ARITZIA NEWS RELEASE

Aritzia Reports Third Quarter Fiscal 2020 Financial Results
Net Revenue Increased 10.0%
Comparable Sales Increased 5.1%
Adjusted EBITDA Increased 2.4%
Net Income Increased 6.8%

VANCOUVER, January 9, 2020 /PRNewswire/ - Aritzia Inc. ("Aritzia" or the "Company") (TSX: ATZ), a vertically integrated, innovative design house of exclusive fashion brands, today announced financial results for the third quarter of fiscal 2020.

Reaching millions with influencers wearing Aritzia

"We are pleased to have delivered solid third quarter financial results which marked our 21st consecutive quarter of positive comparable sales growth. Our 10.0% net revenue growth and 5.1% comparable sales increase reflect the sustained momentum in our business that is fueled by eCommerce and our continued strength in the United States. During the quarter we delivered a record Black Friday week where we witnessed a significant surge in eCommerce penetration, particularly in the United States" said Brian Hill, Founder, Chief Executive Officer and Chairman.

"Looking ahead at the new initiatives we are embarking on, from the product lifecycle management system implementation and the introduction of digital selling tools to enhancing our omni-channel capabilities and upgrading our communication platforms, we are continuing to innovate. Coupled with unprecedented opportunities in real estate to advance our brand, the ongoing integration of our boutique and eCommerce channels will further elevate our client experience and differentiate us from our peers. We are confident that investments across eCommerce, our premier boutique network, our world-class infrastructure, and exceptional talent will keep us well-positioned to deliver shareholder value as we continue to drive growth across products, channels, and regions," concluded Mr. Hill.

Unless otherwise indicated, all amounts are expressed in Canadian dollars. Results and the Company's unaudited condensed interim consolidated financial statements reflect the adoption of IFRS 16, Leases ("IFRS 16"), for the period ended December 1, 2019. Certain metrics, including those expressed on an adjusted or comparable basis, are non-IFRS measures. To improve the comparability of underlying performance with periods prior to the Company's adoption of IFRS 16, Adjusted EBITDA for Q3 2020 has been adjusted to exclude, in addition to other adjustments, the impact of IFRS 16. See "Non-IFRS Measures including Retail Industry Metrics" and "Selected Consolidated Financial Information".

Financial Highlights for the Third Quarter

- Comparable sales(1) growth was 5.1%, the 21st consecutive quarter of positive growth
- Net revenue increased by 10.0% to $267.3 million from Q3 last year, with positive performance across all geographies and all channels
- Gross profit margin(1) was 44.7%. Excluding the impact of IFRS 16(2), gross profit margin was 42.6%, compared to 43.1% in Q3 last year
- Adjusted EBITDA(1) increased by 2.4% to $58.4 million from Q3 last year
- Net income increased by 6.8% to $34.8 million from Q3 last year
- Adjusted Net Income(1) decreased slightly by 0.6% to $35.7 million from Q3 last year
- Adjusted Net Income per diluted share(1) increased by 3.2% to $0.32 from Q3 last year

Strategic Accomplishments for the Third Quarter

- Launched first foray into Men's, with outerwear
- Achieved meaningful eCommerce revenue growth through increases in both traffic and transactions in Canada and the United States
- Expanded boutique network with the new boutique opening at Cherry Creek in Denver, Colorado and the repositioning of boutiques in Rideau Centre in Ottawa, Ontario and Coquitlam Centre in Greater Vancouver, British Columbia
- Advanced influencer marketing and VIP programs with highly influential celebrities and personalities designed to accelerate brand awareness, particularly in the United States
- Completed the initial implementation of Customer 360 and Marketing Communications Platform, two foundational components of the Customer Program in partnership with SAP

Financial Results for the Third Quarter

All comparative figures below are for the 13-week period ended December 1, 2019, compared to the 13-week period ended November 25, 2018.

Net revenue increased by 10.0% to $267.3 million compared to $242.9 million in the third quarter last year. Comparable sales(1) growth of 5.1% was driven by momentum in the Company's eCommerce business as well as positive performance across the Company's boutique network. Net revenue growth also reflects the addition of three new boutiques and four expanded or repositioned boutiques since the third quarter of fiscal 2019. The Company's annual warehouse sale occurred in the third quarter last year compared to the second quarter this year. This timing difference had a low single digit negative impact on net revenue growth in the third quarter this year.

Gross profit increased by 14.1% to $119.6 million. Excluding the impact of IFRS 16(2), gross profit increased by 8.6% to $113.8 million compared to $104.8 million in the third quarter last year. Gross profit margin, excluding the impact of IFRS 16(2), decreased 50 basis points to 42.6% compared to 43.1% in the third quarter last year. The decrease in gross profit margin was due primarily to higher distribution centre costs, the weakening of the Canadian dollar, ongoing higher raw materials costs and the impact from the new tariffs. These factors were partially offset by leverage from occupancy costs and improvements from the Company's ongoing sourcing initiatives. In addition, gross profit margin in the third quarter this year benefitted from the shift in timing of the annual warehouse sale.

Selling, general and administrative ("SG&A") expenses increased by 13.2% to $64.0 million. Excluding the impact of IFRS 16(2), SG&A expenses were $64.1 million, an increase of 13.4% or 24.0% of net revenue compared to $56.6 million or 23.3% of net revenue in the third quarter last year. The increase of 70 basis points is primarily due to $2.5 million in investments in the Company's Customer Program.

Other (income) was ($0.2) million compared to other (income) of ($1.4) million in the third quarter last year. Other (income) this quarter primarily relates to interest income of ($0.1) million. Other (income) in the prior year primarily related to realized foreign exchange gains on the settlement of U.S. dollar forward contracts of ($0.8) million, realized and unrealized operational foreign exchange gains of ($0.9) million and interest income of ($0.2) million, partially offset by unrealized foreign exchange losses on U.S. dollar forward contracts of $0.6 million.

Adjusted EBITDA(1) increased by 2.4% to $58.4 million, or 21.9% of net revenue, compared to $57.1 million, or 23.5% of net revenue, in the third quarter last year. Adjusted EBITDA excludes the favorable impact of IFRS 16, stock-based compensation expense and unrealized foreign exchange losses on U.S. dollar forward contracts. Adjusted EBITDA was negatively impacted year over year by $1.8 million from the change in other (income) with ($0.2) million in the third quarter this year, compared to ($2.0) million in other (income) in the third quarter last year.

Net income increased by 6.8% to $34.8 million, compared to net income of $32.6 million in the third quarter last year. The increase in net income during the quarter was primarily driven by the factors described above.

Adjusted Net Income(1) decreased slightly by 0.6% to $35.7 million compared to $35.9 million in the third quarter last year. Adjusted Net Income excludes the impact of stock-based compensation expense and unrealized foreign exchange losses on U.S. dollar forward contracts, net of related tax effects. Adjusted Net Income was negatively impacted year over year by $1.3 million from the after-tax change in other (income) with ($0.2) million in the third quarter this year, compared to ($1.5) million in other (income) in the third quarter last year.

Adjusted Net Income per diluted share[1] increased by 3.2% to $0.32 from $0.31 in the third quarter last year.

Cash and cash equivalents at the end of the third quarter totaled $95.7 million, compared to $123.0 million at the end of the third quarter last year. Since the end of the third quarter last year, the Company used free cash flow to repurchase $107.0 million of subordinate and multiple voting shares concurrent with the secondary offering that occurred in March 2019.

Inventory at end of the third quarter was $123.0 million, compared to $106.4 million at the end of the third quarter last year. The increase reflects the growth in our business and strategic investments made in outerwear for our fall/winter season. Inventory at the end of the third quarter represented an increase of 15.5% year over year.

Year-to-Date Results

All comparative figures below are for the 39-week period ended December 1, 2019, compared to the 39-week period ended November 25, 2018.

Net revenue increased by 14.6% to $705.2 million from $615.2 million in the prior year. Comparable sales[1] growth of 6.9% was driven by momentum in the Company's eCommerce business as well as positive performance across the Company's boutique network. The increase in net revenue was also driven by the revenue from new, expanded and repositioned boutiques.

Gross profit increased by 20.7% to $300.6 million. Excluding the impact of IFRS 16[2], gross profit increased by 13.7% to $283.3 million compared to $249.1 million in the prior year. Gross profit margin, excluding the impact of IFRS 16[2], decreased 30 basis points to 40.2% compared to 40.5% through the third quarter last year.

SG&A expenses increased by 14.5% to $179.0 million. Excluding the impact of IFRS 16[2], SG&A expenses increased by 14.7% to $179.3 million compared to $156.4 million in the prior year. Excluding the impact of IFRS 16[2], SG&A expenses were 25.4% of net revenue, consistent with the prior year. SG&A expenses this year also includes $5.2 million primarily relating to investments in the Company's Customer Program.

Other (income) was ($0.8) million compared to other (income) of ($5.2) million in the prior year. Other (income) this year primarily relates to interest income of ($0.4) million and realized and unrealized operational foreign exchange gains of ($0.2) million. Other (income) in the prior year primarily related to realized foreign exchange gains on the settlement of U.S. dollar forward contracts of ($2.3) million, realized and unrealized operational foreign exchange gains of ($2.3) million and interest income of ($1.0) million, partially offset by unrealized foreign exchange losses on U.S. dollar forward contracts of $0.4 million.

Adjusted EBITDA increased by 9.9% to $130.2 million, or 18.5% of net revenue, compared to $118.5 million, or 19.3% of net revenue, in the prior year. Adjusted EBITDA excludes the favorable impact of IFRS 16, stock-based compensation expense, unrealized foreign exchange losses on U.S. dollar forward contracts and secondary offering transaction costs. Adjusted EBITDA was negatively impacted year over year by $4.8 million from the change in other (income) with ($0.8) million this year, compared to ($5.6) million in other (income) in the prior year.

Net income increased by 14.8% to $68.9 million, compared to net income of $60.0 million in the prior year. The increase in net income during the year was primarily driven by the factors described above.

Adjusted Net Income increased by 6.5% to $74.0 million compared to $69.5 million in the prior year. Adjusted Net Income excludes the impact of stock-based compensation expense, unrealized foreign exchange losses on U.S. dollar forward contracts and secondary offering transaction costs, net of related tax effects. Adjusted Net Income was negatively impacted year over year by $3.5 million from the after-tax change in other (income) with ($0.6) million this year, compared to ($4.1) million in other (income) in the prior year.

Adjusted Net Income per diluted share[1] increased by 11.9% to $0.66 from $0.59 in the prior year.

(1) See "Non-IFRS Measures including Retail Industry Metrics" and "Selected Consolidated Financial Information" below, including for a reconciliation of the non-IFRS measures used in this release to the most comparable IFRS measures. See also sections entitled "How We Assess the Performance of our Business", "Non-IFRS Measures including Retail Industry Metrics" and "Selected Consolidated Financial Information" in the Management's Discussion and Analysis for further details concerning comparable sales growth, Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per diluted share, including definitions and reconciliations to the relevant reported IFRS measure.

(2) See “Adoption of IFRS 16, Leases” and "Selected Consolidated Financial Information" below for more information regarding the financial impact of IFRS 16 on the third quarter of fiscal 2020 results.

Normal Course Issuer Bid

On July 11, 2019, the Company announced the commencement of a normal course issuer bid (“NCIB”) to purchase and cancel up to 3,624,915 subordinate voting shares over the 12-month period commencing July 16, 2019 and ending July 15, 2020. During the 13-week and 39-week periods ended December 1, 2019, the Company repurchased 32,600 subordinate voting shares for cancellation at an average price of $15.97 per subordinate voting share. During the 13-week and 39-week periods ended November 25, 2018, the Company repurchased 304,180 and 549,880 subordinate voting shares, respectively, for cancellation at an average price of $18.35 and $17.07, respectively, per subordinate voting share.

Adoption of IFRS 16, Leases

The Company adopted IFRS 16, Leases ("IFRS 16"), replacing IAS 17, Leases ("IAS 17") and related interpretations, using the modified retrospective approach, effective for the annual reporting period beginning on March 4, 2019. As a result, the Company's results for the third quarter of fiscal 2020 reflect lease accounting under IFRS 16. Comparative figures for the third quarter of fiscal 2019 have not been restated and continue to be reported under IAS 17.

The Company's financial reporting is impacted by the adoption of IFRS 16. Certain lease-related expenses previously recorded as occupancy costs are now recorded as depreciation expense for right-of-use assets and as interest expense for related lease liabilities. The depreciation expense is recognized on a straight-line basis over the term of the lease, while the interest expense declines over the life of the lease, as the liability is paid off.

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)	**Q3 2020 13 weeks As reported (IFRS 16)**	**Q3 2020 13 weeks Excluding IFRS 16(i)**	**Q3 2019 13 weeks As reported (IAS 17)**	**Change**
	(A)	**(B)**	**(C)**	**(B) - (C)**
Gross profit	$ 119,595	$ 113,786	$ 104,789	$ 8,997
As a percentage of net revenue	*44.7%*	*42.6%*	*43.1%*	*(0.5%)*
SG&A	$ 64,035	$ 64,128	$ 56,554	$ 7,574
As a percentage of net revenue	*24.0%*	*24.0%*	*23.3%*	*0.7%*
Adjusted EBITDA(ii)	$ 58,446	$ 58,446	$ 57,093	$ 1,353
As a percentage of net revenue	*21.9%*	*21.9%*	*23.5%*	*(1.6%)*
Adjusted Net Income	$ 35,719	$ 35,735	$ 35,933	($ 198)
As a percentage of net revenue	*13.4%*	*13.4%*	*14.8%*	*(1.4%)*
Adjusted Net Income per Diluted Share	$ 0.32	$ 0.32	$ 0.31	$ 0.01

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)	**YTD 2020 39 weeks As reported (IFRS 16)**	**YTD 2020 39 weeks Excluding IFRS 16(i)**	**YTD 2019 39 weeks As reported (IAS 17)**	**Change**
	(A)	**(B)**	**(C)**	**(B) - (C)**
Gross profit	$ 300,583	$ 283,287	$ 249,066	$ 34,221
As a percentage of net revenue	*42.6%*	*40.2%*	*40.5%*	*(0.3%)*
SG&A	$ 179,031	$ 179,326	$ 156,371	$ 22,955
As a percentage of net revenue	*25.4%*	*25.4%*	*25.4%*	*0.0%*
Adjusted EBITDA(ii)	$ 130,197	$ 130,197	$ 118,477	$ 11,720
As a percentage of net revenue	*18.5%*	*18.5%*	*19.3%*	*(0.8%)*
Adjusted Net Income	$ 73,960	$ 74,181	$ 69,471	$ 4,710
As a percentage of net revenue	*10.5%*	*10.5%*	*11.3%*	*(0.8%)*
Adjusted Net Income per Diluted Share	$ 0.66	$ 0.66	$ 0.59	$ 0.07

Notes:

i) Presented using IAS 17, as if IFRS 16 had not been adopted, for comparative purposes only.

ii) To improve the comparability of underlying performance with periods prior to our adoption of IFRS 16, Adjusted EBITDA for Q3 2020 and YTD 2020 have been adjusted to exclude, in addition to other adjustments, the impact of IFRS 16.

Outlook

The strong sales momentum from the second half of the third quarter continued through the holiday season and the start of the fall/winter sale. The Company expects comparable sales growth in the fourth quarter to be in the high single digits.

For fiscal 2020, the Company currently expects the following, which excludes the impact of IFRS 16 adoption:

- Net revenue growth in the low double digits.
- Five new boutiques in the United States, comprised of the three new boutiques already opened in the fiscal year (Hudson Yards in Manhattan, New York, Mall of America in Minneapolis, Minnesota and Cherry Creek in Denver, Colorado) and the two expected to open at the end of the fourth quarter (Houston Galleria in Houston, Texas and the Domain in Austin, Texas)
- Two pop-up locations already opened in the fiscal year (Greenwich, Connecticut and Orchard Park, Kelowna, B.C.)
- Three boutique expansions or repositions in Canada, already opened in the fiscal year (repositioning of the Mapleview boutique in Greater Toronto, the expansion of the Rideau boutique in Ottawa, Ontario, and the repositioning of the Coquitlam Centre boutique, in Greater Vancouver)
- Gross profit margin to be flat to slightly lower than fiscal 2019 due to ongoing higher raw material costs and the effect of new tariffs from the ongoing trade dispute between the United States and China.
- SG&A to grow faster than revenue, as the Company continues to make strategic investments in technology and infrastructure to support its long term growth. A majority of the investments related to the Company's eCommerce platform improvements, omni-channel capabilities, digital selling tools and data analytics platforms are cloud-based and will be expensed in SG&A. Incremental SG&A expenses in fiscal 2020 related to these initiatives are expected to total approximately $8 million, with $2 million to $3 million expected to occur in the fourth quarter.
- Net capital expenditures in the range of $40 million to $45 million.

Overall, the Company remains on track to meet or exceed its stated fiscal 2021 performance targets.

See "Forward-Looking Information" below, and for additional information, please see the "Outlook" section of the Management's Discussion and Analysis for the third quarter of fiscal 2020**.**

A conference call to discuss third quarter results is scheduled for Thursday, January 9, 2020, at 5:30 a.m. PDT / 8:30 a.m. EDT. A replay of the conference call can be accessed shortly after the conclusion of the call. To access the replay, please dial 1-855-669-9658 and use replay access code 3901. A replay of the webcast will be available at the conclusion of the call and will remain on Aritzia's investor relations website.

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 omni-channel shopping experience and exceptional client service that extends across its more than 90 boutiques and eCommerce business, *aritzia.com*.

Non-IFRS Measures including Retail Industry Metrics

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 "EBITDA", "Adjusted EBITDA", "Adjusted Net Income", "Adjusted Net Income per diluted share", and "gross profit margin". This press release also makes reference to "comparable sales growth", which is a commonly used operating metric in the retail industry but may be calculated differently compared to other retailers. These 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. Such reconciliations can also be found in this press release under the heading "Selected Consolidated Financial Information".

Forward-Looking Information

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements may relate to our future financial outlook and anticipated events or results and include, but are not limited to, expectations regarding our eCommerce investments, boutique network, infrastructure and talent, outlook for our comparable sales growth during the fourth quarter, revenue growth and gross profit margin in fiscal 2020 as further described below, expectations regarding the Company meeting or exceeding its stated fiscal 2021 performance targets, 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.

Implicit in forward-looking statements in respect of the Company's expectations for fiscal 2020 to deliver low double digit revenue growth, as compared to fiscal 2019, are certain current assumptions, including, among others, comparable sales in the fourth quarter to be in the high single digits, the opening of five new boutiques in the United States comprised of the three new boutiques that already opened in the fiscal year (Hudson Yards in Manhattan, New York and Mall of America in Minneapolis, Minnesota and Cherry Creek in Denver Colorado) and the two expected to open at the end of the fourth quarter (Houston Galleria in Houston, Texas and the Domain in Austin, Texas), two pop-up locations already opened in the fiscal year (Greenwich in Connecticut and Orchard Park in Kelowna, B.C.), three boutique expansions or repositions in Canada, already opened in the fiscal year (repositioning of the Mapleview boutique in Greater Toronto, the expansion of the Rideau boutique, in Ottawa, Ontario and the repositioning of the Coquitlam Centre boutique, in Greater Vancouver), gross profit margin is expected to be flat to slightly lower than fiscal 2019 due to ongoing higher raw material costs and the effect of new tariffs from the ongoing trade dispute between the United States and China, SG&A to grow faster than revenue, as the Company continues to make strategic investments in technology and infrastructure to support its long term growth, a majority of the investments related to the Company's eCommerce platform improvements, omni-channel capabilities, digital selling tools and data analytics platforms will be expensed in SG&A, incremental SG&A expenses in fiscal 2020 related to these initiatives are expected to total approximately $8 million, with $2 million to $3 million expected to occur in the fourth quarter, net capital expenditures in the range of $40 million to $45 million, assumptions regarding the overall retail environment and currency exchange rates for fiscal 2020. Specifically, we have assumed the following exchange rates for fiscal 2020: USD:CAD = 1:1.33.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the expansion and enhancement of our boutique network; the growth of our eCommerce business; our ability to drive comparable sales growth; our ability to maintain, enhance, and grow our appeal within our addressable market; our ability to drive ongoing development and innovation of our exclusive brands and product categories; our ability to continue directly sourcing from third party mills, trim suppliers and manufacturers for our exclusive brands; our ability to build our international presence; our ability to retain key personnel; our ability to maintain and expand distribution capabilities; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

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 9, 2019 for the fiscal year ended March 3, 2019 (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. 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.

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Selected Consolidated Financial Information

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS:

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)	**Q3 2020 13 weeks**					**Q3 2019 13 weeks**	
	As reported (IFRS 16)		**IFRS 16 adoption impact**	**Excluding IFRS 16[i]**		**As reported (IAS 17)**	
Net revenue	$ 267,282	100.0%	$ -	$ 267,282	100.0%	$ 242,876	100.0%
Cost of goods sold	147,687	55.3%	5,809	153,496	57.4%	138,087	56.9%
Gross profit	119,595	44.7%	(5,809)	113,786	42.6%	104,789	43.1%
Operating expenses							
Selling, general and administrative	64,035	24.0%	93	64,128	24.0%	56,554	23.3%
Stock-based compensation expense	1,063	0.4%	-	1,063	0.4%	2,896	1.2%
Income from operations	54,497	20.4%	(5,902)	48,595	18.2%	45,339	18.7%
Finance expense	7,021	2.6%	(5,925)	1,096	0.4%	1,101	0.5%
Other income	(216)	(0.1%)	-	(216)	(0.1%)	(1,403)	(0.6%)
Income before income taxes	47,692	17.8%	23	47,715	17.9%	45,641	18.8%
Income tax expense	12,889	4.8%	7	12,896	4.8%	13,041	5.4%
Net income	$ 34,803	13.0%	$ 16	$ 34,819	13.0%	$ 32,600	13.4%
Other Performance Measures:							
Year-over-year net revenue growth	10.0%			10.0%		18.8%	
Comparable sales growth	5.1%			5.1%		12.9%	
Capital cash expenditures (excluding proceeds from leasehold inducements)	$ 13,486			$ 13,486		$ 13,073	
Number of boutiques, end of period	94			94		92	
New boutiques added	1			1		2	
Boutiques expanded or repositioned	2			2		-	

Note:
i) Presented using IAS 17, as if IFRS 16 had not been adopted, for comparative purposes only.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS:

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)	**YTD 2020 39 weeks**					**YTD 2019 39 weeks**	
	As reported (IFRS 16)		**IFRS 16 adoption impact**	**Excluding IFRS 16[ii]**		**As reported (IAS 17)**	
Net revenue	$ 705,159	100.0%	$ -	$ 705,159	100.0%	$ 615,246	100.0%
Cost of goods sold	404,576	57.4%	17,296	421,872	59.8%	366,180	59.5%
Gross profit	300,583	42.6%	(17,296)	283,287	40.2%	249,066	40.5%
Operating expenses							
Selling, general and administrative	179,031	25.4%	295	179,326	25.4%	156,371	25.4%
Stock-based compensation expense	5,379	0.8%	-	5,379	0.8%	8,944	1.5%
Income from operations	116,173	16.5%	(17,591)	98,582	14.0%	83,751	13.6%
Finance expense	21,405	3.0%	(17,897)	3,508	0.5%	3,602	0.6%
Other income	(831)	(0.1%)	-	(831)	(0.1%)	(5,234)	(0.9%)
Income before income taxes	95,599	13.6%	306	95,905	13.6%	85,383	13.9%
Income tax expense	26,720	3.8%	85	26,805	3.8%	25,378	4.1%
Net income	$ 68,879	9.8%	$ 221	$ 69,100	9.8%	$ 60,005	9.8%
Other Performance Measures:							
Year-over-year net revenue growth	14.6%			14.6%		17.5%	
Comparable sales growth	6.9%			6.9%		11.9%	
Capital cash expenditures (excluding proceeds from leasehold inducements)	$ 35,623			$ 35,623		$ 47,333	
Number of boutiques, end of period	94			94		92	
New boutiques added	3			3		7	
Boutiques expanded or repositioned	3			3		3	

Note:

ii) Presented using IAS 17, as if IFRS 16 had not been adopted, for comparative purposes only.

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

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)	**Q3 2020 13 weeks**	**Q3 2019 13 weeks**	**YTD 2020 39 weeks**	**YTD 2019 39 weeks**
Reconciliation of Net Income to EBITDA and Adjusted EBITDA:				
Net income	$ 34,803	$ 32,600	$ 68,879	$ 60,005
Depreciation and amortization	23,504	6,858	69,368	19,710
Finance expense	7,021	1,101	21,405	3,602
Income tax expense	12,889	13,041	26,720	25,378
EBITDA	78,217	53,600	186,372	108,695
Adjustments to EBITDA:				
Stock-based compensation expense	1,063	2,896	5,379	8,944
Rent impact from IFRS 16, Leases(i)	(20,834)	-	(61,554)	-
Unrealized foreign exchange loss on forward contracts	-	597	-	415
Other non-recurring items (ii)	-	-	-	423
Adjusted EBITDA	$ 58,446	$ 57,093	$ 130,197	$ 118,477
Adjusted EBITDA as a Percentage of Net Revenue	21.9%	23.5%	18.5%	19.3%
Reconciliation of Net Income to Adjusted Net Income:				
Net income	$ 34,803	$32,600	68,879	$ 60,005
Adjustments to net income:				
Stock-based compensation expense	1,063	2,896	5,379	8,944
Unrealized foreign exchange loss on forward contracts	-	597	-	415
Other non-recurring items (ii)	-	-	-	423
Related tax effects	(147)	(160)	(298)	(316)
Adjusted Net Income	$ 35,719	$35,933	$ 73,960	$ 69,471
Adjusted Net Income as a Percentage of Net Revenue	13.4%	14.8%	10.5%	11.3%
Weighted Average Number of Diluted Shares Outstanding (thousands)	111,898	117,681	111,742	117,328
Adjusted Net Income per Diluted Share	$ 0.32	$ 0.31	$ 0.66	$ 0.59

Note i)
Rent Impact from IFRS 16, Leases

	Q3 2020 13 weeks	**YTD 2020 39 weeks**
Net income	$ 16	$ 221
Depreciation and amortization	(14,932)	(43,963)
Finance expense	(5,925)	(17,897)
Income tax expense	7	85
Rent impact from IFRS 16, Leases	$ (20,834)	$ (61,554)

Note ii)
Other non-recurring items in YTD 2019 relate to transaction costs relating to the Company's secondary offering of subordinate voting shares.

RECONCILIATION OF COMPARABLE SALES TO NET REVENUE:

(Unaudited, in thousands of Canadian dollars)	**Q3 2020 13 weeks**	**Q3 2019 13 weeks**	**YTD 2020 39 weeks**	**YTD 2019 39 weeks**
Comparable sales[(i)]	$ 236,679	$174,077	$ 604,473	$ 440,869
Non-comparable sales	30,603	68,799	100,686	174,377
Net revenue	$ 267,282	$242,876	$ 705,159	$ 615,246

Note:

i) The comparable sales for a given period represents revenue (net of sales tax, returns and discounts) from boutiques that have been opened for at least 56 weeks including eCommerce revenue (net of sales tax, returns and discounts) within that given period. This information is provided to give context for comparable sales in such given period as compared to net revenue reported in our financial statements. Our comparable sales growth calculation excludes the impact of foreign currency fluctuations. For more details, please see the “Comparable Sales Growth” subsection of the “How We Assess the Performance of Our Business” section of the Management’s Discussion and Analysis.

CONDENSED INTERIM CONSOLIDATED CASH FLOWS:

(Unaudited, in thousands of Canadian dollars)	**Q3 2020 13 weeks**	**Q3 2019 13 weeks**	**YTD 2020 39 weeks**	**YTD 2019 39 weeks**
Cash Flows:				
Net cash generated from operating activities	$ 108,921	$ 81,461	$ 174,178	$ 103,561
Net cash used in financing activities	(29,846)	(632)	(143,788)	(46,137)
Net cash used in investing activities	(13,486)	(13,073)	(35,623)	(47,333)
Effect of exchange rate changes on cash and cash equivalents	91	289	2	474
Increase (Decrease) in cash and cash equivalents	$ 65,680	$ 68,045	$ (5,231)	$ 10,565

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION:

(Unaudited, in thousands of Canadian dollars)

	As at December 1, 2019	As at March 3, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 95,666	$ 100,897
Accounts receivable	4,625	4,355
Income taxes recoverable	1,350	-
Inventory	122,951	112,183
Prepaid expenses and other current assets	10,374	18,422
Total current assets	234,966	235,857
Property and equipment	181,975	167,593
Intangible assets	63,936	64,427
Goodwill	151,682	151,682
Right-of-use assets	370,388	-
Other assets	4,502	2,209
Deferred tax assets	21,765	7,606
Total assets	$ 1,029,214	$ 629,374
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 83,940	$ 62,736
Income taxes payable	1,421	3,644
Current portion of lease liabilities	58,761	-
Deferred revenue	37,011	24,231
Total current liabilities	181,133	90,611
Lease liabilities	439,115	-
Other non-current liabilities	7,549	69,828
Deferred tax liabilities	20,235	20,002
Long-term debt	74,711	74,624
Total liabilities	722,743	255,065
Shareholders’ equity		
Share capital	213,366	199,517
Contributed surplus	58,894	65,806
Retained earnings	34,761	109,339
Accumulated other comprehensive loss	(550)	(353)
Total shareholders’ equity	306,471	374,309
Total liabilities and shareholders’ equity	$ 1,029,214	$ 629,374