

# **Dollarama Inc.**

Condensed Interim Consolidated Financial  
Statements

**For the 13-week and 39-week periods ended  
October 27, 2024 and October 29, 2023**

(Unaudited, expressed in thousands of  
Canadian dollars, unless otherwise noted)

## Dollarama Inc.

Interim Consolidated Statements of Financial Position as at  
(Unaudited, expressed in thousands of Canadian dollars)

	Note	October 27, 2024	January 28, 2024
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		283,044	313,915
Accounts receivable		43,710	32,474
Distributions receivable from equity-accounted investment		-	26,906
Prepaid expenses		14,250	13,668
Inventories		947,895	916,812
Derivative financial instruments	11	22,167	5,318
		<u>1,311,066</u>	<u>1,309,093</u>
<b>Non-current assets</b>			
Right-of-use assets	5	2,066,380	1,788,550
Property, plant and equipment		992,080	950,994
Intangible assets		180,184	167,835
Goodwill		727,782	727,782
Equity-accounted investment	6	1,082,068	319,353
Derivative on equity-accounted investment	6	81,546	-
		<u>6,441,106</u>	<u>5,263,607</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		367,370	334,357
Dividend payable		25,828	19,827
Derivative financial instruments	11	-	3,681
Income taxes payable		4,850	63,998
Current portion of long-term debt	7	277,372	21,460
Current portion of lease liabilities	5	243,626	234,523
		<u>919,046</u>	<u>677,846</u>
<b>Non-current liabilities</b>			
Non-current portion of long-term debt	7	2,007,386	2,242,934
Non-current portion of lease liabilities	5	2,126,405	1,834,706
Deferred income taxes		128,054	127,273
		<u>5,180,891</u>	<u>4,882,759</u>
<b>Shareholders' equity</b>			
Share capital	8	1,290,440	523,125
Contributed surplus	9	48,205	49,539
Deficit		(123,478)	(226,547)
Accumulated other comprehensive income		45,048	34,731
		<u>1,260,215</u>	<u>380,848</u>
<b>Total shareholders' equity</b>		<u>1,260,215</u>	<u>380,848</u>
<b>Total liabilities and shareholders' equity</b>		<u>6,441,106</u>	<u>5,263,607</u>

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

## Dollarama Inc.

### Interim Consolidated Statements of Changes in Shareholders' Equity

For the 39-week periods ended

(Unaudited, expressed in thousands of Canadian dollars, except share amounts)

	Note	Number of common shares	Share capital \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive income \$	Total \$
<b>Balance – January 28, 2024</b>		<b>278,760,573</b>	<b>523,125</b>	<b>49,539</b>	<b>(226,547)</b>	<b>34,731</b>	<b>380,848</b>
Net earnings		-	-	-	777,591	-	777,591
Other comprehensive income		-	-	-	-	17,732	17,732
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>777,591</b>	<b>17,732</b>	<b>795,323</b>
Transfer of realized cash flow hedge gains to inventory, net of taxes		-	-	-	-	(7,415)	(7,415)
Dividends declared		-	-	-	(77,417)	-	(77,417)
Repurchase and cancellation of common shares	8	(4,746,492)	(18,224)	-	(589,943)	-	(608,167)
Share-based compensation, net of taxes	9	-	-	13,310	-	-	13,310
Issuance of common shares	6, 9	6,521,227	780,822	-	-	-	780,822
Reclassification for the exercise of share options	9	-	4,717	(4,717)	-	-	-
Performance share units settlement, net of taxes	9	-	-	(9,927)	(7,162)	-	(17,089)
<b>Balance – October 27, 2024</b>		<b>280,535,308</b>	<b>1,290,440</b>	<b>48,205</b>	<b>(123,478)</b>	<b>45,048</b>	<b>1,260,215</b>
<b>Balance – January 29, 2023</b>		<b>284,505,648</b>	<b>488,074</b>	<b>42,678</b>	<b>(514,078)</b>	<b>11,736</b>	<b>28,410</b>
Net earnings		-	-	-	686,690	-	686,690
Other comprehensive income		-	-	-	-	55,951	55,951
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>686,690</b>	<b>55,951</b>	<b>742,641</b>
Transfer of realized cash flow hedge gains to inventory, net of taxes		-	-	-	-	(17,822)	(17,822)
Dividends declared		-	-	-	(60,303)	-	(60,303)
Repurchase and cancellation of common shares	8	(4,598,674)	(8,340)	-	(405,814)	-	(414,154)
Share-based compensation, net of taxes	9	-	-	9,078	-	-	9,078
Issuance of common shares	9	1,329,155	38,121	-	-	-	38,121
Reclassification for the exercise of share options	9	-	8,590	(8,590)	-	-	-
<b>Balance – October 29, 2023</b>		<b>281,236,129</b>	<b>526,445</b>	<b>43,166</b>	<b>(293,505)</b>	<b>49,865</b>	<b>325,971</b>

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

## Dollarama Inc.

### Interim Consolidated Statements of Net Earnings and Comprehensive Income

For the 13-week and 39-week periods ended

(Unaudited, expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	13-week periods ended		39-week periods ended	
		October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
		\$	\$	\$	\$
Sales		1,562,644	1,477,692	4,531,800	4,228,177
Cost of sales	14	863,928	807,462	2,518,613	2,373,350
<b>Gross profit</b>		698,716	670,230	2,013,187	1,854,827
General, administrative and store operating expenses		223,519	213,766	653,631	607,724
Depreciation and amortization	14	94,788	87,797	279,041	258,545
Share of net earnings of equity-accounted investment	6	(27,083)	(17,989)	(71,871)	(42,485)
<b>Operating income</b>		407,492	386,656	1,152,386	1,031,043
Net financing costs	14	41,603	36,705	119,065	109,458
<b>Earnings before income taxes</b>		365,889	349,951	1,033,321	921,585
<b>Income taxes</b>	10	90,083	88,896	255,730	234,895
<b>Net earnings</b>		275,806	261,055	777,591	686,690
<b>Other comprehensive income</b>					
<i>Items that may be reclassified subsequently to net earnings</i>					
Realized gains on financial instruments not subject to basis adjustment		-	13,841	-	13,841
Reclassification of amortization of net gains on financial instruments not subject to basis adjustments		(1,184)	(854)	(3,551)	(2,053)
Foreign currency translation adjustments		5,085	16,045	19,096	14,627
Share of other comprehensive income (loss) of equity-accounted investment	6	(1,708)	5,631	(15,796)	14,826
Income tax recovery (expense) relating to these items		313	(3,152)	940	(2,835)
<i>Items that will not be reclassified subsequently to net earnings</i>					
Unrealized gains on derivative financial instruments subject to basis adjustments		4,331	9,569	23,573	23,861
Income tax expense relating to these items		(1,150)	(2,536)	(6,530)	(6,316)
<b>Total other comprehensive income, net of income taxes</b>		5,687	38,544	17,732	55,951
<b>Total comprehensive income</b>		281,493	299,599	795,323	742,641
<b>Earnings per common share</b>					
Basic net earnings per common share		\$0.98	\$0.92	\$2.78	\$2.42
Diluted net earnings per common share	12	\$0.98	\$0.92	\$2.77	\$2.41
<b>Weighted average number of common shares outstanding</b> (thousands)		281,356	282,587	280,079	283,921
<b>Weighted average number of diluted common shares outstanding</b> (thousands)	12	282,349	283,595	281,075	285,059

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

## Dollarama Inc.

### Interim Consolidated Statements of Cash Flows For the 13-week and 39-week periods ended (Unaudited, expressed in thousands of Canadian dollars)

	Note	13-week periods ended		39-week periods ended	
		October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
		\$	\$	\$	\$
<b>Operating activities</b>					
Net earnings		275,806	261,055	777,591	686,690
Adjustments to reconcile net earnings to net cash generated from operating activities:					
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	14	102,185	92,147	299,339	271,222
Share-based compensation	9	4,141	2,967	11,973	9,078
Net financing costs	14	41,603	36,705	119,065	109,458
Deferred income taxes		(5,392)	(9,685)	(1,142)	(9,550)
Share of net earnings of equity-accounted investment	6	(27,083)	(17,989)	(71,871)	(42,485)
Interest received		4,418	5,364	21,500	15,733
Other		720	615	1,780	2,122
		<u>396,398</u>	<u>371,179</u>	<u>1,158,235</u>	<u>1,042,268</u>
Changes in non-cash working capital components	15	(26,045)	(1,539)	(83,614)	10,553
Net cash generated from operating activities		<u>370,353</u>	<u>369,640</u>	<u>1,074,621</u>	<u>1,052,821</u>
<b>Investing activities</b>					
Addition to equity-accounted investment	6	-	-	(5,402)	-
Distribution from equity-accounted investment		-	-	27,397	-
Additions to property, plant and equipment		(45,321)	(125,392)	(126,904)	(201,448)
Additions to intangible assets		(5,697)	(4,501)	(24,333)	(17,341)
Proceeds from disposal of property, plant and equipment		282	318	636	728
Net cash used in investing activities		<u>(50,736)</u>	<u>(129,575)</u>	<u>(128,606)</u>	<u>(218,061)</u>
<b>Financing activities</b>					
Proceeds from long-term debt issued		-	500,000	-	500,000
Interest paid on long-term debt and short-term borrowings	7	(19,782)	(25,970)	(72,677)	(74,533)
Payment of debt issue costs		-	(2,415)	(480)	(2,896)
Proceed on bond forward settlement		-	13,841	-	13,841
Net payment of lease liabilities	5	(79,291)	(72,843)	(234,393)	(210,124)
Issuance of common shares	9	5,679	11,124	19,141	38,121
Dividends paid		(25,949)	(20,063)	(71,416)	(56,098)
Repurchase and cancellation of common shares	8	(188,690)	(166,041)	(597,394)	(414,154)
Performance share units settlement	9	-	-	(19,667)	-
Net cash generated from (used in) financing activities		<u>(308,033)</u>	<u>237,633</u>	<u>(976,886)</u>	<u>(205,843)</u>
<b>Change in cash and cash equivalents</b>		<b>11,584</b>	<b>477,698</b>	<b>(30,871)</b>	<b>628,917</b>
<b>Cash and cash equivalents – beginning of period</b>		<b>271,460</b>	<b>252,480</b>	<b>313,915</b>	<b>101,261</b>
<b>Cash and cash equivalents – end of period</b>		<b><u>283,044</u></b>	<b><u>730,178</u></b>	<b><u>283,044</u></b>	<b><u>730,178</u></b>
<b>Supplemental information:</b>					
Interest paid on lease liabilities	5	(21,916)	(16,940)	(62,532)	(48,838)

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

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

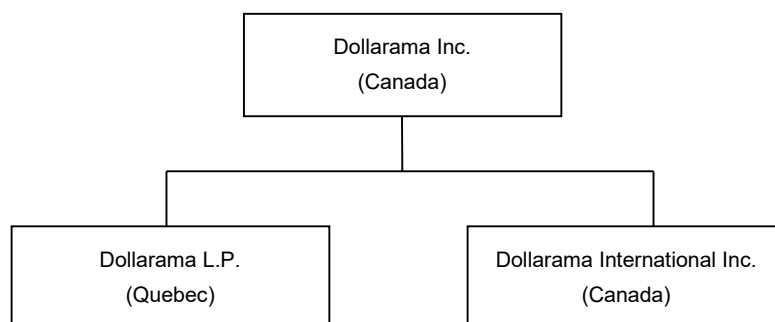
---

#### 1 General information

Dollarama Inc. (the “Corporation”) was formed on October 20, 2004 under the *Canada Business Corporations Act*. The Corporation offers a broad assortment of general merchandise, consumable products and seasonal items at select, fixed price points up to \$5.00 in-store and online in Canada. As at October 27, 2024, the Corporation maintains retail operations in every Canadian province as well as in the Yukon and Northwest Territories.

The Corporation’s head and registered office is located at 5805 Royalmount Avenue, Town of Mount Royal, Quebec, H4P 0A1. The Corporation’s warehousing and distribution operations are also located in the Montreal area. The Corporation is listed on the Toronto Stock Exchange (“TSX”) under the symbol “DOL”.

As at October 27, 2024, the significant entities within the legal structure of the Corporation are as follows:



Dollarama L.P. operates the chain of stores in Canada and performs related logistical and administrative support activities.

Dollarama International Inc. (“Dollarama International”) has retail operations in Latin America through its equity accounted investment in Central American Retail Sourcing, Inc. (“CARS”), the parent company of entities that operate the Dollarcity group (“Dollarcity”). Dollarcity is a value retailer headquartered in Panama, which offers a broad assortment of general merchandise, consumable products and seasonal items at select, fixed price points up to US\$4.00 (or the equivalent in local currency) in stores located in El Salvador, Guatemala, Colombia and Peru.

## **Dollarama Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

---

## **2 Basis of preparation**

The Corporation prepares its condensed interim consolidated financial statements in accordance with generally accepted accounting principles in Canada (“GAAP”) as set out in the CPA Canada Handbook – Accounting under Part I, which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting”. In accordance with GAAP, these financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the Corporation’s audited annual consolidated financial statements for the year ended January 28, 2024 (“Fiscal 2024”), which have been prepared in accordance with IFRS Accounting Standards. In management’s opinion, the unaudited condensed interim consolidated financial statements reflect all the adjustments that are necessary for a fair presentation of the results for the interim period presented.

These unaudited condensed interim consolidated financial statements were approved by the board of directors of the Corporation (the “Board of Directors”) for issue on December 4, 2024.

### **Seasonality of operations**

The Corporation’s sales generally increase ahead of major holidays, with December representing the highest proportion of sales, but otherwise experience limited seasonal fluctuations. However, the occurrence of certain events that are beyond the Corporation’s control, such as unusually adverse weather or an epidemic or pandemic outbreak, and that cause disruption in its operations could materially adversely affect the business and financial results of the Corporation. Consequently, results for the 13-week and 39-week periods ended October 27, 2024 may not be representative of results for subsequent quarters or for the full fiscal year.

## **3 Summary of material accounting policy information**

These unaudited condensed interim consolidated financial statements have been prepared using the accounting policies as outlined in Note 3 to the Fiscal 2024 audited consolidated financial statements.

In April 2024, the International Accounting Standards Board (“IASB”) issued IFRS 18, “Presentation and Disclosure in Financial Statements” (“IFRS 18”) to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, “Presentation of Financial Statements”, impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Corporation is currently assessing the impact of the new standard on its consolidated financial statements.

A number of other new standards and amendments to standards and interpretations were effective during the current period or after. None of these new standards or amendments have or are expected to have a material impact on the condensed interim consolidated financial statements of the Corporation.

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

#### 4 Critical accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions using judgment that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses during the reporting period. Estimates and other judgments are continually evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

These unaudited condensed interim consolidated financial statements have been prepared using the critical accounting estimates and judgments as outlined in Note 5 to the Fiscal 2024 audited consolidated financial statements.

#### 5 Leases

As at October 27, 2024, the Corporation owned four stores, one distribution centre, one warehouse and leased 1,597 stores, its head office and six warehouses.

The following table reconciles the Corporation's right-of-use assets for the 39-week periods ended on the dates indicated below:

	<b>October 27, 2024</b>	<b>October 29, 2023</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of period	1,788,550	1,699,755
Additions	476,770	257,494
Terminations and other adjustments	(3,216)	(694)
Depreciation	(195,724)	(176,972)
Balance, end of period	<u>2,066,380</u>	<u>1,779,583</u>

The following table reconciles the Corporation's lease liabilities for the 39-week periods ended on the dates indicated below:

	<b>October 27, 2024</b>	<b>October 29, 2023</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of period	2,069,229	1,960,743
Additions	476,770	257,494
Interest expense on lease liabilities	62,532	48,838
Disposals and other adjustments	(4,107)	(1,161)
Net payment of lease liabilities	(234,393)	(210,124)
Balance, end of period	<u>2,370,031</u>	<u>2,055,790</u>
Current portion	243,626	233,700
Non-current portion	2,126,405	1,822,090

During the 13-week and 39-week periods ended October 27, 2024, the Corporation expensed \$31,115 and \$98,552 (13-week and 39-week periods ended October 29, 2023 – \$27,460 and \$86,009), respectively, of variable lease payments, which are not included in the lease liabilities. During the 13-week and 39-week periods ended October 27, 2024, the Corporation also expensed \$2,000 and \$6,219 (13-week and 39-week periods ended October 29, 2023 – \$2,065 and \$8,475), respectively, of lease payments relating to short-term leases or leases with underlying low-value asset for which the payments were not included in the lease liabilities.



## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

October 27, 2024

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

## 6 Equity-accounted investment

### a) Investment in a joint arrangement

On June 11, 2024, the Corporation acquired an additional 10.0% equity interest (the “Dollarcity Transaction”) in CARS, thereby increasing its equity interest from 50.1% to 60.1%.

The consideration for the acquisition was satisfied by the issuance of 6,060,478 common shares of the Corporation, representing a total consideration of US\$553,587 (\$761,681) based on the closing price of Dollarama’s common shares on the TSX on June 11, 2024, of which US\$58,700 (\$80,765) was allocated to the Call Option (as hereafter defined), representing the fair value at the date of the transaction, and US\$494,887 (\$680,916) was allocated to the equity-accounted investment.

The following table reconciles the carrying amount of the equity-accounted investment for the 39-week periods ended on the dates indicated below:

	October 27, 2024 \$	October 29, 2023 \$
Balance, beginning of period	319,353	267,768
Acquisition cost	680,916	-
Transaction cost	5,402	-
Net investment	2,865	2,940
Share of net earnings <sup>(1)</sup>	71,871	42,485
Share of other comprehensive income (loss) <sup>(1)</sup>	(15,796)	14,826
Foreign currency translation adjustments	17,457	13,474
Balance, end of period	1,082,068	341,493

<sup>(1)</sup> The Corporation’s share of Dollarcity’s net earnings and other comprehensive income (loss) was 50.1% for the period from January 1, 2024 to June 10, 2024 and 60.1% for the period from June 11, 2024 to September 30, 2024.

### b) Derivative on equity-accounted investment

In connection with the Dollarcity Transaction, the Corporation secured an option (the “Call Option”) to acquire, at any time on or before December 31, 2027, an additional 9.89% equity interest in CARS and a corresponding proportionate 4.945% equity interest in Inversiones Comerciales Mexicana S.A (“ICM”), a new vehicle established as part of the Dollarcity group to support the future expansion of the business in Mexico.

The Call Option is measured at fair value through profit or loss (“FVTPL”) and is classified as a level 3 instrument. The fair value of the option was determined using the Black-Scholes option pricing model.

The following table reconciles the fair value of the Call Option for the 39-week periods ended on the dates indicated below:

	October 27, 2024 \$	October 29, 2023 \$
Balance, beginning of period	-	-
Initial fair value	80,765	-
Unrealized gain/loss	-	-
Foreign currency translation adjustments	781	-
Balance, end of period	81,546	-

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

## 7 Debt

	October 27, 2024	January 28, 2024
	\$	\$
Long-term debt outstanding consists of the following as at:		
Senior unsecured fixed rate notes (the "Fixed Rate Notes") bearing interest at:		
Fixed annual rate of 5.165% payable in equal semi-annual instalments, maturing April 26, 2030 (the "5.165% Fixed Rate Notes")	450,000	450,000
Fixed annual rate of 2.443% payable in equal semi-annual instalments, maturing July 9, 2029 (the "2.443% Fixed Rate Notes")	375,000	375,000
Fixed annual rate of 5.533% payable in equal semi-annual instalments, maturing September 26, 2028 (the "5.533% Fixed Rate Notes")	500,000	500,000
Fixed annual rate of 1.505% payable in equal semi-annual instalments, maturing September 20, 2027 (the "1.505% Fixed Rate Notes")	300,000	300,000
Fixed annual rate of 1.871% payable in equal semi-annual instalments, maturing July 8, 2026 (the "1.871% Fixed Rate Notes")	375,000	375,000
Fixed annual rate of 5.084% payable in equal semi-annual instalments, maturing October 27, 2025 (the "5.084% Fixed Rate Notes")	250,000	250,000
Unamortized debt issue costs, including \$1,371 (January 28, 2024 – \$1,320) for the Credit Facility (as defined herein)	(7,754)	(9,049)
Accrued interest on the Fixed Rate Notes	26,354	21,460
Long-term financing arrangements	7,133	-
Fair value hedge – basis adjustment on interest rate swap	9,025	1,983
	2,284,758	2,264,394
Current portion (includes unamortized debt issue costs, accrued interest on the Fixed Rate Notes, long-term financing arrangements and the Fixed Rate Notes with a maturity date falling within the next 53-week period, when applicable)	(277,372)	(21,460)
	<u>2,007,386</u>	<u>2,242,934</u>

The table below provides the carrying values and fair values of the Fixed Rate Notes as at October 27, 2024 and January 28, 2024. The fair values of the Fixed Rate Notes were determined as a level 2 in the fair value hierarchy.

	October 27, 2024		January 28, 2024	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
<b>Fixed Rate Notes</b>				
5.165% Fixed Rate Notes	460,358	473,661	454,198	459,567
2.443% Fixed Rate Notes	376,872	352,271	374,184	335,561
5.533% Fixed Rate Notes	500,415	529,935	507,433	518,705
1.505% Fixed Rate Notes	299,753	282,864	300,714	270,105
1.871% Fixed Rate Notes	376,546	364,665	374,561	351,596
5.084% Fixed Rate Notes	256,027	253,218	252,641	250,798
	<u>2,269,971</u>	<u>2,256,614</u>	<u>2,263,731</u>	<u>2,186,332</u>

## **Dollarama Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

---

## **7 Debt (cont'd)**

### **Credit Agreement**

On June 28, 2024, the Corporation and the lenders entered into a seventh amending agreement to the Third Amended and Restated Credit Agreement (the "TARCA") in order to, among other things, (i) transition from the Canadian Dollar Offered Rate (CDOR) to the Canadian Overnight Repo Rate Average (CORRA), and (ii) extend the terms of its revolving credit facilities (collectively, the "Credit Facility") such that the term of Facility A, in the amount of \$250,000, was extended from July 5, 2028 to June 28, 2029, the term of Facility B, in the amount of \$450,000, was extended from July 6, 2026 to June 28, 2027, the term of Facility C, in the amount of \$50,000, was extended from July 6, 2026 to June 28, 2027, and the term of Facility D, in the amount of \$300,000, was extended from July 3, 2024 to June 27, 2025.

Under the TARCA, the Corporation may, under certain circumstances and subject to receipt of additional commitments from existing lenders or other eligible institutions, request increases to committed facilities up to an aggregate amount, together with all then-existing commitments, of \$1,500,000.

The TARCA requires the Corporation to respect a minimum interest coverage ratio and a maximum leverage ratio, each tested quarterly on a consolidated basis. The Corporation has the option to borrow in Canadian or U.S. dollars.

The Credit Facility is guaranteed by Dollarama L.P. and Dollarama GP Inc. (collectively, with the Corporation, the "Credit Parties"). The TARCA contains restrictive covenants that, subject to certain exceptions, limit the ability of the Credit Parties to, among other things, incur, assume, or permit to exist senior ranking indebtedness or liens, engage in mergers, acquisitions, asset sales or sale leaseback transactions, alter the nature of the business and engage in certain transactions with affiliates. The TARCA also limits the ability of the Corporation, in certain circumstances, to make loans, declare dividends and make payments on, or redeem or repurchase equity interests if there exists a default or an event of default thereunder.

As at October 27, 2024 and January 28, 2024, no amount was outstanding under the TARCA. As at October 27, 2024, \$1,048,867 was available under the Credit Facility (January 28, 2024 – \$1,049,048) and there were letters of credit issued for the purchase of inventories which amounted to \$1,133 (January 28, 2024 – \$952). As at October 27, 2024, the Corporation was in compliance with all of its financial covenants under the TARCA.

### **Short-term borrowings**

Under the terms of its US commercial paper program, the Corporation may issue, from time to time, on a private placement basis in reliance upon exemptions from registration and prospectus requirements under applicable securities legislation, unsecured commercial paper notes with maturities not in excess of 397 days from the date of issue (the "USCP Notes"). The aggregate principal amount of USCP Notes outstanding at any one time under the US commercial paper program, as amended, may not exceed US\$700,000. The Corporation uses derivative financial instruments to convert the net proceeds from the issuance of USCP Notes into Canadian dollars and uses those proceeds for general corporate purposes.

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

October 27, 2024

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

#### 7 Debt (cont'd)

The USCP Notes are direct unsecured obligations of the Corporation and rank equally and *pari passu* with all of its other unsecured and unsubordinated indebtedness. The USCP Notes are unconditionally guaranteed by Dollarama L.P. and Dollarama GP Inc., each a wholly-owned subsidiary of the Corporation. The Corporation's Credit Facility serves as a liquidity backstop for the repayment of the USCP Notes. As at October 27, 2024, no amount was outstanding under the US commercial paper program (January 28, 2024 – nil).

#### 8 Shareholders' equity

##### Share capital

###### *Normal course issuer bid*

On June 20, 2024, the Canadian government enacted legislation implementing a two percent tax on repurchases made on or after January 1, 2024. As a result, the Corporation recognized \$13,271 of income taxes for share repurchases made during the period from January 1, 2024 to October 27, 2024, with a corresponding increase to deficit, of which \$2,498 was paid as at October 27, 2024.

On July 4, 2024, the Corporation announced the renewal of its normal course issuer bid (the "NCIB"). Pursuant to the NCIB, the Corporation may repurchase up to 16,549,476 common shares (representing 6.0% of the Corporation's public float of 275,824,605 common shares as at June 28, 2024) during the 12-month period from July 7, 2024 to July 6, 2025. All common shares purchased pursuant to the NCIB will either be cancelled or placed in trust to facilitate the holding and administering of common shares that may be purchased by the Corporation to hedge its exposure in respect of grants made under its performance share unit plan, including to settle the Corporation's obligations under such plan.

Activities under the Corporation's NCIB during the 13-week and 39-week periods ended on the dates indicated below are as follows:

	<u>13-week periods ended</u>		<u>39-week periods ended</u>	
	<u>October 27, 2024</u>	<u>October 29, 2023</u>	<u>October 27, 2024</u>	<u>October 29, 2023</u>
Number of common shares repurchased under the NCIB programs	1,360,635	1,740,514	4,746,492	4,598,674
Cash consideration paid, allocated to:				
Share capital	\$6,227	\$3,178	\$18,224	\$8,340
Deficit <sup>(1)</sup>	\$183,352	\$162,863	\$589,943	\$405,814
<b>Total</b>	<u>\$189,579</u>	<u>\$166,041</u>	<u>\$608,167</u>	<u>\$414,154</u>

<sup>(1)</sup> For the 13-week and 39-week periods ended October 27, 2024, includes \$3,387 and \$13,271 of income taxes for share repurchases made during the period from January 1, 2024 to October 27, 2024, of which \$2,498 was paid during the 13-week period ended October 27, 2024.

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

## 9 Share-based compensation

### a) Performance share units (“PSUs”)

During the 13-week and 39-week periods ended October 27, 2024, the Corporation recognized a share-based compensation expense for PSUs of \$2,714 and \$7,839 (13-week and 39-week periods ended October 29, 2023 – \$2,534 and \$5,647), respectively.

Outstanding PSUs for the 39-week periods ended on the dates indicated below are as follows:

	<b>October 27, 2024</b>	<b>October 29, 2023</b>
<b>Outstanding – beginning of period</b>	222,229	171,295
Granted	54,939	74,390
Vested	(87,847)	-
Forfeited	(2,745)	(22,632)
<b>Outstanding – end of period</b>	<b>186,576</b>	<b>223,053</b>

### b) Share options

During the 13-week and 39-week periods ended October 27, 2024, the Corporation recognized a share-based compensation expense for share options of \$1,427 and \$4,134, respectively (13-week and 39-week periods ended October 29, 2023 – \$433 and \$3,431, respectively).

Outstanding and exercisable share options for the 39-week periods ended on the dates indicated below are as follows:

	<b>October 27, 2024</b>		<b>October 29, 2023</b>	
	<b>Number of share options</b>	<b>Weighted average exercise price (\$)</b>	<b>Number of share options</b>	<b>Weighted average exercise price (\$)</b>
<b>Outstanding – beginning of period</b>	2,115,097	52.73	3,358,385	40.79
Granted	166,670	111.69	247,335	81.45
Exercised	(460,749)	41.55	(1,329,155)	28.68
Forfeited	(22,214)	74.70	(127,518)	62.28
<b>Outstanding – end of period</b>	<b>1,798,804</b>	<b>60.79</b>	<b>2,149,047</b>	<b>51.68</b>
<b>Exercisable – end of period</b>	<b>1,068,805</b>	<b>49.66</b>	<b>1,217,568</b>	<b>44.08</b>

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

---

#### 9 Share-based compensation (cont'd)

##### c) Deferred share units ("DSUs")

During the 13-week and 39-week periods ended October 27, 2024, the Corporation recognized a share-based compensation expense for DSUs of \$194 and \$1,329 (13-week and 39-week periods ended October 29, 2023 – \$259 and \$1,197), respectively, which includes the effect of equity derivatives. As at October 27, 2024, the DSU liability amounted to \$24,780 (January 28, 2024 – \$17,432) and the intrinsic value of the liability for vested benefits was \$23,725 (January 28, 2024 – \$16,579).

Outstanding DSUs for the 39-week periods ended on the dates indicated below are as follows:

	<b>October 27, 2024</b>	<b>October 29, 2023</b>
<b>Outstanding – beginning of period</b>	174,544	159,594
Granted	11,473	13,367
<b>Outstanding – end of period</b>	<b>186,017</b>	<b>172,961</b>

#### 10 Income taxes

The income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year. The statutory income tax rate for the 13-week and 39-week periods ended October 27, 2024 was 26.5% (October 29, 2023 – 26.5%). The Corporation's effective income tax rate for the 13-week and 39-week periods ended October 27, 2024 was 24.6% and 24.7%, respectively (13-week and 39-week periods ended October 29, 2023 – 25.4% and 25.5%, respectively).

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

#### 11 Financial instruments

The Corporation uses derivative financial instruments in the management of its foreign currency and interest rate exposure. The Corporation documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions.

A summary of the aggregate contractual nominal value, weighted average contract rate or interest rate, as applicable, statement of financial position location and estimated fair values of derivative financial instruments as at October 27, 2024 and January 28, 2024 is as follows:

	Contractual nominal value	Weighted average contract rate	Statement of financial position	Fair value - Asset (Liability)	Nature of hedging relationship
	USD/CAD	USD/CAD/ Interest rate	Location	Significant other observable inputs (Level 2)	Recurring
	\$			\$	
<b>As at October 27, 2024</b>					
<b>Hedging instruments for the forecasted U.S. dollar merchandise purchases</b>					
USD Foreign exchange forward contracts	370,000	1.35	Current assets	13,142	Cash flow hedge
	<u>370,000</u>			<u>13,142</u>	
<b>Hedging instruments for the fixed to floating interest rate notes</b>					
CAD interest rate swap contracts	250,000	CORRA	Current assets	9,025	Fair value hedge
	<u>250,000</u>			<u>9,025</u>	
<b>Total</b>	<u>620,000</u>			<u>22,167</u>	
<b>As at January 28, 2024</b>					
<b>Hedging instruments for the forecasted U.S. dollar merchandise purchases</b>					
USD Foreign exchange forward contracts	265,000	1.33	Current assets	3,335	Cash flow hedge
USD Foreign exchange forward contracts	223,000	1.36	Current liabilities	(3,681)	Cash flow hedge
	<u>488,000</u>			<u>(346)</u>	
<b>Hedging instruments for the fixed to floating interest rate notes</b>					
CAD interest rate swap contracts	150,000	CORRA	Current assets	1,983	Fair value hedge
	<u>150,000</u>			<u>1,983</u>	
<b>Total</b>	<u>638,000</u>			<u>1,637</u>	

For the 13-week and 39-week periods ended October 27, 2024, accumulated fair value gains of \$4,122 and \$12,375, respectively, (13-week and 39-week periods ended October 29, 2023 – accumulated fair value gains of \$6,708 and \$30,796, respectively) on USD foreign exchange forward contracts recorded in the carrying value of inventory were reclassified from inventory to the cost of sales in the condensed interim consolidated statement of net earnings and comprehensive income.

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

## 12 Earnings per common share

Diluted net earnings per common share for the 13-week and 39-week periods ended on the dates indicated below were calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares as follows:

	<u>13-week periods ended</u>		<u>39-week periods ended</u>	
	<u>October 27, 2024</u>	<u>October 29, 2023</u>	<u>October 27, 2024</u>	<u>October 29, 2023</u>
Net earnings attributable to shareholders of the Corporation and used to determine basic and diluted net earnings per common share	\$275,806	\$261,055	\$777,591	\$686,690
Weighted average number of common shares outstanding during the period (thousands)	281,356	282,587	280,079	283,921
Dilutive effect of share options (thousands)	993	1,008	996	1,138
Weighted average number of common shares for diluted net earnings per common share (thousands)	282,349	283,595	281,075	285,059
Diluted net earnings per common share	\$0.98	\$0.92	\$2.77	\$2.41

As at October 27, 2024, 162,282 options (October 29, 2023 – 221,349) have an anti-dilutive effect since the average market price of the underlying shares was lower than the sum of the exercise price and the unearned share-based compensation of those share options under the treasury stock method.

## 13 Related party transactions

### a) Entities related to the Corporation's Chief Executive Officer

On April 3, 2024, the Corporation renewed its long-term lease agreements governing its head office and five of its warehouses, which are leased from entities related to the Corporation's Chief Executive Officer. With respect to each lease, the Corporation negotiated a long-term extension and updated terms which are considered to be no less favorable to the Corporation than those that could have been obtained from third parties based on, among other factors, a review completed with the assistance of counsel as well as rental rate comparison studies prepared by an independent third party.

As at October 27, 2024, the Corporation leased 19 stores, five warehouses and its head office from entities related to the Corporation's Chief Executive Officer pursuant to long-term lease agreements. Rental payments associated with these related-party leases are measured at cost, which equals fair value, being the amount of consideration established at market terms.

As at October 27, 2024, the outstanding balance of lease liabilities owed to entities related to the Corporation's Chief Executive Officer totalled \$255,460 (January 28, 2024 – \$14,891).

During the 13-week and 39-week periods ended October 27, 2024, the Corporation expensed \$2,696 and \$7,282 (13-week and 39-week periods ended October 29, 2023 – \$2,036 and \$6,361), respectively, of lease payments charged from entities related to the Corporation's Chief Executive Officer.



## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

October 27, 2024

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

#### 13 Related party transactions (cont'd)

##### b) Dollarcity

As at October 27, 2024, Dollarama International, a wholly-owned subsidiary of the Corporation, held a 60.1% equity interest in CARS. The Corporation accounts for its investment in Dollarcity as a joint arrangement using the equity method.

In connection with the Dollarcity Transaction, Dollarama International and Dollarcity's founding stockholders entered into an amended and restated stockholders agreement (the "Stockholders Agreement"), to reflect, among other things, the increased ownership interest of Dollarama International in ICM, the governance terms that apply to ICM and the operation of the Mexico business and the Call Option in favour of the Corporation.

Under the terms of the Stockholders Agreement, Dollarcity's founding stockholders have a put right pursuant to which they can require, in certain circumstances, that Dollarama International purchase shares of CARS held by them and their corresponding proportionate interest in ICM at fair market value. This right may be exercised in the ordinary course by Dollarcity's founding stockholders during specified periods, subject to certain transaction size thresholds, required ownership thresholds and freeze and notice periods, among other conditions and restrictions. This right may also be exercised upon the occurrence of certain extraordinary events, including a change in control of the Corporation and a sale of Dollarcity.

The business relationship of Dollarama International and Dollarcity is governed by a sourcing agreement and a services agreement entered into between the parties on February 4, 2022, each having an initial term of five years, subject to automatic renewal for successive one-year periods, unless terminated by either party at least 60 days before the close of the then-current term.

Under the sourcing agreement, Dollarcity purchases from the Corporation goods to be sold to customers in the normal course of business. The sales to Dollarcity that were shipped directly from the Corporation's warehouses, as well as the net consideration received for sales in which the Corporation acts as an intermediary, are included in the Corporation's consolidated sales.

Under the services agreement and other agreements in place, Dollarcity and the Corporation provide services to each other, including, but not limited to, administrative and corporate services, as well as diverse information technology related matters. Dollarcity also purchases various items from the Corporation such as racking, hardware and software licenses.

The carrying values of assets and liabilities resulting from transactions entered into with Dollarcity in connection with the aforementioned agreements are as follows:

	October 27, 2024	January 28, 2024
	\$	\$
<b>Included in the Consolidated Statement of Financial Position</b>		
Accounts receivable <sup>(1)</sup>	33,495	22,521
Distributions receivable from equity-accounted investment	-	26,906
Accounts payable and accrued liabilities	5,677	8,299

<sup>(1)</sup> The accounts receivable from Dollarcity is guaranteed by a letter of credit up to US\$20,000 (\$27,784) (January 28, 2024 – US\$20,000 (\$26,906)) and includes amounts outstanding under the sourcing and services agreements, as well as other agreements in place.

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

**October 27, 2024**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

#### 13 Related party transactions (cont'd)

Transactions entered into with Dollarcity in connection with the aforementioned agreements during the 13-week and 39-week periods ended on the dates indicated below are as follows:

	13-week periods ended		39-week periods ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
<b>Included in the Consolidated Statement of Net Earnings and Comprehensive Income</b>				
Sales <sup>(2)</sup>	3,652	5,062	11,929	20,825

<sup>(2)</sup> Includes the net consideration received for sales in which the Corporation acts as an intermediary, as well as gross proceeds generated from sales shipped directly from the Corporation's warehouses.

#### 14 Expenses by nature included in the condensed interim consolidated statement of net earnings and comprehensive income

	13-week periods ended		39-week periods ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
	\$	\$	\$	\$
<b>Cost of sales</b>				
Cost of goods sold, labour, transport and other costs	809,220	759,946	2,359,065	2,234,046
Occupancy costs	47,311	43,166	139,250	126,627
Depreciation of property, plant and equipment and right-of-use assets relating to the warehouses and distribution centre	7,397	4,350	20,298	12,677
Total cost of sales	863,928	807,462	2,518,613	2,373,350
<b>Depreciation and amortization</b>				
Depreciation of property, plant and equipment and right-of-use assets	88,223	82,016	260,183	241,444
Amortization of intangible assets	6,565	5,781	18,858	17,101
Total depreciation and amortization	94,788	87,797	279,041	258,545
<b>Employee benefits</b> <sup>(1)</sup>	192,530	184,247	557,223	515,733
<b>Net financing cost</b>				
Interest expense on long-term debt	21,423	23,419	64,656	65,415
Interest expense on lease liabilities	21,916	16,940	62,532	48,838
Interest expense on short-term borrowing	1,733	4,523	9,036	9,163
Banking fees and other interest expense	1,601	1,352	4,052	3,962
Interest revenue	(5,070)	(9,529)	(21,211)	(17,920)
Total net financing cost	41,603	36,705	119,065	109,458

<sup>(1)</sup> Comparative figures have been adjusted to reflect the current period presentation, which provides more relevant and reliable information to the users of these financial statements.

## Dollarama Inc.

### Notes to Condensed Interim Consolidated Financial Statements

October 27, 2024

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

#### 15 Details of statement of cash flows

The changes in non-cash working capital components for the 13-week and 39-week periods ended on the dates indicated below are as follows:

	13-week periods ended		39-week periods ended	
	October 27, 2024	October 29, 2023	October 27, 2024	October 29, 2023
	\$	\$	\$	\$
Accounts receivable	(6,985)	4,375	(10,601)	24,593
Prepaid expenses	4,180	4,491	(581)	10,664
Prepaid income taxes	1,811	-	-	-
Inventories	(63,588)	(29,379)	(31,083)	16,861
Accounts payable and accrued liabilities	33,687	28,532	14,876	(1,898)
Income taxes payable	4,850	(9,558)	(56,225)	(39,667)
	<u>(26,045)</u>	<u>(1,539)</u>	<u>(83,614)</u>	<u>10,553</u>
Net cash paid for income taxes	92,146	107,929	326,368	283,907

Cash paid and received for income taxes are cash flows used in operating activities.

#### 16 Events after the reporting period

##### Dollarama to Acquire Land for Development of a Logistics Hub in Western Canada

The Corporation has entered into an agreement to acquire land in the Calgary, Alberta region for a total cash consideration of \$46,736, subject to customary closing purchase price adjustments. Following the closing of the transaction, which is anticipated in the fourth quarter of fiscal 2025 and subject to the satisfaction of customary closing conditions, the Corporation intends to build a warehouse and second distribution centre to service stores in Western Canada, expected to be commissioned by the end of calendar 2027. Having a two-node logistics model will enable the Corporation to optimize its warehousing and distribution operations and support its growth plans while generating cost savings.

##### Quarterly cash dividend

On December 4, 2024, the Corporation announced that its Board of Directors approved a quarterly cash dividend for holders of common shares of \$0.0920 per common share. This dividend is payable on February 7, 2025 to shareholders of record at the close of business on January 10, 2025. The dividend is designated as an "eligible dividend" for Canadian tax purposes.