

**Aritzia Announces \$330 Million Secondary Offering of Subordinate Voting Shares and Concurrent Share Repurchase of \$107 Million of Subordinate Voting Shares and Multiple Voting Shares from Berkshire Partners**

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*Berkshire Partners Completes Sale of Remaining Interest*

**VANCOUVER, February 19, 2019 /PRNewswire/** - Aritzia Inc. ("**Aritzia**" or the "**Company**") (TSX: ATZ), a vertically integrated, innovative design house of exclusive fashion brands, today announced that certain shareholders, including an investment vehicle managed by Berkshire Partners LLC, a Boston-based private equity firm ("**Berkshire Shareholder**") and 8317640 Canada Inc., an entity indirectly controlled by Aldo Bensadoun, a director of Aritzia (the "**Bensadoun Shareholder**" and together with the Berkshire Shareholder, the "**Selling Shareholders**"), have entered into an agreement with a syndicate of underwriters led by CIBC Capital Markets, RBC Capital Markets and TD Securities Inc. (the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase on a bought deal basis an aggregate of 19,505,000 subordinate voting shares of the Company ("**Shares**") held by the Selling Shareholders at an offering price of \$16.90 per Share (the "**Offering Price**") for total gross proceeds to the Selling Shareholders of \$329,634,500 (the "**Offering**"). Aritzia will not receive any proceeds from the Offering.

The Company also announced today that it has agreed to purchase, directly or indirectly, the equivalent of 6,333,653 Shares for cancellation from the Berkshire Shareholder (the "**Share Repurchase**"). The purchase price to be paid by the Company under the Share Repurchase will be the same as the Offering Price, for gross proceeds to the Berkshire Shareholder of \$107,038,736 from the Share Repurchase.

Following these transactions, the Berkshire Shareholder will have no remaining equity interest in Aritzia. The Offering and the Share Repurchase are expected to close on or about March 8, 2019.

Brian Hill, Founder, Chief Executive Officer and Chairman, commented, "These transactions mark a significant milestone after a successful 14 year-long relationship between Aritzia and Berkshire Partners. We would like to thank them for their partnership and collaboration over the years. The repurchase of shares from Berkshire Partners represents a compelling opportunity to deploy Aritzia's capital in a manner that is accretive to shareholders. Aritzia maintains ample financial flexibility to continue to invest in and execute on our strategic growth initiatives."

Mr. Hill continued, "Aritzia has a successful track record of consistently delivering strong revenue and earnings growth and executing on its strategic initiatives. We remain very well positioned to capitalize on our next phase of growth and are excited about the opportunities ahead."

Marni Payne, Managing Director at Berkshire Partners, added, "It has been a privilege to partner with Aritzia, one of North America's most innovative and deeply loved apparel companies, for the past 14 years. We feel fortunate to have enjoyed such a close collaboration with Brian and his team, and we look forward to watching their continued success."

#### **Details of the Transactions**

Pursuant to the Offering, the Berkshire Shareholder (on its own behalf and certain charitable entities having received donations by affiliates of the Berkshire Shareholder) will be selling a total of 19,005,000 Shares and the Bensadoun Shareholder will be selling a total of 500,000 Shares. Following completion of the Offering and Share Repurchase, there will be 83,044,711 subordinate voting shares outstanding and 24,537,349 multiple voting shares outstanding of the Company. The proceeds from the Bensadoun Shareholder's participation in the Offering are expected to support The Bensadoun Family Foundation, consistent with all prior secondary offerings of the Company.

Entities owned and controlled by Brian Hill (the "**Hill Group**") will not be selling any Shares under the

Share Repurchase or the Offering. As a result of the Offering (and the Berkshire Shareholder's equity interest falling below the sunset provision under the terms of the Company's multi-voting shares), the Hill Group's equity interest will remain at approximately 21.9%, and its voting interest will increase to approximately 73.4%, in each case, on a non-diluted basis. Following completion of the Offering and the Share Repurchase, the Hill Group's equity interest will increase to approximately 23.2%, and its voting interest will increase to approximately 74.8%, in each case, on a non-diluted basis.

The Shares will be offered by way of a short form prospectus in all of the provinces and territories of Canada and may also be offered by way of private placement in the United States and internationally as permitted. A preliminary short form prospectus relating to the Offering will be filed by no later than February 22, 2019 with Canadian securities regulatory authorities and closing is expected to occur on or about March 8, 2019. The Underwriters have not been granted an over-allotment option.

Each of Aritzia's officers and directors and reporting insiders (other than the Berkshire Shareholder and its director nominee Marni Payne) has agreed to enter into a customary lock-up agreement with the Underwriters for a period of 90 days after the closing of the Offering.

The purchase price under the Share Repurchase is expected to be funded through cash on hand. As of February 4, 2019, the Company had \$124.5 million of cash on hand. Aritzia maintains ample financial flexibility to continue to invest in and execute on its strategic growth initiatives. As a result of the Share Repurchase the Company will be suspending further purchases under its normal course issuer bid, which is set to expire in May 2019. Aritzia will evaluate renewing its normal course issuer bid in due course.

The Share Repurchase will result in an approximately 5.6% reduction in basic shares outstanding and is expected to be accretive to Adjusted Net Income per share.

### **Special Committee Review Process**

To review and evaluate the merits of the Share Repurchase, the Board of Directors of the Company established a special committee of independent directors (the "**Special Committee**"). The Special Committee was chaired by John Currie and included David Labistour and Marcia Smith. The Company retained Stikeman Elliott LLP as its legal counsel and the Special Committee retained Greenhill & Co. Canada Ltd. as its independent financial advisor and Borden Ladner Gervais LLP as its independent legal counsel.

The Special Committee undertook a deliberate and full consideration of the Share Repurchase and various alternatives and financing options related thereto. Greenhill & Co. Canada Ltd. has provided a fairness opinion to the Special Committee and the Board of Directors of the Company that the consideration to be paid by the Company in connection with the Share Repurchase is fair, from a financial point of view, to the Company.

Upon the recommendation of the Special Committee that, among other things, the Share Repurchase is in the best interests of the Company, the Board of Directors (other than interested directors who abstained from voting) unanimously approved the Share Repurchase.

*No securities regulatory authority has either approved or disapproved of the contents of this news release. The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws. Accordingly, the Shares may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Aritzia in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

### **About Aritzia**

Aritzia is a vertically integrated, innovative design house of fashion brands. The Company designs apparel and accessories for its collection of exclusive brands. The Company's expansive and diverse

range of women's fashion apparel and accessories addresses a broad range of style preferences and lifestyle requirements. Aritzia is well known and deeply loved by its clients in Canada with growing client awareness and affinity in the United States and outside of North America. Aritzia aims to delight its clients through an aspirational shopping experience and exceptional client service that extends across its more than 90 retail boutiques and eCommerce business, *aritzia.com*.

## **About Berkshire Partners**

Berkshire Partners, a Boston-based investment firm, has made over 125 investments since its founding in 1986 through nine private equity funds with more than \$16 billion in aggregate capital. Berkshire has developed industry experience in several areas including consumer and retail, communications, business services, industrials and healthcare. Berkshire has a long history of partnering with management teams to build market leading growth companies. Current and prior investments in the retail sector include Bare Escentuals, Carter's, Kendra Scott and Party City.

## **Non-IFRS Measures**

This press release makes reference to certain non-IFRS measures including certain retail industry metrics. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, 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 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. We use non-IFRS measures including "Adjusted Net Income". Non-IFRS measures including 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 measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures including retail industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures including 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. Definitions and reconciliations of non-IFRS measures to the relevant reported measures can be found in our MD&A.

## **Forward-Looking Information**

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements may relate to the anticipated financial impact of the Offering and the Share Repurchase, the market impact on the trading price of the Shares following the completion of the Offering and the Share Repurchase and other statements that are not historical facts. Particularly, information regarding our expectations of future results, targets, performance achievements, prospects or opportunities is forward-looking information. As the context requires, this may include certain targets as disclosed in the prospectus for our initial public offering, which are based on the factors and assumptions, and subject to the risks, as set out therein and herein. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Many factors could cause our actual results, level of activity, performance or 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 the Company's annual information form dated May 10, 2018 for the fiscal year ended February 25, 2018 (the "AIF"). A copy of the AIF and the Company's other publicly filed documents can be accessed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com). The Company cautions that the list of risk factors and uncertainties described in the AIF is not exhaustive and other factors could also adversely affect its results. 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.

**For more information:**

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