

Aritzia Reports First Quarter Fiscal 2027 Financial Results



VANCOUVER, July 9, 2026 – Aritzia Inc. (TSX: ATZ, "Aritzia", the "Company", "we" or "our"), a design house with an innovative global platform offering covetable styles online, on its app and in its boutiques, today announced its financial results for the first quarter ended May 31, 2026 ("Q1 2027").

"We delivered exceptional net revenue growth of 43% in the first quarter of Fiscal 2027, including an outstanding 35% increase in comparable sales. Our momentum was broad-based across the business - spanning all geographies, channels and categories. Robust demand for our Spring and Summer product, supported by our healthy inventory position, fueled this phenomenal performance. Our digital initiatives, new boutique openings and strategic marketing investments continued to drive increased awareness and widespread affinity for the Aritzia brand. Notably, our digital business gained significant momentum, with net revenue growth accelerating to 56%, while the United States remained our largest growth market with a 55% top line increase," said Jennifer Wong, Chief Executive Officer. "In addition, we expanded our adjusted EBITDA margin by 410 basis points to a first quarter record of 20%. All of this culminated in a 96% increase in adjusted net income per diluted share."

"Importantly, our strong momentum has carried into the second quarter of Fiscal 2027 as we consistently deliver against our three strategic growth levers - geographic expansion, digital growth and increased brand awareness. We also continue to invest in world-class infrastructure to ensure we remain well-positioned to capitalize on our long runway for growth in the United States and beyond. The strength of the Aritzia brand has never been more evident, and we look forward to executing on our strategic vision for the future," continued Ms. Wong.

First Quarter Highlights

For Q1 2027, compared to Q1 2026¹:

- **Net revenue** increased 43.4% to \$951.0 million, with comparable sales² growth of 35.1%
- **United States net revenue** increased 54.5% to \$638.1 million, comprising 67.1% of net revenue
- **Canada net revenue** increased 25.0% to \$312.9 million, comprising 32.9% of net revenue
- **Retail net revenue** increased 38.7% to \$666.3 million, comprising 70.1% of net revenue
- **Digital (formerly "eCommerce") net revenue** increased 55.5% to \$284.7 million, comprising 29.9% of net revenue
- **Gross profit margin²** increased 310 bps to 50.3%
- **Selling, general and administrative expenses** as a percentage of net revenue decreased 150 bps to 32.0%
- **Adjusted EBITDA²** increased 80.5% to \$191.6 million. **Adjusted EBITDA as a percentage of net revenue²** increased 410 bps to 20.1%
- **Net income** increased 176.6% to \$117.3 million. Net income as a percentage of net revenue increased 590 bps to 12.3%. **Net income per diluted share** increased 175.0% to \$0.99 per share, compared to \$0.36 per share in Q1 2026
- **Adjusted Net Income²** increased 98.3% to \$113.9 million. **Adjusted Net Income per Diluted Share²** increased 95.9% to \$0.96 per share, compared to \$0.49 per share in Q1 2026

First Quarter Results Compared to Q1 2026

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

	Q1 2027		Q1 2026		Change	
		% of net revenue		% of net revenue	%	bps
Retail net revenue	\$ 666,344	70.1 %	\$ 480,306	72.4 %	38.7 %	
Digital net revenue	284,665	29.9 %	183,010	27.6 %	55.5 %	
Net revenue	\$ 951,009	100.0 %	\$ 663,316	100.0 %	43.4 %	
Gross profit	\$ 478,025	50.3 %	\$ 312,797	47.2 %	52.8 %	310
Selling, general and administrative ("SG&A")	\$ 304,634	32.0 %	\$ 222,483	33.5 %	36.9 %	(150)
Net income	\$ 117,263	12.3 %	\$ 42,391	6.4 %	176.6 %	590
Net income per diluted share	\$ 0.99		\$ 0.36		175.0 %	
Adjusted EBITDA ²	\$ 191,572	20.1 %	\$ 106,132	16.0 %	80.5 %	410
Adjusted Net Income ²	\$ 113,875	12.0 %	\$ 57,424	8.7 %	98.3 %	330
Adjusted Net Income per Diluted Share ²	\$ 0.96		\$ 0.49		95.9 %	

Net revenue increased 43.4% to \$951.0 million, compared to \$663.3 million in Q1 2026, or increased 45.8% on a constant currency² basis, driven by outstanding comparable sales growth and the strong performance of the Company's new and repositioned boutiques. Comparable sales² increased 35.1%, as all channels and all geographies generated positive double-digit growth. This was driven by exceptional demand for the Company's product offering, supported by the Company's digital initiatives and its strategic marketing investments.

- In the **United States**, net revenue increased 54.5% to \$638.1 million, compared to \$413.0 million in Q1 2026. This was fueled by the Company's real estate expansion strategy as well as outstanding comparable sales growth in its existing boutiques and in Digital.
- Net revenue in **Canada** increased 25.0% to \$312.9 million, compared to \$250.3 million in Q1 2026, driven by outstanding comparable sales growth in Digital and in the Company's existing boutiques.
- **Retail** net revenue increased 38.7% to \$666.3 million, compared to \$480.3 million in Q1 2026. The increase was driven by outstanding comparable sales growth in both countries and the strong performance of the Company's new and repositioned boutiques. In the last 12 months, the Company opened 14 new boutiques and repositioned five boutiques. Boutique count³ at the end of Q1 2027 totaled 143 compared to 131 boutiques at the end of Q1 2026.
- **Digital** net revenue increased 55.5% to \$284.7 million, compared to \$183.0 million in Q1 2026. The increase was fueled by strong traffic growth, driven by robust demand for the Company's product offering, its new mobile app and its investments in digital marketing.

Gross profit increased 52.8% to \$478.0 million, compared to \$312.8 million in Q1 2026. Gross profit margin² was 50.3%, compared to 47.2% in Q1 2026. The 310 bps increase in gross profit margin was primarily driven by IMU improvements, leverage on store occupancy and other fixed costs as well as lower markdowns, partially offset by the impact of additional tariffs and the elimination of the de minimis exemption.

SG&A expenses increased 36.9% to \$304.6 million, compared to \$222.5 million in Q1 2026. SG&A expenses were 32.0% of net revenue, compared to 33.5% in Q1 2026. The 150 bps improvement was primarily driven by expense leverage and savings from the Company's smart spending initiative.

Other income was \$30.8 million compared to \$8.3 million in other expense in Q1 2026, primarily due to higher unrealized gains on derivatives and foreign exchange translation gains.

Net income was \$117.3 million, or 12.3% of net revenue, an increase of 176.6% compared to \$42.4 million, or 6.4% of net revenue, in Q1 2026, primarily attributable to the factors described above. **Net income per diluted share** was \$0.99 per share, an increase of 175.0% compared to \$0.36 per share in Q1 2026.

Adjusted EBITDA² was \$191.6 million or 20.1% of net revenue², an increase of 80.5% compared to \$106.1 million or 16.0% of net revenue in Q1 2026.

Adjusted Net Income² was \$113.9 million, an increase of 98.3% compared to \$57.4 million in Q1 2026.

Adjusted Net Income per Diluted Share² was \$0.96 per share, an increase of 95.9% compared to \$0.49 per share in Q1 2026.

Effective the first quarter of Fiscal 2027, the Company updated the composition of its Adjusted EBITDA to adjust for foreign exchange losses or gains on intercompany balances. The following table provides the impact of foreign exchange losses or gains on intercompany balances to Adjusted EBITDA² and Adjusted Net Income²:

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

	Q1 2027		Q1 2026		Change	
	\$	% of net revenue	\$	% of net revenue	%	bps
Adjusted EBITDA ²	\$ 191,572	20.1 %	\$ 106,132	16.0 %	80.5 %	410
Foreign exchange on intercompany balances - add back gains / (deduct losses)	2,790		(10,798)			
Adjusted EBITDA ² with foreign exchange on intercompany balances	\$ 194,362	20.4 %	\$ 95,334	14.4 %	103.9 %	600
Adjusted Net Income ²	\$ 113,875	12.0 %	\$ 57,424	8.7 %	98.3 %	330
Foreign exchange on intercompany balances - add back gains / (deduct losses)	2,790		(10,798)			
(Increase) decrease to related tax effects	(773)		2,704			
Adjusted Net Income ² with foreign exchange on intercompany balances	\$ 115,892	12.2 %	\$ 49,330	7.4 %	134.9 %	480

Cash and cash equivalents totaled \$471.9 million, compared to \$292.6 million at the end of Q1 2026.

Inventory was \$547.8 million, an increase of 33.8%, compared to \$409.5 million at the end of Q1 2026.

Capital cash expenditures (net of proceeds from lease incentives)² were \$63.0 million, compared to \$52.3 million in Q1 2026. Capital cash expenditures in Q1 2027 primarily consisted of capital investments in new and repositioned boutiques and the construction of the Company's new distribution centre in British Columbia.

Shares repurchased under the Company's Normal Course Issuer Bid ("NCIB") totaled 564,500 subordinate voting shares ("SVS") for \$66.2 million.

Outlook

Aritzia expects the following for the second quarter of Fiscal 2027 compared to the second quarter of Fiscal 2026:

Based on quarter-to-date trends, Aritzia expects net revenue in the range of \$1.100 billion to \$1.125 billion, representing growth of approximately 35% to 39%. The Company expects gross profit margin to increase approximately 250 bps to 300 bps from 43.8% in the second quarter of Fiscal 2026, and SG&A as a percentage of net revenue to decrease approximately 25 bps to 75 bps from 30.8% in the second quarter of Fiscal 2026.

Aritzia expects the following for Fiscal 2027:

- Net revenue in the range of \$4.55 billion to \$4.75 billion, representing growth of approximately 23% to 28% from Fiscal 2026.⁴ This includes the contribution from retail expansion with 12 to 13 new boutiques and four to five boutique repositions. Eleven to twelve new boutiques and two to three repositions are expected to be in the United States with the remainder in Canada.
- Gross profit margin to increase approximately 175 bps to 225 bps from 44.9% in Fiscal 2026.
- SG&A as a percentage of net revenue to be approximately flat to down 50 bps from 29.1% in Fiscal 2026.
- Adjusted EBITDA as a percentage of net revenue² to be approximately 19.5%, compared to 17.8% in Fiscal 2026,⁵ driven by IMU improvements, savings from the Company's smart spending initiative and expense leverage.
- Capital cash expenditures (net of proceeds from lease incentives)² of approximately \$250 million. This includes approximately \$210 million related to investments in new and repositioned boutiques expected to open in Fiscal 2027 and Fiscal 2028.
- Depreciation and amortization of approximately \$130 million.

- Foreign exchange rate assumption for Fiscal 2027 USD:CAD = 1.36.

The update to the composition of Adjusted EBITDA to adjust for foreign exchange gains or losses on intercompany balances had no impact on the Company's previously provided outlook for Adjusted EBITDA as a percentage of net revenue, as such amounts assumed no impact from foreign exchange gains or losses on intercompany balances. See "How We Assess the Performance of our Business - Adjusted EBITDA and Adjusted EBITDA as a Percentage of Net Revenue" and "Summary of Consolidated Quarterly Results and Certain Performance Measures" in our Management's Discussion & Analysis for the first quarter of Fiscal 2027 dated July 9, 2026 (the "Q1 2027 MD&A"). The Company's Adjusted EBITDA as a percentage of net revenue as previously reported for Fiscal 2026 was 17.5%.

The foregoing outlook is based on management's current strategies and may be considered forward-looking information under applicable securities laws. Such outlook is based on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment. This outlook is intended to provide readers management's projections for the Company as of the date of this press release. Readers are cautioned that actual results may vary materially from this outlook and that the information in the outlook may not be appropriate for other purposes. See also the "Forward-Looking Information" section of this press release and the "Forward-Looking Information" and "Risk Factors" sections of the Q1 2027 MD&A and the Company's annual information form for Fiscal 2026 dated May 7, 2026 (the "Fiscal 2026 AIF").

In addition, a discussion of the Company's long-term financial plan is contained in the Company's press release dated October 27, 2022, "Aritzia Presents its Fiscal 2027 Strategic and Financial Plan, Powering Stronger". See also the Company's press release dated May 1, 2025, "Aritzia Reports Fourth Quarter and Fiscal 2025 Financial Results", press release dated October 9, 2025, "Aritzia Reports Second Quarter Fiscal 2026 Financial Results", and press release dated May 7, 2026, "Aritzia Reports Fourth Quarter and Fiscal 2026 Financial Results" for updates to such discussion. These press releases are available on the System for Electronic Data Analysis and Retrieval + ("SEDAR+") at www.sedarplus.com and on our website at investors.aritzia.com.

Normal Course Issuer Bid ("NCIB")

On May 11, 2026, the Company announced that the Toronto Stock Exchange ("TSX") approved the Company's NCIB (the "2026 NCIB") which allows the Company to repurchase and cancel up to 4,308,739 of its SVS, representing approximately 5% of the public float of 86,174,782 SVS as at April 30, 2026, during the twelve-month period commencing May 13, 2026 and ending May 12, 2027. On May 28, 2026, the Company also announced that it had entered into an automatic share purchase plan (the "2026 ASPP"), with its designated broker, which commenced immediately and will terminate upon the expiry of the 2026 NCIB unless terminated earlier in accordance with its terms.

On May 5, 2025, the Company announced that the TSX approved the Company's normal course issuer bid (the "2025 NCIB") which allowed the Company to repurchase and cancel up to 4,226,994 of its SVS, representing approximately 5% of the public float of 84,539,881 SVS as at April 30, 2025, over 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 automatic share purchase plans (the "2025 ASPPs"), with its designated broker, which commenced immediately and terminated upon the expiry of the 2025 NCIB.

During the 13-week period ended May 31, 2026, the Company repurchased a total of 564,500 SVS for cancellation under the 2026 NCIB and 2025 NCIB at an average price of \$117.33 per SVS for total cash consideration of \$66.2 million (including commissions).

Conference Call Details

A conference call to discuss the Company's first quarter results is scheduled for Thursday, July 9, 2026, at 1:30 p.m. PT / 4:30 p.m. ET. To participate, please dial 1-833-821-0201 (North America toll-free) or 1-647-846-2331 (Toronto and overseas long-distance). The call is also accessible via webcast at <https://investors.aritzia.com/events-and-presentations/>. A recording will be available shortly after the conclusion of the call. To access the replay, please dial 1-855-669-9658 (North America toll-free) or 1-412-317-0088 (overseas long-distance) and the replay access code 9603904. An archive of the webcast will be available on Aritzia's website.

About Aritzia

Beautifully made clothes. Exceptional experiences. Everyday Luxury®.

Aritzia is a design house with an innovative global platform. We are creators and purveyors of covetable styles, home to an extensive portfolio of exclusive brands for every function and individual aesthetic. We're about good design, quality materials and making pieces you'll wear again and again — all with the wellbeing of our People and Planet in mind.

Founded in 1984 in Vancouver, Canada, we pride ourselves on creating immersive, highly personalized shopping experiences at aritzia.com, on our app and in our 140+ boutiques throughout North America — for everyone, everywhere.

Comparable Sales

Comparable sales is a retail industry metric used to explain our total combined revenue growth (decline) (in absolute dollars or percentage terms) in digital and established boutiques over the comparative reportable period.

Non-IFRS Financial Measures and Retail Industry Metrics

This press release makes reference to certain non-IFRS Accounting Standards measures ("non-IFRS financial measures") and certain retail industry metrics. These measures are not recognized measures under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), do not have a standardized meaning prescribed by IFRS Accounting Standards, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards. We use non-IFRS financial measures including "EBITDA", "Adjusted EBITDA", and "Adjusted Net Income"; non-IFRS Accounting Standards ratios ("non-IFRS ratios") including "Adjusted Net Income per Diluted Share", "Adjusted EBITDA as a percentage of net revenue", "Adjusted Net Income as a percentage of net revenue", "comparable sales" and "constant currency net revenue"; and capital management measures including "capital cash expenditures (net of proceeds from lease incentives)" and "free cash flow." This press release also makes reference to "gross profit margin" which is a commonly used operating metric in the retail industry but may be calculated differently by other retailers. Gross profit margin is considered a supplementary financial measure under applicable securities laws. These non-IFRS financial measures and retail industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS Accounting Standards measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS financial measures and retail industry metrics in the evaluation of issuers. Our management also uses non-IFRS financial measures and retail industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Certain information about non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures is found in the Q1 2027 MD&A and is incorporated by reference. This information is found in the sections entitled "How We Assess the Performance of our Business", "Non-IFRS Financial Measures and Retail Industry Metrics" and "Selected Financial Information" of the Q1 2027 MD&A which is available under the Company's profile on SEDAR+ at www.sedarplus.com. Reconciliations for each non-IFRS financial measure can be found in this press release under the heading "Selected Financial Information".

Forward-Looking Information

Certain statements made in this document may constitute forward-looking information under applicable securities laws. Statements containing forward-looking information are neither historical facts nor assurances of future performance, but instead, provide insights regarding management's current expectations and plans and allows investors and others to better understand the Company's anticipated business strategy, financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although the Company believes that the forward-looking statements are based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information.

Specific forward-looking information in this document include, but are not limited to, statements relating to:

- our Fiscal 2027 strategic and financial plan and anticipated results therefrom,
- our second quarter Fiscal 2027 financial outlook, including our expected outlook for net revenue and related impacts, gross profit margin, and SG&A as a percentage of net revenue,
- our full Fiscal 2027 financial outlook, including our expected outlook for net revenue, expectations regarding new and repositioned boutiques and timing of openings, Adjusted EBITDA as a percentage of net revenue (including expected pressure from additional tariffs and the elimination of the de minimis exemption), capital cash expenditures (net of proceeds from lease incentives) and the composition thereof, depreciation and amortization, and foreign exchange rates,
- the direct and indirect impacts on the Company of tariffs, duties, retaliatory tariffs or other trade protectionist measures and any ongoing or new conflicts,
- our ability to navigate and adapt to varying economic climates while continuing to advance our key growth levers including tariff-related developments,
- our confidence in our long-term goals for the business and our ability to deliver profitable growth for our shareholders, and
- the number of SVS which may be purchased under the 2026 NCIB.

Particularly, information regarding our expectations of future results, targets, performance achievements, intentions, prospects, opportunities or other characterizations of future events or developments or the markets in which we operate is forward-looking information. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or positive or negative variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur”, “continue”, or “be achieved”.

Forward-looking statements are based on information currently available to management and on estimates and assumptions, including assumptions about future economic conditions and courses of action. Examples of material estimates and assumptions and beliefs made by management in preparing such forward looking statements include, but are not limited to:

- anticipated growth across our retail and digital channels,
- anticipated growth in the United States and Canada,
- general economic and geopolitical conditions, including the imposition of any new, or any material changes to applicable duties, tariffs and trade restrictions or similar measures (and any retaliatory measures) and any ongoing or new conflicts,
- changes in laws, rules, regulations, and global standards,
- our competitive position in our industry,
- our ability to keep pace with changing consumer preferences,
- no public health related restrictions impacting client shopping patterns or incremental direct costs related to health and safety measures,
- our future financial outlook,
- our ability to drive ongoing development and innovation of our exclusive brands and product categories,
- our ability to realize our eCommerce 2.0 strategy and optimize our omni-channel capabilities,
- our expectations for continuing strong inventory position,
- our expectations regarding any new distribution centres and retrofitting of existing distribution centres,
- our ability to recruit and retain exceptional talent,
- our expectations regarding new boutique openings, repositioning of existing boutiques, and the timing thereof, and growth of our boutique network and annual square footage,
- our ability to mitigate business disruptions, including our sourcing and production activities,
- our expectations for capital expenditures,
- our ability to generate positive cash flow,
- anticipated run rate savings from our smart spending initiative,
- availability of sufficient liquidity,
- warehousing costs and expedited freight costs, and
- currency exchange and interest rates.

In addition to the assumptions noted above, specific assumptions in support of our Fiscal 2027 outlook include:

- macroeconomic uncertainty,
- improved product assortment mix,
- anticipated benefits from product margin improvements including IMU improvements and lower markdowns,
- estimated impacts of new and proposed tariffs and assumptions regarding the duration, scope and estimated impact of the de minimis exemption removal,
- our approach and expectations with respect to our real estate expansion strategy, including boutique payback period expectations and timing of openings, that our planned boutique openings and repositions will proceed as anticipated and on-time,
- anticipated total square footage growth of our boutiques,
- infrastructure investments including new and repositioned flagship boutiques, expanded support office space, and digital technology to drive eCommerce 2.0,
- subsiding transitory cost pressures, including pre-opening lease amortization for flagship boutiques, and warehouse costs related to inventory management, and
- foreign exchange rate assumption for Fiscal 2027: USD:CAD = 1.36.

Given the current challenging operating environment, there can be no assurances regarding: (a) the macroeconomic impacts on Aritzia's business, operations, labour force, supply chain performance and growth strategies; (b) Aritzia's ability to mitigate such impacts, including ongoing measures to enhance short-term liquidity, contain costs and safeguard the business; (c) general economic conditions and impacts to consumer discretionary spending and shopping habits (including impacts from changes to interest rate environments); (d) credit, market, currency, commodity market, inflation, interest rates, global supply chains, operational, and liquidity risks generally; (e) global uncertainty such as uncertainty with respect to international trade policies and tariffs, geopolitical events and international conflicts (including the conflict in the Middle East); (f) public health related limitations or restrictions that may be placed on servicing our clients or the duration of any such limitations or restrictions; and (g) other risks inherent to Aritzia's business and/or factors beyond its control which could have a material adverse effect on the Company.

Many factors could cause our actual results, performance, achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in the "Risk Factors" section of our Q1 2027 MD&A, and the Company's Fiscal 2026 AIF which are incorporated by reference into this document. A copy of the Q1 2027 MD&A and the Fiscal 2026 AIF and the Company's other publicly filed documents can be accessed under the Company's profile on SEDAR+ at www.sedarplus.com.

The Company cautions that the foregoing list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. We operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for management to predict all risks, nor assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained in this document represents our expectations as of the date of this document (or as of the date they are otherwise stated to be made) and are subject to change after such date. We disclaim any intention, obligation or undertaking to update or revise any forward-looking information, whether written or oral, as a result of new information, future events or otherwise, except as required under applicable securities laws.

For more information

Investors

Beth Reed

Vice President, Investor Relations

646-603-9844

breed@aritzia.com

Footnotes

1. All references in this press release to "Q1 2027" are to our 13-week period ended May 31, 2026, to "Fiscal 2028" are to our 52-week period ending February 27, 2028", to "Fiscal 2027" are to our 52-week period ending February 28, 2027, to "Q1 2026" are to our 13-week period ended June 1, 2025 and to "Fiscal 2026" are to our 52-week period ended March 1, 2026.
2. Certain metrics, including those expressed on an adjusted or comparable basis, are non-IFRS financial measures (as defined herein) or supplementary financial measures. See "Non-IFRS Financial Measures and Retail Industry Metrics" and "Selected Financial Information". Effective Q1 2027, the Company updated the composition of Adjusted EBITDA and Adjusted Net Income to adjust for foreign exchange gains or losses on intercompany balances. See "How We Assess the Performance of our Business - Adjusted EBITDA and Adjusted EBITDA as a Percentage of Net Revenue and Adjusted Net Income and Adjusted Net Income as a Percentage of Net Revenue" and "Summary of Consolidated Quarterly Results and Certain Performance Measures" in the Q1 2027 MD&A.
3. There were four Reigning Champ boutiques as at May 31, 2026 (three Reigning Champ boutiques as at June 1, 2025), which are excluded from the boutique count. There were two banner boutiques closed in the same location where an existing boutique was expanded during Q1 2027. During Q4 2026, one boutique closed and one pop-up boutique was converted into a permanent boutique.
4. Compared to the Company's previous outlook for net revenue of \$4.4 billion to \$4.6 billion, representing growth of approximately 19% to 24%.
5. Compared to the Company's previous outlook for Adjusted EBITDA as a percentage of net revenue to be approximately 19%.

Note: calculated figures in financial tables may not add up precisely due to rounding.

Selected Financial Information

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Q1 2027		Q1 2026	
		% of net revenue		% of net revenue
Net revenue	\$ 951,009	100.0 %	\$ 663,316	100.0 %
Cost of goods sold	472,984	49.7 %	350,519	52.8 %
Gross profit	478,025	50.3 %	312,797	47.2 %
Selling, general and administrative	304,634	32.0 %	222,483	33.5 %
Stock-based compensation expense	22,148	2.3 %	10,186	1.5 %
Income from operations	151,243	15.9 %	80,128	12.1 %
Finance expense	16,474	1.7 %	12,955	2.0 %
Other expense (income)	(30,838)	(3.2)%	8,322	1.3 %
Income before income taxes	165,607	17.4 %	58,851	8.9 %
Income tax expense	48,344	5.1 %	16,460	2.5 %
Net income	\$ 117,263	12.3 %	\$ 42,391	6.4 %
Other Performance Measures:				
Year-over-year net revenue growth	43.4%		33.0%	
Comparable sales ^{1,2} growth	35.1%		19.3%	
Capital cash expenditures (net of proceeds from lease incentives) ²	\$ (62,967)		\$ (52,269)	
Free cash flow ²	\$ (8,590)		\$ 24,394	

NET REVENUE BY GEOGRAPHIC LOCATION

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026
United States net revenue	\$ 638,083	\$ 412,987
Canada net revenue	312,926	250,329
Net revenue	\$ 951,009	\$ 663,316

CONSOLIDATED CASH FLOWS

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026
Net cash generated from (used in) operating activities	\$ 81,235	\$ 100,280
Net cash generated from (used in) financing activities	(91,295)	(31,193)
Cash generated from (used in) investing activities	(110,975)	(59,091)
Effect of exchange rate changes on cash and cash equivalents	840	(3,020)
Change in cash and cash equivalents	\$ (120,195)	\$ 6,976

RECONCILIATION OF NET INCOME TO EBITDA, ADJUSTED EBITDA AND ADJUSTED NET INCOME

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

	Q1 2027	Q1 2026
Reconciliation of Net Income to EBITDA and Adjusted EBITDA:		
Net income	\$ 117,263	\$ 42,391
Depreciation and amortization	31,429	25,171
Depreciation on right-of-use assets	28,792	23,572
Finance expense	16,474	12,955
Income tax expense	48,344	16,460
EBITDA	242,302	120,549
Adjustments to EBITDA:		
Stock-based compensation expense	22,148	10,186
Rent impact from IFRS 16, Leases ³	(44,198)	(35,641)
Unrealized loss (gain) on equity derivative contracts	(27,896)	22
Foreign exchange loss (gain) on intercompany balances	(2,790)	10,798
Other	2,006	218
Adjusted EBITDA	\$ 191,572	\$ 106,132
Adjusted EBITDA as a percentage of net revenue	20.1%	16.0%
Net income		
Net income	\$ 117,263	\$ 42,391
Adjustments to net income:		
Stock-based compensation expense	22,148	10,186
Unrealized loss (gain) on equity derivative contracts	(27,896)	22
Foreign exchange loss (gain) on intercompany balances	(2,790)	10,798
Other	2,006	218
Related tax effects	3,144	(6,191)
Adjusted Net Income	\$ 113,875	\$ 57,424
Adjusted Net Income as a percentage of net revenue	12.0%	8.7%
Weighted average number of diluted shares outstanding (thousands)	118,948	118,210
Adjusted Net Income per Diluted Share	\$ 0.96	\$ 0.49

RECONCILIATION OF COMPARABLE SALES TO NET REVENUE

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026
Comparable sales	\$ 820,439	\$ 561,713
Non-comparable sales	130,570	101,603
Net revenue	\$ 951,009	\$ 663,316

RECONCILIATION OF CONSTANT CURRENCY TO NET REVENUE

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026	% change
Constant currency net revenue	\$ 967,006	\$ 663,316	45.8%
Foreign exchange impact	(15,997)	—	
Net revenue	\$ 951,009	\$ 663,316	43.4%

RECONCILIATION OF CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES TO CAPITAL CASH EXPENDITURES (NET OF PROCEEDS FROM LEASE INCENTIVES)

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026
Cash generated from (used in) investing activities	\$ (110,975)	\$ (59,091)
Investment in joint venture	38,505	—
Proceeds from lease incentives	9,503	6,822
Capital cash expenditures (net of proceeds from lease incentives)	<u>\$ (62,967)</u>	<u>\$ (52,269)</u>

RECONCILIATION OF NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES TO FREE CASH FLOW

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026
Net cash generated from (used in) operating activities	\$ 81,235	\$ 100,280
Interest paid	1,023	811
Repayments of principal on lease liabilities	(27,881)	(24,428)
Capital cash expenditures (net of proceeds from lease incentives)	(62,967)	(52,269)
Free cash flow	<u>\$ (8,590)</u>	<u>\$ 24,394</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(interim periods unaudited, in thousands of Canadian dollars)

	As at May 31, 2026	As at March 1, 2026	As at June 1, 2025
Assets			
Cash and cash equivalents	\$ 471,932	\$ 592,127	\$ 292,611
Accounts receivable	21,502	23,750	28,040
Income taxes recoverable	11,665	26,233	9,258
Inventory	547,840	495,197	409,469
Derivative assets ⁵	91,517	78,121	29,688
Other current assets	35,178	37,024	28,969
Total current assets	1,179,634	1,252,452	798,035
Property and equipment	864,951	819,377	650,791
Intangible assets	104,644	104,767	104,804
Goodwill	198,846	198,846	198,846
Right-of-use assets	821,719	751,681	702,751
Loan receivable and other assets	42,946	3,809	11,992
Deferred tax assets	13,351	4,745	557
Total assets	\$ 3,226,091	\$ 3,135,677	\$ 2,467,776
Liabilities			
Accounts payable and accrued liabilities	\$ 562,195	\$ 564,586	\$ 302,553
Income taxes payable	17,498	61,025	—
Current portion of lease liabilities	124,735	104,923	93,719
Deferred revenue	143,536	144,385	105,234
Total current liabilities	847,964	874,919	501,506
Lease liabilities	955,715	890,840	812,797
Other non-current liabilities	4,172	3,337	3,490
Deferred tax liabilities	3,159	5,553	21,284
Total liabilities	1,811,010	1,774,649	1,339,077
Shareholders' equity			
Share capital	441,736	440,637	390,921
Contributed surplus	144,880	136,013	109,534
Retained earnings	834,350	793,058	635,338
Accumulated other comprehensive loss	(5,885)	(8,680)	(7,094)
Total shareholders' equity	1,415,081	1,361,028	1,128,699
Total liabilities and shareholders' equity	\$ 3,226,091	\$ 3,135,677	\$ 2,467,776

BOUTIQUE COUNT SUMMARY⁴

	Q1 2027	Q1 2026
Number of boutiques, beginning of period	144	130
New boutiques	1	1
Boutique closures ⁴	(2)	—
Number of boutiques, end of period	143	131
Repositioned boutiques	2	1

FOOTNOTES TO SELECTED FINANCIAL INFORMATION

1. Please see the "Comparable Sales" section above for more details.
2. Please see the "Non-IFRS Financial Measures and Retail Industry Metrics" section above for more details. Please see "How We Assess the Performance of our Business - Adjusted EBITDA and Adjusted EBITDA as a Percentage of Net Revenue and Adjusted Net Income and Adjusted Net Income as a Percentage of Net Revenue" and "Summary of Consolidated Quarterly Results and Certain Performance Measures" in the Q1 2027 MD&A for further details on the updated definition of Adjusted EBITDA and Adjusted Net Income which impacted prior year comparatives and as such have been updated.
3. Rent Impact from IFRS 16, Leases

(unaudited, in thousands of Canadian dollars)

	Q1 2027	Q1 2026
Depreciation of right-of-use assets	\$ (28,792)	\$ (23,572)
Interest expense on lease liabilities	(15,406)	(12,069)
Rent impact from IFRS 16, leases	<u>\$ (44,198)</u>	<u>\$ (35,641)</u>

4. There were four Reigning Champ boutiques as at May 31, 2026 (three Reigning Champ boutiques as at June 1, 2025), which are excluded from the boutique count. During Q1 2027, two banner boutiques were closed in the same location where an existing boutique was expanded.
5. Prior year comparatives have been adjusted, as applicable, to align with current period presentation.

Note: calculated figures in financial tables may not add up precisely due to rounding.