



DOLLARAMA INC. MANAGEMENT'S DISCUSSION AND ANALYSIS Second Quarter Ended August 3, 2025

August 27, 2025

The following management's discussion and analysis ("MD&A") dated August 27, 2025 is intended to assist readers in understanding the business environment, strategies, performance and risk factors of Dollarama Inc. (together with its consolidated subsidiaries, referred to as "Dollarama", the "Corporation", "we", "us" or "our"). This MD&A provides the reader with a view and analysis, from the perspective of management, of the Corporation's financial results for the second quarter ended August 3, 2025. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and notes for the second quarter ended July 28, 2024 and the audited annual consolidated financial statements and notes for Fiscal 2025 (as hereinafter defined).

Unless otherwise indicated and as hereinafter provided, all financial information in this MD&A as well as the Corporation's unaudited condensed interim consolidated financial statements for the second quarter ended August 3, 2025 have been prepared 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").

The Corporation manages its business on the basis of two reportable segments: the Canadian segment (which includes the contribution of the Corporation's equity-accounted investments in Latin America) and the Australian segment. The reporting currency of the Corporation is the Canadian dollar.

Accounting Periods

All references to "Fiscal 2024" are to the Corporation's fiscal year ended January 28, 2024; to "Fiscal 2025" are to the Corporation's fiscal year ended February 2, 2025 and to "Fiscal 2026" are to the Corporation's fiscal year ending February 1, 2026.

The Corporation's fiscal year ends on the Sunday closest to January 31 of each year and usually has 52 weeks. However, as is traditional with the retail calendar, every five or six years, a week is added to the fiscal year. Fiscal 2025 was comprised of 53 weeks whereas Fiscal 2026 is comprised of 52 weeks.

Recent Events

Dollarcity Dividend

On August 22, 2025, subsequent to the end of the quarter, CARS's (as hereinafter defined) board of directors approved a cash dividend totaling US\$62.5 million, an amount consistent with the previous dividend declared on December 5, 2024. Dollarama's share of the dividend corresponds to US\$37.6 million (\$51.8 million), reflecting its 60.1% ownership in CARS, and is expected to be received in the third quarter of Fiscal 2026.

Quarterly Cash Dividend

On August 27, 2025, the Corporation announced that its board of directors approved a quarterly cash dividend for holders of common shares of \$0.1058 per common share. This dividend is payable on November 7, 2025 to shareholders of record at the close of business on October 10, 2025. The dividend is designated as an "eligible dividend" for Canadian tax purposes.

Quarterly Highlights

Acquisition of TRS

On July 21, 2025, the Corporation, through its wholly owned subsidiary, Dollarama International Inc. ("Dollarama International"), completed the acquisition of all the issued and outstanding ordinary shares of The Reject Shop Limited ("TRS"), for A\$233.6 million (\$208.8 million) (the "TRS Transaction"). This reflects a total consideration of A\$6.68 per ordinary share, less a deduction of A\$0.77 per ordinary share to account for the fully franked dividend paid by TRS prior to closing, resulting in a net cash consideration of A\$5.91 per ordinary share.

Headquartered in Melbourne, TRS is Australia's largest discount retailer with a well-located national store network of 395 locations. This strategic acquisition marks Dollarama's entry into the Australian market, building on its proven track record as a leading Canadian value retailer with a growing presence in Latin America through Dollarcity (as hereinafter defined).

Dollarcity

Mexico Capital Call

During the quarter, the Corporation used proceeds from its 60.1% share of the dividend previously declared by CARS, representing US\$37.6 million, to make an initial capital contribution of US\$18.0 million (\$24.5 million) to ICM (as hereinafter defined) towards expansion plans in Mexico, reflecting the Corporation's 80.05% ownership interest in ICM.

Renewal of Normal Course Issuer Bid

On July 3, 2025, the Corporation announced the renewal of its normal course issuer bid ("NCIB") and the approval from the Toronto Stock Exchange ("TSX") to repurchase up to 13,865,588 of its common shares, representing 5.0% of the issued and outstanding common shares of the Corporation as at June 30, 2025, during the 12-month period from July 7, 2025 to July 6, 2026 (the "2025-2026 NCIB").

Amendment and Restatement of Credit Agreement

On June 27, 2025, the Corporation and the lenders entered into a Fourth Amended and Restated Credit Agreement (the "FARCA") in order to, among other things, (i) extend the terms of its revolving credit facilities by one year so that the term now ends, for Facility A on June 27, 2030, for Facility B and Facility C, on June 27, 2028, and for Facility D, on June 26, 2026 and (ii) permit drawings under the Dollarama Credit Facility in Australian dollars with interest thereon calculated on the basis of the prevailing Australian Bank Bill Swap Reference Rate (plus the applicable margin).

Offering of Fixed Rate Note

On June 16, 2025, the Corporation issued the 3.850% Fixed Rate Notes (as hereinafter defined) by way of private placement in Canada in reliance upon exemptions from the prospectus requirements under applicable securities legislation. The 3.850% Fixed Rate Notes were issued at par for aggregate gross proceeds of \$600.0 million and bear interest at a fixed rate of 3.850% per annum, payable in semi-annual instalments, on June 16 and December 16 of each year until maturity on December 16, 2030. The 3.850% Fixed Rate Notes were assigned a rating of BBB+ (high), an increase from the previous rating of BBB, with a stable trend, by DBRS Limited.

The Corporation intends to use the net proceeds from the issuance of the 3.850% Fixed Rate Notes to repay the \$250.0 million aggregate principal amount of the 5.084% Fixed Rate Notes, maturing on October 27, 2025 and for general corporate purposes.

Overview

Our Business

Founded in 1992 and headquartered in Montreal, Québec, Canada, Dollarama is a leading Canadian value retailer with operations in Canada and, following the acquisition of TRS, in Australia, as well as in Latin America through its equity accounted investment in Central American Retail Sourcing, Inc. ("CARS") and Inversiones Comerciales Mexicanas S.A ("ICM", and together with CARS and their respective subsidiaries, the "Dollarcity Group" or "Dollarcity"). In every market where it operates, either directly or indirectly, the Corporation aims to provide compelling value at select low fixed price points and convenient access to a wide assortment of affordable everyday and seasonal merchandise that appeals to a broad customer base. The stores forming the Corporation's network currently operate in Canada under the Dollarama® banner, in Australia under The Reject Shop® banner and in Latin America under the Dollarcity® banner.

The Corporation's strategy is to grow sales, operating income, net earnings, earnings per share and cash flows by expanding its store network and by offering a compelling value proposition on a wide variety of merchandise. The Corporation continually strives to maintain and improve the efficiency of its operations. With respect to TRS, in light of its recent acquisition, the Corporation intends to evaluate opportunities and implement strategies to optimize its operations in the coming years and further align its operations with the Corporation's business model.

In Canada, as at August 3, 2025, the Corporation had 1,665 stores, including 27 net new stores opened during the second quarter of Fiscal 2026. Canadian stores average 10,446 square feet and offer a broad assortment of consumable products, general merchandise and seasonal items, including private label and national brand products, all at compelling value. Merchandise is sold in individual or multiple units at select, fixed price points up to \$5.00. All stores are corporately operated, providing a consistent shopping experience, and located in high-traffic metropolitan areas, mid-sized cities and small towns. The Corporation also has partnerships with third-party online delivery platforms offering fast delivery to provide additional convenience to Canadian customers.

In Australia, the Corporation operated a well-located national store network of 395 stores as at August 3, 2025, offering a wide range of private-label and national brand products with approximately 90% of sales with price points ranging between A\$0.45 and A\$15.00.

In Latin America, Dollarcity had a total of 658 stores as at June 30, 2025 (compared to 570 as at June 30, 2024), with 384 locations in Colombia, 110 in Guatemala, 79 in El Salvador, 84 in Peru and 1 in Mexico. Dollarcity stores offer 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). The operations of Dollarcity in Latin America are jointly controlled by Dollarama International and the Dollarcity founding stockholders, through their respective ownership in CARS and ICM. CARS is a corporation organized under the laws of Panama and the parent company of entities operating stores located in El Salvador, Guatemala, Colombia and Peru, and ICM, also organized under the laws of Panama, is the parent company of entities operating a store located in Mexico. Dollarama International holds a 60.1% interest in CARS and a 80.05% interest in ICM, both accounted for as joint arrangements using the equity method.

Following the completion of the TRS Transaction, the Corporation now manages its business on the basis of two reportable segments: the Canadian segment (which includes the contribution of the Corporation's equity-accounted investments in Latin America) and the Australian segment.

As at August 3, 2025, the principal entities forming part of the Dollarama group were as follows:

Name of entities	Country of incorporation	Functional currency	Equity interest
Dollarama L.P.	Canada	CAD	100.0%
Dollarama International Inc. ⁽¹⁾	Canada	USD	100.0%
Central American Retail Sourcing Inc.	Panama	USD	60.1%
Inversiones Comerciales Mexicanas S.A.	Panama	MEX	80.05%
The Reject Shop Limited	Australia	AUD	100.0%

⁽¹⁾ Dollarama International has joint control over Dollarcity (including CARS and ICM) and accounts for its investments as joint arrangements using the equity method.

Key Items in the Second Quarter of Fiscal 2026

Compared to the second quarter of Fiscal 2025:

- Sales increased by 10.3% to \$1,723.8 million, compared to \$1,563.4 million
- Comparable store sales⁽¹⁾ in Canada increased by 4.9%, over and above 4.7% growth in the corresponding period of the previous year and 27 net new stores opened in Canada, compared to 14 net new stores
- EBITDA⁽¹⁾ increased by 12.2% to \$588.5 million, representing an EBITDA margin⁽¹⁾ of 34.1%, compared to 33.5%
- Operating income increased by 14.3% to \$483.5 million, representing an operating margin⁽¹⁾ of 28.0%, compared to 27.0%
- Net earnings increased by 12.4% to \$321.5 million, resulting in a 13.7% increase in diluted net earnings per common share to \$1.16, compared to \$1.02
- 932,046 common shares repurchased for cancellation for \$174.8 million

⁽¹⁾ Refer to the section entitled "Non-GAAP and Other Financial Measures" of this MD&A for the definition of these items and, where applicable, their reconciliation with the most directly comparable GAAP measure.

Key Items in the First Six Months of Fiscal 2026

Compared to the first six months of Fiscal 2025:

- Sales increased by 9.3% to \$3,245.0 million, compared to \$2,969.2 million
- Comparable store sales in Canada increased by 4.9%, over and above 5.1% growth in the corresponding period of the previous year, and 49 net new stores opened in Canada, compared to 32 net new stores
- EBITDA increased by 15.1% to \$1,084.6 million, representing an EBITDA margin of 33.4%, compared to 31.7%
- Operating income increased by 17.1% to \$872.3 million, representing an operating margin of 26.9%, compared to 25.1%
- Net earnings increased by 18.6% to \$595.3 million, resulting in a 19.6% increase in diluted net earnings per common share to \$2.14, compared to \$1.79
- Unrealized gain of \$10.4 million in the first quarter of Fiscal 2026 relating to the derivative on our equity-accounted investment, positively impacting EBITDA margin by approximately 30 basis points and diluted net earnings per common shares by \$0.04
- 932,046 common shares repurchased for cancellation for \$174.8 million

Outlook

A discussion of management's expectations as to the Corporation's outlook for Fiscal 2026 is contained in the Corporation's press release dated August 27, 2025 under the heading "Fiscal 2026 Outlook". The press release is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at <https://www.dollarama.com/>.

Factors Affecting Results of Operations

Sales

The Corporation recognizes revenue from the sale of products or the rendering of services as the performance obligations are fulfilled.

Revenue is shown net of sales tax and discounts. Gift cards sold are recorded as a liability, and revenue is recognized when gift cards are redeemed.

Sales consist of Comparable store sales and new store sales as well as sales to third parties.

Comparable store sales represent sales from stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior fiscal year. The primary drivers of Comparable store sales performance are changes in the number of transactions and the average transaction size. To increase Comparable store sales, the Corporation focuses on offering a wide selection of quality merchandise at attractive values in well-designed, consistent and convenient store formats. Considering the Corporation intends to evaluate opportunities and implement strategies to optimize the operations of TRS over the coming years, the Corporation does not currently intend to present Comparable store sales information for the Australian segment.

Under the sourcing agreements and the services agreements entered into by Dollarama International, the wholly-owned subsidiary through which the Corporation holds its equity interests in CARS and ICM, the Corporation recognizes revenue based on the amounts billed to Dollarcity when the Corporation acts as the principal. Otherwise, the Corporation recognizes the net amount that it retains as revenue. Refer to section entitled "Dollarcity" for additional details.

Historically, our lowest sales results have occurred during the first quarter whereas our highest sales results have occurred during the fourth quarter, with December representing the highest proportion of sales. Our sales also generally increase ahead of other holidays and celebrations, such as Easter, St. Patrick's Day, Valentine's Day and Halloween, but we otherwise experience limited seasonal sales fluctuations and expect this trend to continue. That said, the occurrence of unusually adverse weather causing disruption in our business activities or operations during a peak season or for a prolonged period of time could have an adverse effect on our distribution network and on store traffic, which could materially adversely affect our business and financial results. Refer to the section of this MD&A entitled "Risks and Uncertainties" for a discussion on the risks associated with seasonality and business continuity.

Cost of Sales

Our cost of sales consists mainly of inventory purchased, the variable and non-indexed portion of store occupancy costs that are excluded from the lease liability under IFRS 16, shipping and transportation costs (which are largely variable and proportional to our sales volume) as well as warehouse and distribution centre occupancy and labour costs. We record vendor rebates, consisting of volume purchase rebates, when it is probable that they will be received and the amounts can reasonably be estimated. The rebates are recorded as a reduction of inventory purchases or, if the related inventory has been sold, as a reduction of the cost of sales.

Although cost increases, including raw material costs, can negatively affect our business, our multiple price point product offering provides some flexibility to react to and offset, at least partially, those cost increases.

Since the Corporation purchases goods in currencies other than the functional currency, primarily by importing merchandise from China in U.S dollars, fluctuations in the U.S dollars relative to the functional currency have a direct impact on cost of sales. As a result, cost of sales is impacted indirectly by the fluctuation of the Chinese renminbi against the U.S. dollar and directly by the fluctuation of the U.S. dollar against the functional currency.

While we enter into foreign exchange forward contracts to hedge a significant portion of our exposure to fluctuations in the value of the U.S. dollar against the functional currencies (generally nine to twelve months in advance), we do not hedge our exposure to fluctuations in the value of the Chinese renminbi against the U.S. dollar.

Shipping and transportation costs are also a significant component of our cost of sales.

The occupancy costs included in our cost of sales are mainly comprised of variable and non-indexed rental expenses for our stores that are excluded from the lease liability under IFRS 16. Fixed and indexed rental payments are recognized as a lease liability under IFRS 16. Occupancy costs have generally increased over the years. Management believes that it is generally able to negotiate leases at competitive market rates and does not anticipate material rate increases in the short to medium term. In Canada, store leases are typically signed with base terms of ten years and one or more renewal options of five years each.

We strive to maintain a sustainable gross margin, aimed at achieving a healthy balance between maximizing returns to shareholders and offering a compelling value to our customers. The gross margin varies on a quarterly basis as a result of fluctuations in product margins, product mix and/or fluctuations in logistics and transportation costs, among other factors. In Canada, our current target is to refresh approximately 25% to 35% of our offering on an annual basis.

General, Administrative and Store Operating Expenses

General, administrative and store operating expenses ("SG&A") consist of store labour, which is primarily variable and proportional to our sales volume, as well as general store maintenance costs, salaries and related benefits of corporate and field management team members, administrative office expenses, professional fees, transaction costs, and other related expenses, all of which are primarily fixed. Although our average store hourly wage rate is higher than the statutory minimum wage, a significant increase in the statutory minimum wage would significantly increase our payroll costs unless we realize offsetting productivity improvements and other store cost reductions.

Economic or Industry-Wide Factors Affecting the Corporation

The Corporation operates in the value retail industry, which is highly competitive with respect to price, store location, merchandise quality, assortment and presentation, in-stock consistency, and customer service. In addition to the competition from other dollar stores, the Corporation faces competition to an even greater extent from variety and discount stores, convenience stores and mass merchants, many of which operate stores in the areas where the Corporation operates, offer products substantially similar to those offered by the Corporation and engage in extensive advertising and marketing efforts. Moreover, as a result of the Corporation's broad offering of general merchandise, consumable products and seasonal items, it faces competition from various speciality retailers, including in the stationery, hardware, household ware, grocery, health and beauty and arts and crafts categories, whose product offerings overlap with a subset of the Corporation's product offering. Additionally, the Corporation competes with a number of companies for prime retail site locations and for the recruitment and retention of qualified employees.

Selected Consolidated Financial Information

The following tables set out selected consolidated financial information for the periods indicated and has been derived from the Corporation's unaudited condensed interim consolidated financial statements and related notes and include the results of TRS for the Post-Acquisition Period (as hereinafter defined).

<i>(dollars and shares in thousands, except per share amounts)</i>	13-week periods ended		26-week periods ended	
	August 3, 2025	July 28, 2024	August 3, 2025	July 28, 2024
	\$	\$	\$	\$
Earnings Data				
Sales	1,723,838	1,563,384	3,245,048	2,969,156
Cost of sales	939,348	856,189	1,788,248	1,654,685
Gross profit	784,490	707,195	1,456,800	1,314,471
SG&A	241,223	212,946	474,680	430,112
Depreciation and amortization	98,121	94,091	188,502	184,253
Share of net earnings of equity-accounted investment	(38,330)	(22,698)	(78,642)	(44,788)
Operating income	483,476	422,856	872,260	744,894
Unrealized gain from derivative on equity-accounted investment	-	-	(10,348)	-
Net financing costs	43,169	40,939	87,129	77,462
Earnings before income taxes	440,307	381,917	795,479	667,432
Income taxes	118,809	95,975	200,225	165,647
Net earnings	321,498	285,942	595,254	501,785
Basic net earnings per common share	\$1.16	\$1.02	\$2.15	\$1.80
Diluted net earnings per common share	\$1.16	\$1.02	\$2.14	\$1.79
Weighted average number of common shares outstanding:				
Basic	276,999	280,174	277,022	279,440
Diluted	278,230	281,149	278,227	280,427
Other Data				
Year-over-year sales growth	10.3%	7.4%	9.3%	8.0%
Gross margin ⁽¹⁾	45.5%	45.2%	44.9%	44.3%
SG&A as a % of sales ⁽¹⁾	14.0%	13.6%	14.6%	14.5%
EBITDA ⁽¹⁾	588,476	524,305	1,084,647	942,048
Operating margin ⁽¹⁾	28.0%	27.0%	26.9%	25.1%
Capital expenditures	60,592	53,952	106,785	100,219
Declared dividends per common share	\$0.1058	\$0.0920	\$0.2116	\$0.1840

DOLLARAMA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

August 27, 2025

The following table sets out selected financial information as at August 3, 2025 and February 2, 2025 and has been derived from the Corporation's unaudited condensed interim consolidated financial statements and related notes.

	As at	
	August 3, 2025 \$	February 2, 2025 \$
<i>(dollars in thousands)</i>		
Statement of Financial Position Data		
Cash and cash equivalents	687,230	122,685
Inventories	1,096,255	921,095
Total current assets	1,888,664	1,201,280
Property, plant and equipment	1,171,708	1,046,390
Right-of-use assets	2,351,027	2,109,445
Total assets	7,682,756	6,482,592
Total current liabilities	1,527,522	1,014,306
Total non-current liabilities	4,698,974	4,280,028
Total debt ⁽¹⁾	2,879,848	2,282,679
Net debt ⁽¹⁾	2,192,618	2,159,994
Shareholders' equity	1,456,260	1,188,258

⁽¹⁾ Refer to the section entitled "Non-GAAP and Other Financial Measures" of this MD&A for the definition of these items and, where applicable, their reconciliation with the most directly comparable GAAP measure.

Selected Segmented Financial Information

The following table sets out selected financial information by reportable segment for the periods indicated below and has been derived from the Corporation's unaudited condensed interim consolidated financial statements and related notes.

	13-week periods ended			26-week periods ended		
	Canada \$	Australia ⁽⁴⁾ \$	Total \$	Canada \$	Australia ⁽⁴⁾ \$	Total \$
Earnings Data						
Sales	1,698,105	25,733	1,723,838	3,219,315	25,733	3,245,048
Cost of sales	923,163	16,185	939,348	1,772,063	16,185	1,788,248
Gross profit	774,942	9,548	784,490	1,447,252	9,548	1,456,800
SG&A	234,721	6,502	241,223	468,178	6,502	474,680
Depreciation and amortization	95,038	3,083	98,121	185,419	3,083	188,502
Share of net earnings of equity-accounted investments	(38,330)	-	(38,330)	(78,642)	-	(78,642)
Operating income	483,513	(37)	483,476	872,297	(37)	872,260
Unrealized gain from derivative on equity-accounted investment	-	-	-	(10,348)	-	(10,348)
Net financing costs	42,831	338	43,169	86,791	338	87,129
Income taxes	118,923	(114)	118,809	200,339	(114)	200,225
Net earnings (loss)	321,759	(261)	321,498	595,515	(261)	595,254

Other Segmented Data

Comparable store sales growth ⁽¹⁾	4.9%	- ⁽³⁾	4.9%	- ⁽³⁾
Capital expenditures	60,159	433	106,352	433
Number of stores ⁽²⁾	1,665	395	1,665	395
Average store size (gross square feet) ⁽²⁾	10,446	7,678	10,446	7,678

⁽¹⁾ Refer to the section entitled "Non-GAAP and Other Financial Measures" of this press release for the definition of these items and, where applicable, their reconciliation with the most directly comparable GAAP measure.

⁽²⁾ At the end of the period.

⁽³⁾ Considering the Corporation intends to evaluate opportunities and implement strategies to optimize the operations of TRS over the coming years, the Corporation does not currently intend to disclose Comparable store sales information for the Australian segment.

⁽⁴⁾ Representing results for the Post-Acquisition Period.

Results of Operations

Analysis of Results for the Second Quarter of Fiscal 2026

The following section provides an overview of the Corporation's financial performance during the second quarter of Fiscal 2026 compared to the second quarter of Fiscal 2025. The results for the second quarter of Fiscal 2026 include the financial results of TRS, now reported under the Australian segment, from July 22, 2025 to August 3, 2025, following the completion of the acquisition of TRS on July 21, 2025 (the "Post-Acquisition Period").

Sales

Sales for the second quarter of Fiscal 2026 increased by 10.3% to \$1,723.8 million, compared to \$1,563.4 million in the corresponding period of the prior fiscal year. This increase was driven by growth in the total number of stores over the past 12 months (from 1,583 on July 28, 2024 to 2,060 on August 3, 2025), including the contribution since the acquisition of TRS of 395 stores in Australia, which generated \$25.7 million of sales for the Australian segment during the Post-Acquisition Period, and Comparable store sales growth in Canada.

Comparable store sales in Canada for the second quarter of Fiscal 2026 increased by 4.9%, consisting of a 3.9% increase in the number of transactions and a 0.9% increase in average transaction size, over and above Comparable store sales growth in Canada of 4.7 % for the second quarter of Fiscal 2025. The increase is primarily driven by strong demand for consumables. Considering the Corporation intends to evaluate opportunities and implement strategies to optimize the operations of TRS in the upcoming years, the Corporation does not currently intend to present Comparable store sales information for the Australian segment.

In Canada, new stores, which are not yet comparable stores, reach annual sales of approximately \$3.2 million within their first two years of operation, and achieve an average capital payback period of approximately two years.

Gross Margin

Gross margin was 45.5% of sales in the second quarter of Fiscal 2026, compared to 45.2% of sales in the second quarter of Fiscal 2025. Gross margin as a percentage of sales was higher primarily as a result of lower logistics costs from the Canadian segment, partially offset by a 10-basis point impact from the lower gross margin of the Australian segment for the Post-Acquisition Period.

SG&A

SG&A for the second quarter of Fiscal 2026 increased by 13.3% to \$241.2 million, compared to \$212.9 million for the second quarter of Fiscal 2025. SG&A represented 14.0% of sales for the second quarter of Fiscal 2026, compared to 13.6% of sales for the second quarter of Fiscal 2025. This increase is primarily attributable to additional SG&A from the Australian segment incurred during the Post-Acquisition Period, impacting SG&A as a percentage of sales by 20 basis points, and transaction costs from the TRS Transaction.

EBITDA

EBITDA was \$588.5 million, representing an EBITDA margin of 34.1% for the second quarter of Fiscal 2026, compared to \$524.3 million, or an EBITDA margin of 33.5% in the second quarter of Fiscal 2025. EBITDA for the second quarter of Fiscal 2026 includes a contribution of \$3.3 million relating to the Australian segment from the Post-Acquisition Period, negatively impacting EBITDA margin by 40 basis points.

Depreciation and Amortization

The depreciation and amortization expense increased by \$4.0 million, from \$94.1 million for the second quarter of Fiscal 2025 to \$98.1 million for the second quarter of Fiscal 2026. The increase is mainly attributable to additions to right-of-use assets and leasehold improvements on the opening of new stores, of which \$3.1 million is attributable to depreciation expenses from the Australian segment incurred during the Post-Acquisition Period, partially offset by the change in useful life of certain property, plant and equipment in Canada to reflect the Corporation's utilization period of the underlying assets.

Share of Net Earnings of Equity-Accounted Investment

The Corporation's 60.1% share of net earnings from CARS and its 80.05% share of net earnings from ICM amounted to \$38.3 million for the period from April 1, 2025 to June 30, 2025, compared to \$22.7 million for the Corporation's 50.1% share of CARS from April 1, 2024 to June 10, 2024 and its 60.1% share for the period from June 11, 2024 to June 30, 2024. This 68.9% increase is primarily attributable to continued strong operational performance during the 13-week period ended June 30, 2025, compared to the same period last year, and the acquisition of an additional 10% equity interest in CARS on June 11, 2024 (the "Dollarcity Transaction"). Dollarcity's second quarter performance was mainly driven by a 16.4% growth in sales, primarily attributable to an increase in Comparable store sales and total number of stores (from 570 on June 30, 2024, to 658 on June 30, 2025), as well as an increase in gross margin as a percentage of sales from lower inbound shipping costs. This was partially offset by a slight increase in SG&A as a percentage of sales from higher labour costs. The Corporation's investment in Dollarcity is accounted for as a joint arrangement using the equity method.

Net Financing Costs

Net financing costs increased by \$2.3 million, from \$40.9 million for the second quarter of Fiscal 2025 to \$43.2 million for the second quarter of Fiscal 2026. The increase primarily reflects higher average debt levels resulting from the issuance of the 3.850% Fixed Rate Notes (defined hereinafter) during the second quarter and an increase in interest expense on lease liabilities from the Canadian segment, partially offset by an increase in interest income from higher invested capital.

Income Taxes

Income taxes increased by \$22.8 million, from \$96.0 million for the second quarter of Fiscal 2025 to \$118.8 million for the second quarter of Fiscal 2026. The statutory income tax rate in Canada for the second quarter of Fiscal 2026 was 26.5%, unchanged from the corresponding period of Fiscal 2025. The Corporation's effective tax rates for the second quarter of Fiscal 2026 and Fiscal 2025 were 27.0% and 25.1%, respectively. The variance in the effective tax rate for the second quarter of Fiscal 2026 is mainly due to the Corporation now being subject to Pillar Two following the TRS Transaction as well as a non-recurring impact of \$6.7 million related to a licensing agreement entered into with Dollarcity for the expansion of the business in Mexico, partially offset by the Corporation's share of net earnings of its equity-accounted investment in Dollarcity.

Net Earnings

Net earnings increased by 12.4% to \$321.5 million, compared to \$285.9 million in the second quarter of Fiscal 2025, resulting in an increase in diluted net earnings per common share of 13.7% to \$1.16 per diluted common share, in the second quarter of Fiscal 2026. The Australian segment's contribution to net earnings during the Post-Acquisition Period did not materially impact net earnings and diluted net earnings per common share.

Analysis of Results for the First Six Months of Fiscal 2026

The following section provides an overview of our financial performance during the first six months of Fiscal 2026 compared to the first six months of Fiscal 2025. The results for the first six months of Fiscal 2026 include the financial results of TRS for the Post-Acquisition Period.

Sales

Sales for the first six months of Fiscal 2026 increased by 9.3% to \$3,245.0 million, compared to \$2,969.2 million in the corresponding period of the prior fiscal year. This increase was driven by growth in the total number of stores over the past 12 months, including the contribution since the acquisition of TRS of 395 stores in Australia, which generated \$25.7 million of sales for the Australian segment during the Post-Acquisition Period, and Comparable store sales growth in Canada.

Comparable store sales in Canada increased 4.9% year over year, reflecting a 3.8% increase in the number of transactions and a 1.1% increase in average transaction size, compared to Comparable store sales growth in Canada of 5.1% in the first six months of Fiscal 2025. The increase is primarily driven by strong demand for consumables compared to the same period last year.

Gross Margin

Gross margin reached \$1,456.8 million or 44.9% of sales in the first six months of Fiscal 2026, compared to \$1,314.5 million or 44.3% of sales in the first six months of Fiscal 2025. For the first six months of Fiscal 2026, gross margin as a percentage of sales was higher primarily as a result of lower logistics costs from the Canadian segment.

SG&A

SG&A for the first six months of Fiscal 2026 was \$474.7 million, a 10.4% increase over \$430.1 million for the first six months of Fiscal 2025. SG&A for the first six months of Fiscal 2026 represented 14.6% of sales, compared to 14.5% of sales for the first six months of Fiscal 2025. This increase is primarily attributable to additional SG&A from the Australian segment incurred during the Post-Acquisition Period, impacting SG&A as a percentage of sales by 10 basis points.

EBITDA

EBITDA totalled \$1,084.6 million, representing an EBITDA margin of 33.4%, for the first six months of Fiscal 2026, compared to \$942.0 million, or an EBITDA margin of 31.7%, for the first six months of Fiscal 2025. EBITDA for the first six months of Fiscal 2026 includes a contribution of \$3.3 million from the Australian segment for the Post-Acquisition Period, negatively impacting EBITDA margin by 10 basis points.

Depreciation and Amortization

The depreciation and amortization expense increased by \$4.2 million, from \$184.3 million for the first six months of Fiscal 2025 to \$188.5 million for the first six months of Fiscal 2026. The increase is mainly attributable to additions to right-of-use assets and leasehold improvements on the opening of new stores, of which \$3.1 million is attributable to depreciation from the Australian segment incurred during the Post-Acquisition Period, partially offset by the change in useful life of certain property, plant and equipment from the Canadian segment to reflect the Corporation's utilization period of the underlying assets.

Share of Net Earnings of Equity-Accounted Investment

The Corporation's 60.1% share of net earnings from CARS and its 80.05% share of net earnings from ICM amounted to \$78.6 million for the period from January 1, 2025 to June 30, 2025, compared to \$44.8 million for the Corporation's 50.1% share of CARS from January 1, 2024 to June 10, 2024 and its 60.1% share for the period from June 11, 2024 to June 30, 2024. This 75.6% increase is primarily attributable to continued strong operational performance during the 26-week period ended June 30, 2025, compared to the same period last year, and the acquisition of an additional 10% equity interest in CARS on June 11, 2024. During the six-month period ended June 30, 2025, Dollarcity's performance was mainly driven by a 14.5% growth in sales, primarily attributable to an increase in Comparable store sales and total number of stores (from 570 on June 30, 2024, to 658 on June 30, 2025), as well as an increase in gross margin as a percentage of sales from lower inbound shipping costs. This was partially offset by a slight increase in SG&A as a percentage of sales from higher labour costs. The Corporation's investment in Dollarcity is accounted for as a joint arrangement using the equity method.

Net Financing Costs

Net financing costs increased by \$9.6 million, from \$77.5 million for the first six months of Fiscal 2025 to \$87.1 million for the first six months of Fiscal 2026. The increase primarily reflects higher average debt levels resulting from the issuance of the 3.850% Fixed Rate Notes during the second quarter and an increase in interest expense on lease liabilities from the Canadian segment, partially offset by an increase in interest income from higher invested capital.

Income Taxes

Income taxes increased by \$34.6 million, from \$165.6 million for the first six months of Fiscal 2025 to \$200.2 million for the first six months of Fiscal 2026. The statutory income tax rates in Canada for the first six months of Fiscal 2026 was 26.5%, unchanged from the corresponding period of Fiscal 2025. The Corporation's effective tax rates for the first six months of Fiscal 2026 and Fiscal 2025 were 25.2% and 24.8%, respectively. The variance in the effective tax rate for the first six months of Fiscal 2026 is mainly due to the Corporation now being subject to Pillar Two following the TRS Transaction as well as a non-recurring impact of \$6.7 million related to a licensing agreement entered into with Dollarcity for the expansion of the business in Mexico, partially offset by the Corporation's share of net earnings of its equity-accounted investment in Dollarcity.

Net Earnings

Net earnings increased by 18.6% to \$595.3 million, or \$2.14 per diluted common share, in the first six months of Fiscal 2026, compared to \$501.8 million, or \$1.79 per diluted common share, in the first six months of Fiscal 2025. The Australian segment's contribution to net earnings during the Post-Acquisition Period did not materially impact net earnings and diluted net earnings per common share.

Summary of Consolidated Quarterly Results

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
<i>(dollars in thousands, except per share amounts)</i>								
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Statement of Net Earnings Data	\$	\$	\$	\$	\$	\$	\$	\$
Sales	1,723,838	1,521,210	1,881,345	1,562,644	1,563,384	1,405,772	1,639,171	1,477,692
Net earnings	321,498	273,756	390,954	275,806	285,942	215,843	323,770	261,055
Net earnings per common share								
Basic	\$1.16	\$0.99	\$1.40	\$0.98	\$1.02	\$0.77	\$1.15	\$0.92
Diluted	\$1.16	\$0.98	\$1.40	\$0.98	\$1.02	\$0.77	\$1.15	\$0.92

Liquidity and Capital Resources

Cash Flows for the Second Quarter of Fiscal 2026

(dollars in thousands)	13-week periods ended		Change \$
	August 3, 2025	July 28, 2024	
	\$	\$	
Cash flows generated from operating activities	427,223	422,304	4,919
Cash flows used in investing activities	(268,479)	(59,229)	(209,250)
Cash flows generated from (used in) financing activities	299,478	(384,217)	683,695
Net change in cash and cash equivalents	458,222	(21,142)	479,364

Cash Flows - Operating Activities

For the second quarter of Fiscal 2026, cash flows generated from operating activities totalled \$427.2 million, compared to \$422.3 million for the second quarter of Fiscal 2025. This increase is attributable to higher net earnings, partially offset by a decrease in non-cash items, mainly related to higher share of net earnings of equity-accounted investment.

Cash Flows - Investing Activities

For the second quarter of Fiscal 2026, cash flows used in investing activities totalled \$268.5 million, compared to \$59.2 million of cash flows used in investing activities for the second quarter of Fiscal 2025. This variance is primarily attributable to the cash consideration paid for the TRS Transaction, net of the cash acquired, of \$181.8 million and an initial capital contribution of \$24.5 million to ICM towards expansion plans in Mexico during the second quarter of Fiscal 2026.

Cash Flows - Financing Activities

For the second quarter of Fiscal 2026, cash flows generated from financing activities totalled \$299.5 million, compared to \$384.2 million used for the second quarter of Fiscal 2025. This variance is mainly due to proceeds from the issuance of the 3.850% Fixed-Rate Note of \$600.0 million and lower cash consideration paid for the repurchase of common shares under the normal course issuer bid, partially offset by an increase in net payment of lease liabilities due to the increase in number of stores compared to the same period last year.

Cash Flows for the First Six Months of Fiscal 2026

(dollars in thousands)	26-week periods ended		Change \$
	August 3, 2025	July 28, 2024	
	\$	\$	
Cash flows from operating activities	742,839	704,268	38,571
Cash flows used in investing activities	(263,778)	(77,870)	(185,908)
Cash flows generated from (used in) financing activities	85,484	(668,853)	754,337
Net change in cash and cash equivalents	564,545	(42,455)	607,000

Cash Flows - Operating Activities

For the first six months of Fiscal 2026, cash flows generated from operating activities totalled \$742.8 million, compared to \$704.3 million for the first six months of Fiscal 2025. This increase is primarily attributable to higher net earnings, partially offset by a decrease in non-cash items, mainly related to a higher share of net earnings of equity-accounted investment and higher use of working capital from higher inventory purchases in the first six months of Fiscal 2026 compared to the first six months of Fiscal 2025.

Cash Flows - Investing Activities

For the first six months of Fiscal 2026, cash flows used in investing activities totalled \$263.8 million, compared to \$77.9 million for the first six months of Fiscal 2025. This variance is primarily attributable to the cash consideration paid for the TRS Transaction, net of the cash acquired, of \$181.8 million and an initial capital contribution of \$24.5 million to ICM towards expansion plans in Mexico during the first six months of Fiscal 2026 (all in the second quarter of Fiscal 2026), partially offset by distributions received of \$54.6 million in the first six months of Fiscal 2026, compared to \$27.4 million in the first six months of Fiscal 2025 from the Corporation's equity-accounted investment in CARS.

Cash Flows - Financing Activities

For the first six months of Fiscal 2026, cash flows generated from financing activities totalled \$85.5 million, compared to \$668.9 million used in the first six months of Fiscal 2025. This variance is mainly due to proceeds from the issuance of the 3.850% Fixed-Rate Note of \$600.0 million and lower cash consideration paid for the repurchase of common shares under the normal course issuer bid, partially offset by an increase in net payment of lease liabilities due to the increase in number of stores and timing of payments compared to the same period last year.

Capital Expenditures

Capital expenditures include additions to property, plant and equipment as well as intangible assets, which mainly relate to investments in information technology projects, transformation projects and new stores.

For the second quarter and first six months of Fiscal 2026, capital expenditures totalled \$60.5 million and \$106.8 million, respectively, compared to \$54.0 million and \$100.2 million for the second quarter and first six months of Fiscal 2025, respectively. The increase is mainly attributable to higher capital expenditures related to store acquisition and transformation and information technology projects in Canada compared to the second quarter and first six months of Fiscal 2025.

Capital Resources

As at August 3, 2025, the Corporation had \$687.2 million of cash on hand and \$1,048.7 million available under the Dollarama Credit Facility (as hereinafter defined) and A\$30.0 million (\$26.8 million) available under the TRS Credit Facilities (as hereinafter defined).

The Corporation expects that its cash flows from operating activities, together with its available liquidity, will be sufficient to meet its projected cash requirements in Fiscal 2026, including to fund its planned growth and capital expenditures, service its debt, pay its contractual obligations, repurchase common shares and make dividend payments to shareholders.

The Corporation's ability to pay the principal and interest on any portion of its debt, which consist mainly of Fixed Rate Notes as of the date hereof, to refinance or repay at maturity all or any portion thereof, or to generate sufficient funds to meet its future cash requirements will largely depend on its future performance, which to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, or other factors that are beyond its control. As further described below, any exercise of the put right by Dollarcity's founding stockholders or any exercise by the Corporation of its Call Option secured in connection with the Dollarcity Transaction could also impact the foregoing and the Corporation's capital allocation strategy. Refer to the section entitled "Dollarcity" for additional details on the Dollarcity Transaction.

On June 16, 2025, the Corporation issued the 3.850% Fixed Rate Notes by way of private placement in Canada in reliance upon exemptions from the prospectus requirements under applicable securities legislation. The 3.850% Fixed Rate Notes were issued at par for aggregate gross proceeds of \$600.0 million and bear interest at a fixed rate of 3.850% per annum, payable in semi-annual instalments, on June 16 and December 16 of each year until maturity on December 16, 2030. The 3.850% Fixed Rate Notes were assigned a rating of BBB+ (high), an increase from the previous rating of BBB, with a stable trend, by DBRS Limited.

The Corporation intends to use the net proceeds from the issuance of the 3.850% Fixed Rate Notes to repay the \$250.0 million aggregate principal amount of the 5.084% Fixed Rate Notes, maturing on October 27, 2025 and for general corporate purposes.

The Corporation's assumptions with respect to future liquidity needs and refinancing opportunities may not be correct. Refer to the section entitled "Risks and Uncertainties" for a discussion on the risks associated with indebtedness, liquidity and changes in creditworthiness or credit rating.

The Corporation had a positive working capital of \$361.1 million as at August 3, 2025, compared to a positive working capital of \$611.9 million as at July 28, 2024 as a result of the inclusion in current liabilities of Fixed Rate Notes maturing in the next 12 months, partially offset by a higher cash and cash equivalents balance as at August 3, 2025.

Senior Unsecured Notes

(dollars in thousands)

Long-term debt outstanding consists of the following as at:

	August 3, 2025 \$	February 2, 2025 \$
Senior unsecured fixed rate notes (the "Fixed Rate Notes") bearing interest at:		
Fixed annual rate of 3.850% payable in equal semi-annual instalments, maturing December 16, 2030 (the "3.850% Fixed Rate Notes")	600,000	-
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 \$1,574 (February 2, 2025 – \$1,219) for the Dollarama Credit Facility (as hereinafter defined)	(9,369)	(7,092)
Accrued interest on the Fixed Rate Notes	24,773	22,330
Long-term financing arrangement	5,206	5,080
Fair value hedge – basis adjustment on interest rate swap	9,238	12,361
	2,879,848	2,282,679
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 52-week period, when applicable)	(651,542)	(273,771)
	2,228,306	2,008,908

The table below provides the carrying values and fair values of the Fixed Rate Notes as at August 3, 2025 and February 2, 2025. The fair values of the Fixed Rate Notes were determined as a level 2 in the fair value hierarchy.

(dollars in thousands)	August 3, 2025		February 2, 2025	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Fixed Rate Notes				
3.850% Fixed Rate Notes	600,173	603,156	-	-
5.165% Fixed Rate Notes	454,792	478,530	454,771	480,443
2.443% Fixed Rate Notes	374,799	361,744	374,646	359,258
5.533% Fixed Rate Notes	507,574	531,145	507,822	534,915
1.505% Fixed Rate Notes	301,143	290,808	301,029	287,922
1.871% Fixed Rate Notes	375,179	371,531	375,018	368,996
5.084% Fixed Rate Notes	253,318	250,933	253,171	253,220
	<u>2,866,978</u>	<u>2,887,847</u>	<u>2,266,457</u>	<u>2,284,754</u>

Credit Facilities

Dollarama Credit Facility

On June 27, 2025, the Corporation and the lenders entered into a Fourth Amended and Restated Credit Agreement (the "FARCA") in order to, among other things, (i) extend the terms of its revolving credit facilities (collectively, the "Dollarama Credit Facility") such that the term of Facility A, in the amount of \$250.0 million, was extended from June 28, 2029 to June 27, 2030, the term of Facility B, in the amount of \$450.0 million, was extended from June 28, 2027 to June 27, 2028, the term of Facility C, in the amount of \$50.0 million, was extended from June 28, 2027 to June 27, 2028, and the term of Facility D, in the amount of \$300.0 million, was extended from June 27, 2025 to June 26, 2026 and (ii) permit drawings under the Dollarama Credit Facility in Australian dollars with interest thereon calculated on the basis of the prevailing Australian Bank Bill Swap Reference Rate (plus the applicable margin).

Under the FARCA, 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 \$1,500.0 million. The FARCA 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, Australian or U.S. dollars.

The Dollarama Credit Facility is guaranteed by Dollarama L.P. and Dollarama GP Inc. (collectively, with the Corporation, the "Credit Parties"). The FARCA 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 FARCA 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 August 3, 2025, the Corporation was in compliance with all of its financial covenants under the FARCA.

TRS Credit Facilities

Following the TRS Transaction, the Corporation, through TRS, also has access to a A\$10.0 million (\$8.9 million) interchangeable facility that may be allocated to the following sub-facilities: a documentary credit issuance/documents surrendered facility in the amount of A\$0.5 million to be used for import credit, a foreign currency overdraft facility in the amount of A\$1.5 million with the option to borrow in U.S dollars, GBP and EURO to assist with the funding of foreign currency working capital requirements, and a loan facility with a limit of A\$10.0 million to assist with working capital requirements. A seasonal facility of A\$20.0 million (\$17.8 million) is also available from June to December to assist with seasonal working capital requirements, as well as a letter of credit and guarantee facility for a total of A\$0.5 million (\$0.5 million) (and together with the seasonal and interchangeable facility, the "TRS Credit Facilities"). The TRS Credit Facilities contains restrictive covenants and requires TRS to respect a minimum tangible net worth and a fixed charge cover ratio, based solely on TRS results and financial position, as well as distributions restrictions.

As at August 3, 2025, TRS was in compliance with all of its financial covenants under the TRS Credit Facilities.

US Commercial Paper Program

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 may not exceed US\$700.0 million. 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.

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 Dollarama Credit Facility serves as a liquidity backstop for the repayment of the USCP Notes.

As at August 3, 2025, no amount was outstanding under the US commercial paper program (February 2, 2025 – nil).

Contractual Obligations, Off-Balance Sheet Arrangements and Commitments

The table below analyzes the Corporation's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as at August 3, 2025. Trade payable and accrued liabilities exclude liabilities that are not contractual (such as income tax liabilities created as a result of statutory requirements imposed by governments).

<i>(dollars in thousands)</i>	Less than 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Trade payable and accrued liabilities	443,796	-	-	-	443,796
Dividend payable	29,327	-	-	-	29,327
Lease liabilities ⁽¹⁾	103,984	329,393	1,716,875	1,443,963	3,594,215
Non-current provisions and other liabilities ⁽²⁾	-	-	4,668	287	4,955
Long-term financing arrangements	-	1,864	3,727	-	5,591
Principal repayment on:					
3.850% Fixed Rate Notes	-	-	-	600,000	600,000
5.165% Fixed Rate Notes	-	-	450,000	-	450,000
2.443% Fixed Rate Notes	-	-	375,000	-	375,000
5.533% Fixed Rate Notes	-	-	500,000	-	500,000
1.505% Fixed Rate Notes	-	-	300,000	-	300,000
1.871% Fixed Rate Notes	-	375,000	-	-	375,000
5.084% Fixed Rate Notes	250,000	-	-	-	250,000
Interest payments on:					
3.850% Fixed Rate Notes	-	23,100	92,400	11,550	127,050
5.165% Fixed Rate Notes	11,621	11,621	92,970	-	116,212
2.443% Fixed Rate Notes	-	9,161	27,484	-	36,645
5.533% Fixed Rate Notes	13,833	13,833	69,162	-	96,828
1.505% Fixed Rate Notes	2,258	2,258	6,772	-	11,288
1.871% Fixed Rate Notes	-	7,016	-	-	7,016
5.084% Fixed Rate Notes	6,355	-	-	-	6,355
	<u>861,174</u>	<u>773,246</u>	<u>3,639,058</u>	<u>2,055,800</u>	<u>7,329,278</u>

⁽¹⁾ Represent the basic annual rent and other charges paid to landlords that are fixed or that vary based on an index or a rate.

⁽²⁾ Represent provision for make good, employee entitlement and performance rights following the TRS Transaction.

Other than letters of credit outstanding under the Dollarama Credit Facility and TRS Credit Facilities, the Corporation has no other off-balance sheet arrangements or commitments.

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. Derivative financial instruments designated as hedging instruments are recorded at fair value, determined using market prices and other observable inputs.

For a description of the derivative financial instruments of the Corporation, refer to Note 12 of the Corporation's unaudited condensed interim consolidated financial statements for second quarter ended August 3, 2025 and Notes 3 and 15 of the Corporation's Fiscal 2025 annual audited consolidated financial statements.

Foreign Currency Exposure

The Corporation uses foreign exchange forward contracts to mitigate the risk associated with fluctuations in the U.S. dollar against the functional currencies. These derivative financial instruments are used for risk management purposes and are designated as hedges of future forecasted purchases of merchandise or hedges of U.S. dollar borrowings converted into Canadian dollar borrowings under the US commercial paper program. Foreign exchange forward contracts are designated as hedging instruments and are recorded at fair value, determined using market prices and other observable inputs.

Currency hedging entails a risk of illiquidity and, to the extent that the U.S. dollar depreciates against the functional currencies, hedging arrangements may have the effect of limiting or reducing the total returns to the Corporation if purchases at hedged rates result in lower margins than otherwise earned if purchases had been made at spot rates.

Interest Rate Risk

The Corporation uses interest rate swap contracts to mitigate the risk associated with changes in the fair value of its Fixed Rate Notes due to changes in interest rates. These derivative financial instruments are used for risk management purposes and are designated as fair value hedges. Through the use of interest rates swaps, the Corporation receives a fixed rate of interest and pays interest at a variable rate on the notional amount. These derivatives are designated as hedging instruments and are recorded on the consolidated statement of financial position at fair value.

Interest rate hedging also entails a risk of illiquidity and, to the extent that interest rates fluctuate, hedging arrangements may have the effect of limiting or reducing the total returns to the Corporation if the issuance of notes at hedged rates results in lower profitability than otherwise earned if notes had been issued at spot rates.

The Corporation reassessed the nature of the risks arising from derivative financial instruments and related risk management and concluded that there were no material changes.

Related Party Transactions

Property Leases

As at August 3, 2025, 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 August 3, 2025, the outstanding balance of lease liabilities owed to entities related to the Corporation's Chief Executive Officer totalled \$262.8 million (February 2, 2025 – \$271.8 million).

During the 13-week and 26-week periods ended August 3, 2025, the Corporation expensed \$2.7 million and \$5.8 million (13-week and 26-week periods ended July 28, 2024 – \$2.2 million and \$4.6 million), of lease payments charged from entities related to the Corporation's Chief Executive Officer.

Dollarcity

On June 11, 2024, the Corporation completed the Dollarcity Transaction, thereby increasing its equity ownership in CARS to 60.1%.

In connection with the Dollarcity Transaction, Dollarama International and the Dollarcity founding stockholders established a new vehicle as part of the Dollarcity Group, ICM, the parent company of the entities that operates the Mexico portion of the business, in which the Corporation and the Dollarcity founding stockholders will indirectly have an 80.05% and 19.95% equity interest, respectively. In addition, the parties agreed on updated governance terms providing for the future expansion of the business into Mexico.

The Corporation has also 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 4.945% equity interest in ICM in connection with the Dollarcity Transaction. The Corporation continues to have joint control over Dollarcity (including CARS and ICM) and accounts for its investments as joint arrangements using the equity method.

Under the terms of the stockholders agreement entered into among Dollarama International and Dollarcity's founding stockholders, as amended from time to time (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 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. The put 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. Any exercise of the put right by the Dollarcity founding stockholders must include their corresponding proportionate interests in ICM. The Stockholders Agreement, also includes drag-along and tag-along rights in respect of CARS and ICM. The Corporation cannot predict whether the put right will be exercised or, if exercised, when and to what extent it will be exercised (provided that, subject to limited exceptions, the put right can, prior to February 4, 2027, be exercised for up to 14.9% of all shares of CARS outstanding. In the event that the put is exercised, the consideration payable by the Corporation may, depending on various factors, including those discussed above, be paid using cash on hand or financed in full or in part and, depending on the circumstances, may temporarily impact the Corporation's capital allocation strategy. Refer to the section entitled "Liquidity and Capital Resources."

The business relationship of Dollarama International and Dollarcity is primarily governed by sourcing, services and other agreements entered into between the parties. The sourcing and services agreements each have 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 agreements, 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 agreements 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. During the 13-week period ended August 3, 2025, the Corporation entered into a licensing agreement with respect to the expansion of the business in Mexico for a total amount of US\$33.0 million (\$45.0 million).

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

	As at	
	August 3, 2025	February 2, 2025
	\$	\$
<i>(dollars in thousands)</i>		
Included in the Consolidated Statement of Financial Position		
Accounts receivable	48,017	39,251
Distributions receivable from equity-accounted investment	-	54,620
Accounts payable and accrued liabilities	7,022	8,316

Transactions entered into with Dollarcity in connection with the aforementioned agreements during the 13-week and 26-week periods ended on the dates indicated below are as follows:

	13-week periods ended		26-week periods ended	
	August 3, 2025	July 28, 2024	August 3, 2025	July 28, 2024
	\$	\$	\$	\$
<i>(dollars in thousands)</i>				
Included in the Consolidated Statement of Net Earnings and Comprehensive Income				
Sales ⁽¹⁾	7,209	2,871	12,978	8,277

⁽¹⁾ 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.

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.

The Corporation's unaudited condensed interim consolidated financial statements have been prepared using the critical accounting estimates and judgments as outlined in Note 5 to the Fiscal 2025 audited consolidated financial statements.

During the period ended August 3, 2025, the Corporation completed the TRS Transaction, which has been accounted for as a business combination in accordance with IFRS 3. The acquisition was recognized using the acquisition method and involved significant management judgment and estimation, as further detailed in Note 5 to the condensed interim consolidated financial statements.

Significant Standards and Interpretations

IFRS 18, "Presentation and Disclosure in Financial Statements" ("IFRS 18")

In April 2024, the International Accounting Standards Board ("IASB") issued 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.

Non-GAAP and Other Financial Measures

The Corporation's unaudited condensed interim consolidated financial statements and notes for the second quarter of Fiscal 2026 have been prepared in accordance with GAAP. However, this MD&A also refers to certain non-GAAP and other financial measures.

We have included certain non-GAAP and other financial measures in our financial documents to provide investors with supplemental measures of the Corporation's operating and financial performance. The Corporation uses the following non-GAAP and other financial measures and ratios: EBITDA, total debt, net debt, adjusted retained earnings, adjusted net debt to EBITDA ratio, EBITDA margin, gross margin, operating margin, SG&A as a percentage of sales, Comparable store sales in Canada and Comparable store sales growth in Canada. We believe that such measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on GAAP measures. We also believe that securities analysts, investors and other interested parties frequently use non-GAAP and other financial measures in the evaluation of issuers. Our management also uses non-GAAP and other financial measures to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, and to assess their ability to meet the Corporation's future debt service, capital expenditure and working capital requirements.

The majority of these measures are used to bridge differences between external reporting under GAAP and external reporting that is tailored to the retail industry, and should not be considered in isolation or as a substitute for financial performance measures calculated in accordance with GAAP.

The below-described non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

(A) Non-GAAP Financial Measures

EBITDA

EBITDA represents net earnings plus income taxes, net financing costs and depreciation and amortization and includes the Corporation's share of net earnings of its equity-accounted investment. Management believes EBITDA measure represents a supplemental metric to assess the operational profitability of the underlying core operations. The Corporation has revised its reconciliation approach for EBITDA by beginning with net earnings, rather than operating income as in prior periods. This change was implemented to consider the impact of the unrealized gain from derivative on equity-accounted investment and to improve comparability with industry peers. The change has no impact on the comparative period and EBITDA previously reported by the Company for Fiscal 2024 and Fiscal 2025. The Corporation also calculates EBITDA excluding unrealized gain from derivative on equity-accounted investment, in order to exclude the impact of the Call Option, given the Call Option does not reflect ongoing operations of the Corporation and should not, in management's view, be considered in a long-term assessment of the operational profitability of the underlying core operations of the Corporation. A reconciliation of net earnings to EBITDA is included below:

	13-week periods ended		26-week periods ended	
	August 3, 2025	July 28, 2024	August 3, 2025	July 28, 2024
<i>(dollars in thousands)</i>	\$	\$	\$	\$
Net earnings	321,498	285,942	595,254	501,785
Add:				
Income taxes	118,809	95,975	200,225	165,647
Net financing costs	43,169	40,939	87,129	77,462
Depreciation and amortization	105,000	101,449	202,039	197,154
EBITDA	588,476	524,305	1,084,647	942,048
Unrealized gain from derivative on equity-accounted investment	-	-	(10,348)	-
EBITDA excluding unrealized gain from derivative on equity-accounted investment	588,476	524,305	1,074,299	942,048

A reconciliation of EBITDA to cash flows from operating activities is included below:

	13-week periods ended		26-week periods ended	
	August 3, 2025	July 28, 2024	August 3, 2025	July 28, 2024
<i>(dollars in thousands)</i>	\$	\$	\$	\$
EBITDA	588,476	524,305	1,084,647	942,048
Add:				
Current income taxes	(112,212)	(89,198)	(186,019)	(161,397)
Share-based compensation	3,746	3,854	7,194	7,832
Unrealized gain from derivative on equity-accounted investment	-	-	(10,348)	-
Share of net earnings of equity-accounted investment	(38,330)	(22,698)	(78,642)	(44,788)
Interest received	6,503	8,300	10,690	17,082
Other	1,775	761	2,807	1,060
	449,958	425,324	830,329	761,837
Change in non-cash working capital	(22,735)	(3,020)	(87,490)	(57,569)
Cash flows generated from operating activities	427,223	422,304	742,839	704,268

Total debt

Total debt represents the sum of long-term debt (including unamortized debt issue costs, accrued interest and fair value hedge – basis adjustment), short-term borrowings under the US commercial paper program, long-term financing arrangements and other bank indebtedness (if any). Management believes Total debt is a measure that is useful to facilitate the understanding of the Corporation's corporate financial position in relation to its financing obligations. A reconciliation of long-term debt to total debt is included below:

	As at	
	August 3, 2025	February 2, 2025
	\$	\$
<i>(dollars in thousands)</i>		
Total long-term debt	2,879,848	2,282,679
USCP Notes issued under US commercial paper program	-	-
Total debt	2,879,848	2,282,679

Net debt

Net debt represents total debt minus cash and cash equivalents. Management believes Net debt represents a useful additional measure to assess the financial position of the Corporation by showing all of the Corporation's financing obligations, net of cash and cash equivalents. A reconciliation of total debt to net debt is included below:

	As at	
	August 3, 2025	February 2, 2025
	\$	\$
<i>(dollars in thousands)</i>		
Total debt	2,879,848	2,282,679
Cash and cash equivalents	(687,230)	(122,685)
Net debt	2,192,618	2,159,994

Adjusted retained earnings

Adjusted retained earnings represents retained earnings (deficit) plus the excess of (i) the price paid for all common shares repurchased under the Corporation's normal course issuer bids from inception in June 2012 through August 3, 2025 over (ii) the book value of those common shares. A reconciliation of retained earnings (deficit) to adjusted retained earnings is included below:

	As at	
	August 3, 2025	February 2, 2025
	\$	\$
<i>(dollars in thousands)</i>		
Retained earnings (Deficit)	129,136	(225,301)
Price paid in excess of book value of common shares repurchased under the NCIB	7,370,553	7,196,988
Adjusted retained earnings	7,499,689	6,971,687

The retained earnings (deficit) as at August 3, 2025 and February 2, 2025 is not a reflection of poor operating performance. It results from the fact that a significant portion of the cash consideration for the repurchase of shares under the Corporation's normal course issuer bid is accounted for as a reduction of retained earnings and that the market price at which shares are repurchased significantly exceeds the book value of those shares. Management believes that buying back shares remains an effective strategy to drive shareholder value and constitutes an appropriate use of the Corporation's funds. Management also believes that adjusted retained earnings represents an additional metric that provides a better reflection of the Corporation's operating performance.

(B) Non-GAAP Ratios

Adjusted net debt to EBITDA ratio

Adjusted net debt to EBITDA ratio is a ratio calculated using adjusted net debt over consolidated EBITDA for the last twelve months. Management uses this ratio to partially assess the financial condition of the Corporation. An increasing ratio would indicate that the Corporation is utilizing more debt per dollar of EBITDA generated. A calculation of adjusted net debt to EBITDA ratio is included below:

	As at	
	August 3, 2025	February 2, 2025
	\$	\$
(dollars in thousands)		
Net debt	2,192,618	2,159,994
Lease liabilities	2,677,277	2,426,977
Unamortized debt issue costs, including \$1,574 (February 2, 2025 – \$1,219) for the credit facility	9,369	7,092
Fair value hedge - basis adjustment on interest rate swap	(9,238)	(12,361)
Adjusted net debt	4,870,026	4,581,702
EBITDA for the last twelve-month period ⁽¹⁾	2,374,823	2,121,829
Adjusted net debt to EBITDA ratio	2.05x	2.16x

⁽¹⁾ This amount corresponds to the EBITDA of the Corporation for the last twelve months, which was equal to \$2,264,428 and includes the results of TRS for the Post-Acquisition Period, plus the EBITDA of TRS for the period between July 29, 2024 until closing of the TRS Transaction on July 21, 2025 (as calculated and reported by TRS), which was equal to \$110,395.

EBITDA margin

EBITDA margin represents EBITDA divided by sales. Management believes that this measure is useful in assessing the performance of ongoing operations and efficiency of operations relative to its sales. The Corporation also calculates EBITDA margin excluding unrealized gain from derivative on equity-accounted investment, in order to exclude the impact of the Call Option, given the Call Option does not reflect ongoing operations of the Corporation and should not, in management's view, be considered in a long-term assessment of the operational profitability of the underlying core operations of the Corporation. A reconciliation of EBITDA to EBITDA margin is included below:

	13-week periods ended		26-week periods ended	
	August 3, 2025	July 28, 2024	August 3, 2025	July 28, 2024
	\$	\$	\$	\$
(dollars in thousands)				
EBITDA	588,476	524,305	1,084,647	942,048
Sales	1,723,838	1,563,384	3,245,048	2,969,156
EBITDA margin	34.1%	33.5%	33.4%	31.7%
EBITDA excluding unrealized gain from derivative on equity-accounted investment	588,476	524,305	1,074,299	942,048
Sales	1,723,838	1,563,384	3,245,048	2,969,156
EBITDA margin, excluding unrealized gain from derivative on equity-accounted investment	34.1%	33.5%	33.1%	31.7%

(C) Supplementary Financial Measures

Gross margin	Represents gross profit divided by sales, expressed as a percentage of sales.
Operating margin	Represents operating income divided by sales, expressed as a percentage of sales.
SG&A as a % of sales	Represents SG&A divided by sales.
Comparable store sales	Represents sales of stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior fiscal year.
Comparable store sales growth	Represents the percentage increase or decrease, as applicable, of comparable store sales relative to the same period in the prior fiscal year.

Forward-Looking Statements

Certain statements in this MD&A 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. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to; the Corporation's shareholder capital return strategy; global supply chain challenges; the liquidity position of the Corporation; the intended use of the net proceeds from the issuance of the 3.850% Fixed Rate Notes; the potential accretive effect of the normal course issuer bid; the impact of minimum wage increases on administrative and store operating expenses; Dollarcity and certain terms and conditions of the Stockholders Agreement (as such terms are hereinafter defined); the declaration and payment of dividends by Dollarcity; the Corporation's intentions regarding the evaluation of opportunities and the implementation of strategies to optimize the operations of TRS over the coming years and certain anticipated benefits of the TRS Transaction.

Forward-looking statements are based on information currently available to management and on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment within the retail industry in Canada, Latin America and Australia, in light of its experience and perception of historical trends, current conditions and expected future developments, 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 following factors which are outlined in this MD&A and discussed in greater detail in the "Risks and Uncertainties" sections of both this MD&A and the Corporation's annual management's discussion and analysis for Fiscal 2025, available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com: future increases in operating costs (including increases in statutory minimum wages), future increases in merchandise costs (including as a result of rising raw material costs and tariff disputes), future increases in shipping, transportation and other logistics costs (including as a result of freight costs, fuel price increases and detention costs), increase in the cost or a disruption in the flow of imported goods (including as a result of global supply chain disruptions and the geopolitical instability triggered by the increased tensions between China and the Western countries), failure to maintain brand image and reputation, inability to sustain assortment and replenishment of merchandise, disruption of distribution infrastructure, inability to increase warehouse and distribution centre capacity in a timely manner, inability to enter into or renew, as applicable, store and warehouse leases on favourable and competitive terms, inventory shrinkage, seasonality, market acceptance of private brands, failure to protect trademarks and other proprietary rights, foreign operations, foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, interest rate risk associated with variable rate indebtedness, level of indebtedness and inability to generate sufficient cash to service debt, any exercise by Dollarcity's founding stockholders of their put right, changes in creditworthiness and credit rating and the potential increase in the cost of capital, increases in taxes and changes in applicable tax laws or the interpretation thereof, competition in the retail industry (including from online retailers), disruptive technologies, general economic conditions, departure of senior executives, failure to attract and retain quality employees, disruption in information technology systems, inability to protect systems against cyber attacks, unsuccessful execution of the growth strategy (including failure to identify and develop new growth opportunities), the Corporation's inability to successfully integrate TRS' business, any failure to realize anticipated benefits from the acquisition of TRS, the holding company structure, adverse weather, earthquakes and other natural disasters, geopolitical events and political unrest in foreign countries, pandemic or epidemic outbreaks, unexpected costs associated with current insurance programs, product liability claims and product recalls,

regulatory environment, class action lawsuits and other litigation, environmental compliance, climate change, and shareholder activism.

These factors are not intended to represent a complete list of the factors that could affect the Corporation, and its subsidiaries or Dollarcity; 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's and Dollarcity's financial performance 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 MD&A are made as at August 27, 2025 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 MD&A are expressly qualified by this cautionary statement.

Risks and Uncertainties

Monitoring and improving its operations are constant concerns of the Corporation. In view of this, understanding and managing risks are important parts of the Corporation's strategic planning process.

The key risks and uncertainties identified by the Corporation that could materially adversely affect its future business results are described in the Corporation's annual MD&A for Fiscal 2025 (which is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com) and are divided into the following categories:

- risks related to business operations;
- financial risks;
- market risks;
- human resources risks;
- technology risks;
- strategy and corporate structure risks;
- business continuity risks; and
- legal and regulatory risks.

On July 21, 2025, the Corporation completed the TRS Transaction. Refer to the section entitled "Risk Factors – International Operations" of the Corporation's annual management's discussion and analysis for Fiscal 2025.

The Corporation manages these risks on an ongoing basis and has put in place certain guidelines with the goal of mitigating these in order to lessen their impact, and the Corporation maintains cost-effective, comprehensive insurance coverage against most insurable events. The Corporation also gathers and analyzes economic, competitive and other financial and operational data on a regular basis and senior management takes these findings into consideration when making strategic and operational decisions. Despite these guidelines and initiatives, the Corporation cannot provide assurances that any such efforts will be successful.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the period beginning on February 3, 2025 and ended on August 3, 2025 that have materially affected, or are reasonably likely to materially affect internal control over financial reporting.

Management has limited the scope of the design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of TRS. Refer to the Sections "Acquisition of TRS" and "Selected Segmented Financial Information" of this MD&A. The scope limitation is in accordance with Section 3.3 of Regulation 52-109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings, which allows an issuer to limit design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of a business acquired not more than 365 days before the end of the financial period to which the certificate relates. For summary financial information about TRS, please refer to the results of the Australian segment presented under the column "Australia" of the section entitled "Selected Segmented Financial Information" of this MD&A and Note 16 of the Corporation's unaudited condensed interim consolidated financial statements for second quarter ended August 3, 2025.

Dividend

On August 27, 2025, the Corporation announced that its board of directors approved a quarterly cash dividend for holders of common shares of \$0.1058 per common share. This dividend is payable on November 7, 2025 to shareholders of record at the close of business on October 10, 2025. The dividend is designated as an "eligible dividend" for Canadian tax purposes.

The payment of each quarterly dividend remains subject to the declaration of that dividend by the board of directors. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date are subject to the discretion of the board of directors.

Normal Course Issuer Bid

On July 3, 2025, the Corporation announced the renewal of its 2025-2026 NCIB and the approval from the TSX to repurchase up to 13,865,588 of its common shares, representing 5.0% of the issued and outstanding common shares of the Corporation as at June 30, 2025, during the 12-month period from July 7, 2025 to July 6, 2026. All common shares purchased pursuant to the normal course issuer bid 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.

During the second quarter and first six months of Fiscal 2026, 932,046 common shares were repurchased for cancellation under the 2025-2026 NCIB and the normal course issuer bid previously in effect, for a total cash consideration of \$174.8 million, representing a weighted average price of \$187.55 per share, excluding the applicable tax on share repurchases.

Share Information

The Corporation's outstanding share capital is comprised of common shares. An unlimited number of common shares are authorized.

On August 26, 2025, there were 276,382,823 common shares issued and outstanding, including 143,699 shares repurchased and held in trust as treasury shares. In addition, there were 1,782,615 options, each exercisable for one common share, issued and outstanding as at August 26, 2025. Assuming exercise of all outstanding options, there would have been 278,165,438 common shares issued and outstanding on a fully diluted basis as at August 26, 2025.

Additional Information

Additional information relating to the Corporation, including the Corporation's current annual information form, is available on SEDAR+ at www.sedarplus.ca. The Corporation is a publicly traded company listed on the TSX under the symbol "DOL".