6 million) and \$0.8 million was included in other current assets for the lease of premises or for other operational items (March 2, 2025 - \$0.8 million). As at March 1, 2026, the outstanding balance of lease liabilities owed to these companies was \$70.0 million (March 2, 2025 - \$40.5 million). These transactions were measured at the amount of consideration established at market terms.

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

	March 1, 2026	March 2, 2025
Salaries, directors' fees and short-term benefits	\$ 12,436	\$ 6,668
Stock-based compensation expense	30,391	18,369
<b>Key management compensation</b>	<b>\$ 42,827</b>	<b>\$ 25,037</b>

# Aritzia Inc.

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(in thousands of Canadian dollars, unless otherwise noted)

### 21 Supplemental cash flow information

The net change in non-cash working capital balances for the years ended March 1, 2026 and March 2, 2025 were as follows:

	March 1, 2026	March 2, 2025
Accounts receivable	\$ 44	\$ (3,934)
Inventory	(125,202)	(29,290)
Other current assets	2,324	(6,070)
Other assets	(1,120)	923
Accounts payable and accrued liabilities	274,287	18,514
Deferred revenue	38,347	24,030
<b>Net change in non-cash working capital balances</b>	<b>\$ 188,680</b>	<b>\$ 4,173</b>
Accrued purchases of property and equipment	\$ 41,047	\$ 40,681
Accrued purchases of intangible assets	\$ 96	\$ 1,274

### 22 Financial risk management

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

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

#### Market risk

##### *Currency risk*

The Company is exposed to foreign exchange risk on foreign currency denominated transactions, monetary assets and liabilities denominated in a foreign currency, and net investments in foreign operations. The Company sources the majority of its raw materials and merchandise from various suppliers in Asia and Europe with the vast majority of purchases denominated in U.S. dollars. In addition, the Company operates boutiques in the United States. The Company's foreign exchange risk is primarily with respect to the U.S. dollar and the Company has limited exposure to other currencies. Foreign currency forward contracts are used from time to time to mitigate risks associated with forecasted U.S. dollar merchandise purchases sold in Canada. The Company did not utilize foreign currency forward contracts during the year ended March 1, 2026.

As at March 1, 2026, a \$0.05 variation in the Canadian dollar against the U.S. dollar on net monetary accounts in U.S. dollars would, with all other variables being constant, have an approximate favourable (or unfavourable) impact of \$3.3 million on net income.

# Aritzia Inc.

## Notes to Consolidated Financial Statements

March 1, 2026 and March 2, 2025

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(in thousands of Canadian dollars, unless otherwise noted)

### *Interest rate risk*

The Company has a revolving credit facility, revolving line of credit and uncommitted revolving demand credit facility which provide available borrowings in an amount up to \$300.0 million, US\$10 million and \$5 million, respectively. Because these facilities bear interest at variable rates, the Company is exposed to market risks relating to changes in interest rates on outstanding balances. As at March 1, 2026, no advances were made under the revolving credit facility, revolving line of credit and uncommitted revolving demand credit facility.

### *Equity price risk*

The Company is exposed to risk arising from cash-settled RSUs and DSUs and open market-settled RSUs and PSUs, if applicable, as an appreciating SVS price increases the potential value of the settlement. The Company records a liability for the potential future settlement of our cash-settled deferred and restricted share units by reference to the fair value of the liability. The Company uses equity derivative contracts (total return swaps) to offset the variability of the Company's share prices associated with the settlement of the Company's cash-settled deferred and restricted share units and open market-settled RSUs and PSUs. The Company only enters into equity derivative contracts with major financial institutions. As at March 1, 2026, an increase (or decrease) in the Company's share price by \$1.00 would result in an increase (or decrease) of \$0.8 million in the fair value of the liability and derivative asset.

### **Credit risk**

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

### **Liquidity risk**

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Company manages liquidity risk through various means, including monitoring actual and projected cash flows, taking into account the seasonality of its revenue, income, working capital and capital expenditure needs. The Company's revolving credit facility and the revolving line of credit are used to maintain liquidity. As at March 1, 2026 and March 2, 2025, no advances were made under the revolving credit facility, revolving line of credit and uncommitted revolving demand credit facility. As at March 1, 2026, the Company also has letters of credit facilities of CAD\$30.0 million and US\$25.0 million (March 2, 2025 – CAD\$30.0 million and US\$25.0 million), of which \$4.6 million of letters of credit were outstanding (March 2, 2025 – \$8.3 million).

The following table summarizes the undiscounted contractual maturities of the Company's financial liabilities as at March 1, 2026:

# Aritzia Inc.

## Notes to Consolidated Financial Statements

March 1, 2026 and March 2, 2025

(in thousands of Canadian dollars, unless otherwise noted)

	Less than 1 year	1 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	\$ 564,586	\$ —	\$ —	\$ 564,586
Lease liabilities	161,324	621,797	494,363	1,277,484
<b>Total</b>	<b>\$ 725,910</b>	<b>\$ 621,797</b>	<b>\$ 494,363</b>	<b>\$ 1,842,070</b>

### 23 Capital management

The Company's objectives when managing capital are to:

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

The Company defines capital as its revolving credit facility, revolving line of credit and shareholders' equity. The Company's primary uses of capital are to finance increases in non-cash working capital along with capital expenditures for new boutique additions, existing boutique expansion and renovation projects, other infrastructure investments, and when deemed appropriate, repurchases of the SVS under an existing NCIB or through the trust for the RSU and PSU equity-settled plans to facilitate the purchase of shares for future settlement upon vesting of RSU and PSU grants. The Company currently funds these requirements out of its internally generated operating cash flows.

The Company is subject to financial covenants and collateral pursuant to its revolving credit facility presented in note 10.

### 24 Subsequent event

#### NCIB

On May 7, 2026, the Company's Board of Directors approved the Company's intention to file with the TSX its notice of intention to proceed with an NCIB ("2026 NCIB"), which, if accepted by the TSX, would permit the Company to purchase for cancellation up to 5% of the public float of the Company's issued and outstanding SVS. Subject to TSX acceptance, the Company anticipates the 2026 NCIB commencing on or about May 13, 2026, and in any event, at least two days after the TSX acceptance of the 2026 NCIB. The exact amount of subordinate voting shares subject to the 2026 NCIB will be determined on the date of acceptance of the notice of intention by the TSX. In connection with the 2026 NCIB, the Company may also enter into an automatic share purchase plan (the "2026 ASPP") with a designated broker for the purpose of permitting the Company to purchase its SVS under the 2026 NCIB during predetermined blackout periods. The 2026 ASPP would terminate upon the termination of the 2026 NCIB.