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DOLLARAMA TO ACQUIRE AUSTRALIAN DISCOUNT RETAILER THE REJECT SHOP

Strategic international expansion into Australia with a solid initial foothold, building on Dollarama's proven track record in Canada and Latin America

MONTREAL, March 26, 2025 - Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") announced today that it has entered into a definitive agreement to acquire all the issued and outstanding ordinary shares of The Reject Shop Limited (ASX: TRS) ("The Reject Shop"), the largest discount retailer in Australia, for an all cash consideration of A\$6.68 per ordinary share (the "Transaction"), which values The Reject Shop's ordinary share capital at approximately A\$259 million (C\$233 million¹). The Transaction will be implemented by way of an Australian scheme of arrangement (the "Arrangement"). The Reject Shop Board of Directors unanimously recommends that The Reject Shop's shareholders vote in favour of the Arrangement².

"Identifying the right opportunity to expand into new geographies and build on our track record as a leading value retailer in Canada and Latin America has been a key objective for the Dollarama team. With this acquisition, we have a unique and compelling opportunity to bring our differentiated value proposition to a new market which presents a clear path for growth through an established platform," said Neil Rossy, President and Chief Executive Officer of Dollarama.

"We look forward to embarking on this new chapter of Dollarama's international growth journey with the local management team and its more than 5,000 employees across Australia. Together, we will leverage our core strengths as value retailers with best-in-class merchandising, sourcing and operational expertise. With compatible cultures and values, we are confident that the business will have an exciting future as Dollarama's new and complementary growth platform," Neil Rossy concluded.

Headquartered in Melbourne, The Reject Shop is Australia's largest discount retailer with a store network of more than 390 locations across the country. Its offering includes private-label and national brand products. The Reject Shop generated consolidated sales of A\$866 million (C\$779 million¹) for the last twelve-month period ended December 29, 2024, and employs over 5,000 people.

Transaction Details

The cash consideration of A\$6.68 per ordinary share represents a 108% premium to The Reject Shop's 20-day volume-weighted average price of A\$3.21. The per share consideration implies an equity value of approximately A\$259 million (C\$233 million¹) and an enterprise value of approximately A\$189 million (C\$170 million¹) on a pre-AASB 16 basis or approximately A\$421 million (C\$379 million¹) on a post-AASB 16 basis. The enterprise value implies a 8.9x multiple on The Reject Shop's EBITDA (pre-AASB 16) (and a 3.3x multiple on post-AASB 16 EBITDA) for the last twelve-month period ended December 29, 2024.

Under the Arrangement, The Reject Shop may, subject to the terms of the definitive agreement, pay a fully franked special dividend of up to A\$0.77 per share, with the amount of that dividend to be deducted from the cash consideration to be paid by Dollarama under the Arrangement. The cash consideration to be paid by Dollarama under the Arrangement will not be reduced by the fully franked interim dividend of A\$0.12 per

¹ All amounts in Canadian dollars are calculated using an exchange rate of A\$1.00 = C\$0.90.

² In the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Arrangement is in the best interests of The Reject Shop shareholders.



share which was determined on February 20, 2025 and is due to be paid by The Reject Shop on May 1, 2025.

The purchase price will be funded through a mix of cash on hand and available liquidities under Dollarama's revolving credit facility. The Transaction is expected to have a minimal immediate impact to Dollarama's net earnings per share and to have a limited impact on its pro forma adjusted net debt-to-EBITDA ratio upon closing of the Transaction.

Plan for the Business

Dollarama intends to work with The Reject Shop local management team to execute its strategic vision for the business, leveraging Dollarama's retail, merchandising and sourcing expertise, and store and logistics operational know-how.

Already Australia's largest discount retailer, with a well-located store network spanning every Australian state, The Reject Shop provides Dollarama with a strong foundation for future expansion. Dollarama believes there is an opportunity to grow The Reject Shop's store network in Australia from more than 390 locations as of today to approximately 700 stores by 2034.

Transaction Approvals and Closing

The Transaction will be implemented by way of an Australian scheme of arrangement and is subject to customary closing conditions, including, among other things, an independent expert concluding that the scheme of arrangement is in the best interests of The Reject Shop shareholders, The Reject Shop shareholders' approval, and the receipt of necessary regulatory and court approvals, with closing expected to occur in the second half of 2025.

The definitive agreement of the Arrangement contains customary exclusivity covenants on the part of The Reject Shop, subject to customary "fiduciary out" qualifications as well as "right to match" provisions in favour of Dollarama in the context of any superior proposal. A break fee would be payable by The Reject Shop to Dollarama in certain circumstances, including if Dollarama does not exercise its right to match.

The Reject Shop Board of Directors unanimously recommends that The Reject Shop shareholders vote in favour of the Arrangement². In addition, The Reject Shop has announced that their largest shareholder Kin Group, who controls approximately 20.8% of the ordinary shares outstanding at the date of the announcement, has informed The Reject Shop Board of its intention to vote in favour of the Arrangement².

Financial Advisor

National Bank Financial Inc. is acting as financial advisor to Dollarama.

² In the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Arrangement is in the best interests of The Reject Shop shareholders



Conference Call Information

A conference call is scheduled for today at 6:30 p.m. (ET) to discuss the announcement and will be followed by a question period open exclusively to financial analysts. Analysts are invited to dial-in to the conference call using the dial-in number provided below. Media and members of the public are invited to participate in the call in a listen-only mode, using the live audio webcast, available in the Investor Relations/Events section of Dollarama's website and below:

- **Webcast link:** <https://edge.media-server.com/mmc/p/wasapnsg>
- Webcast replay available until March 26, 2026 in the "Investor Relations – Events – Archives" section of Dollarama's website.
- **Dial-in number (for financial analysts only):** Please click on the following call link and complete the online registration form:
<https://register-conf.media-server.com/register/BI8df11e1ea3c74442a7838f3c662defab>

Upon registering, you will be emailed the dial-in number and unique PIN to join the call.

A presentation will be made available for download in the Investor Relations/Events section of Dollarama's website shortly before the conference call.

Forward-Looking Statements

Certain statements in this press release about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements in this press release include statements about the attractiveness of the Transaction (including from a financial perspective and expected impact on accretion and leverage) and other anticipated benefits of the acquisition and their expected impact on Dollarama's growth strategies and international expansion, results of operations, performance, business, prospects, opportunities, development, and other strategic priorities; plans for the business and the future potential expansion of the business, including the potential growth of the store network to 700 stores in Australia by 2034; expectations regarding the strength, complementarity and compatibility of The Reject Shop's business and culture with those of Dollarama; the anticipated timing of the completion of the acquisition; available liquidities; and other statements that are not historical facts.

Forward-looking statements are based on information currently available to management and on estimates and assumptions made by management regarding, among other things, the satisfaction of all closing conditions and completion of the acquisition within the anticipated timeframe; the Corporation's ability to successfully integrate The Reject Shop business upon completion of the acquisition; the realization of the expected strategic, financial and other benefits of the Transaction in the timeframe anticipated; The Reject Shop's ability to continue to attract and retain key employees; the accuracy and completeness of the information provided by The Reject Shop in connection with the Transaction; the absence of undisclosed costs or liabilities associated with the acquisition, the ability of The Reject Shop to maintain its current key business relationships; management's estimates and expectations in relation to future economic and business conditions in relation to the Transaction and future performance and other factors in relation to The Reject Shop's business, and their resulting impact on growth, leverage and accretion; the accuracy of certain information relating to the Australian discount store market and Australia's actual population and its projected growth; as well as other factors that are believed to be appropriate and reasonable in the



circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause 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 the Corporation's inability to successfully integrate The Reject Shop's business upon completion of the Transaction, the potential failure to realize anticipated benefits from the Transaction, the potential failure to satisfy the necessary closing conditions in a timely manner, or at all, and the possible delay or failure to close the Transaction, the Corporation's reliance upon information provided by The Reject Shop in connection with the Transaction, potential undisclosed costs or liabilities associated with the Transaction, the Corporation's or The Reject Shop's businesses being adversely impacted during the pendency of the Transaction, the inability of the Australian discount retail store market to achieve rates of per capita store penetration similar to the Canadian and U.S. dollar store markets, as well as the factors which are outlined in the management's discussion and analysis for the third quarter of the fiscal year ended February 2, 2025 and discussed in greater detail in the "Risks and Uncertainties" section of the Corporation's annual management's discussion and analysis for the fiscal year ended January 28, 2024, both available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com.

These factors are not intended to represent a complete list of the factors that could affect the Corporation, The Reject Shop or the Transaction; however, they should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Corporation, The Reject Shop and the Transaction and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this press release are made as today and management has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All of the forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

About Dollarama

Founded in 1992 and headquartered in Montréal, Quebec, Canada, Dollarama (TSX:DOL) is a recognized Canadian value retailer offering a broad assortment of consumable products, general merchandise and seasonal items both in-store and online. With stores in all Canadian provinces and two territories, our 1,601 locations across Canada provide customers with compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. Select products are also available, by the full case only, through our online store at www.dollarama.com. Our quality merchandise is sold at select fixed price points up to C\$5.00.

Dollarama also owns a 60.1% interest in Dollarcity, a growing Latin American value retailer. Dollarcity offers a broad assortment of consumable products, general merchandise and seasonal items at select, fixed price points up to US\$4.00 (or the equivalent in local currency) in 588 conveniently located stores in Colombia, Guatemala, El Salvador and Peru.

For further information:

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