

Dollarama Inc.

Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars,
unless otherwise noted)



Independent auditor's report

To the Shareholders of Dollarama Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Dollarama Inc. and its subsidiaries (together, the Corporation) as at February 1, 2026 and February 2, 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at February 1, 2026 and February 2, 2025;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of net earnings and comprehensive income for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended February 1, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of inventories</p> <p>Refer to note 3 – Material accounting policy information and note 5 – Critical accounting estimates and judgments to the consolidated financial statements.</p> <p>As at February 1, 2026, the Corporation held inventories of \$1,103.2 million. The Corporation's inventories at the distribution centre, warehouses, logistic hubs and stores consist of merchandise purchased and held for resale and are valued at the lower of cost and net realizable value.</p> <p>Cost is determined at the distribution centre, logistic hubs and warehouses on a weighted average cost basis and is then assigned to store inventories using the retail inventory method.</p> <p>The Corporation estimates its inventory provisions based on the consideration of a variety of factors, including inventory shrinkage.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested the operating effectiveness of relevant controls relating to the inventory process, including controls around inventory balances at year-end, existence of inventory and the mathematical accuracy of the weighted average cost method and the retail inventory method.• For a sample of inventory items, valued using the weighted average cost method, traced the underlying data to recent purchase invoices.• For a sample of retail inventory items, traced the actual selling price in store to underlying data used in the retail inventory method calculation.• For a sample of stores, observed the inventory count process and performed independent test counts during the year.

Key audit matter

How our audit addressed the key audit matter

We considered this a key audit matter due to the magnitude of the inventory balance, the high number of locations where inventories were held at and the judgment applied by management in determining the appropriate inventory provisions, such as shrinkage.

- For the distribution centre and logistic hubs, observed the inventory count process and performed independent test counts at year-end.
- Performed analytical procedures on inventory balances at year-end.
- Tested how management developed the inventory shrinkage provision:
 - Evaluated the appropriateness of the Corporation's inventory shrinkage provision method.
 - Tested the underlying data used in the inventory shrinkage provision.
 - Evaluated the reasonableness of significant assumptions used by management related to the inventory shrinkage provision by:
 - assessing the percentage of shrinkage applied to inventory balances by comparing to actual results from the counts performed during the year and historical percentage of shrinkage; and
 - recalculating the mathematical accuracy of the inventory shrinkage provision.
- Tested that inventories at year-end were recorded at the lower of cost and net realizable value by testing a sample of inventory items to the most recent retail prices.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nochane Rousseau.

*PricewaterhouseCoopers LLP*¹

Montréal, Quebec

March 23, 2026

¹ FCPA auditor, public accountancy permit No. A122718

Dollarama Inc.

Consolidated Statements of Financial Position as at (Expressed in thousands of Canadian dollars)

	Note	February 1, 2026 \$	February 2, 2025 \$
Assets			
Current assets			
Cash and cash equivalents	7	331,569	122,685
Accounts receivable	19	38,500	46,638
Income taxes receivable		559	-
Distributions receivable from equity-accounted investments	11,19	-	54,620
Prepaid expenses		38,452	13,911
Inventories		1,103,175	921,095
Derivative financial instruments	17	9,734	42,331
		<u>1,521,989</u>	<u>1,201,280</u>
Non-current assets			
Right-of-use assets	8	2,397,209	2,109,445
Property, plant and equipment	9	1,258,499	1,046,390
Intangible assets	10	178,281	180,689
Goodwill	6,10	801,709	727,782
Equity-accounted investments	11	1,285,105	1,131,650
Derivative on equity-accounted investments	11	89,846	85,356
Deferred income taxes	16	25,714	-
		<u>7,558,352</u>	<u>6,482,592</u>
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	12,19	461,766	354,900
Dividend payable	14	28,941	25,558
Derivative financial instruments	17	17,145	-
Income taxes payable		64,309	81,372
Current portion of long-term debt	13	398,275	273,771
Current portion of lease liabilities	8	377,743	278,705
		<u>1,348,179</u>	<u>1,014,306</u>
Non-current liabilities			
Non-current provisions and other liabilities	16	31,982	-
Non-current portion of long-term debt	13	2,226,846	2,008,908
Non-current portion of lease liabilities	8	2,392,730	2,148,272
Deferred income taxes	16	102,727	122,848
		<u>6,102,464</u>	<u>5,294,334</u>
Shareholders' equity			
Share capital	14,15	1,266,750	1,275,702
Treasury shares	14	(29,970)	(20,000)
Contributed surplus	15	57,572	51,718
Retained earnings (Deficit)	14,15	128,858	(225,301)
Accumulated other comprehensive income	14	32,678	106,139
		<u>1,455,888</u>	<u>1,188,258</u>
Total shareholders' equity		<u>1,455,888</u>	<u>1,188,258</u>
Total liabilities and shareholders' equity		<u>7,558,352</u>	<u>6,482,592</u>

Approved by the Board of Directors

(signed) "Stephen Gunn"
Stephen Gunn, Director

(signed) "Huw Thomas"
Huw Thomas, Director

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

Dollarama Inc.

Consolidated Statements of Changes in Shareholders' Equity for the years ended (Expressed in thousands of Canadian dollars, except share amounts)

	Note	Number of common shares	Share capital \$	Treasury shares \$	Contributed surplus \$	Retained earnings (Deficit) \$	Accumulated other comprehensive income \$	Total \$
Balance – February 2, 2025	14	277,177,329	1,275,702	(20,000)	51,718	(225,301)	106,139	1,188,258
Net earnings		-	-	-	-	1,309,438	-	1,309,438
Other comprehensive income		-	-	-	-	-	(75,693)	(75,693)
Total comprehensive income		-	-	-	-	1,309,438	(75,693)	1,233,745
Transfer of realized cash flow hedge gains to inventory, net of taxes		-	-	-	-	-	2,232	2,232
Dividends declared	14	-	-	-	-	(116,579)	-	(116,579)
Repurchase and cancellation of common shares	14	(4,426,267)	(20,134)	-	-	(830,103)	-	(850,237)
Repurchase of treasury shares, net of dividends	14	-	-	(9,970)	-	-	-	(9,970)
Share-based compensation, net of taxes	15	-	-	-	18,111	-	-	18,111
Issuance of common shares	15	178,320	8,840	-	-	-	-	8,840
Reclassification for the exercise of share options	15	-	2,342	-	(2,342)	-	-	-
Performance share units settlement, net of taxes	15	-	-	-	(9,915)	(8,597)	-	(18,512)
Balance – February 1, 2026	14	<u>272,929,382</u>	<u>1,266,750</u>	<u>(29,970)</u>	<u>57,572</u>	<u>128,858</u>	<u>32,678</u>	<u>1,455,888</u>
Balance – January 28, 2024	14	278,760,573	523,125	-	49,539	(226,547)	34,731	380,848
Net earnings		-	-	-	-	1,168,545	-	1,168,545
Other comprehensive income		-	-	-	-	-	86,309	86,309
Total comprehensive income		-	-	-	-	1,168,545	86,309	1,254,854
Transfer of realized cash flow hedge gains to inventory, net of taxes		-	-	-	-	-	(14,901)	(14,901)
Dividends declared	14	-	-	-	-	(102,971)	-	(102,971)
Repurchase and cancellation of common shares	14	(8,119,971)	(33,742)	-	-	(1,057,166)	-	(1,090,908)
Repurchase of treasury shares	14	-	-	(20,000)	-	-	-	(20,000)
Share-based compensation, net of taxes	15	-	-	-	16,972	-	-	16,972
Issuance of common shares	11, 15	6,536,727	781,453	-	-	-	-	781,453
Reclassification for the exercise of share options	15	-	4,866	-	(4,866)	-	-	-
Performance share units settlement, net of taxes	15	-	-	-	(9,927)	(7,162)	-	(17,089)
Balance – February 2, 2025	14	<u>277,177,329</u>	<u>1,275,702</u>	<u>(20,000)</u>	<u>51,718</u>	<u>(225,301)</u>	<u>106,139</u>	<u>1,188,258</u>

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

Dollarama Inc.

Consolidated Statements of Net Earnings and Comprehensive Income for the years ended (Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	February 1, 2026 \$	February 2, 2025 \$
Sales	19	7,255,754	6,413,145
Cost of sales	20	3,987,089	3,519,399
Gross profit		3,268,665	2,893,746
General, administrative and store operating expenses	20	1,093,289	930,168
Depreciation and amortization	20	429,053	382,805
Share of net earnings of equity-accounted investments	11	(191,536)	(129,905)
Operating income		1,937,859	1,710,678
Unrealized gain from derivative on equity-accounted investments	11	(10,348)	-
Net financing costs	20	184,020	163,782
Earnings before income taxes		1,764,187	1,546,896
Income taxes	16	454,749	378,351
Net earnings		1,309,438	1,168,545
Other comprehensive income (loss)			
<i>Items that may be reclassified subsequently to net earnings</i>			
Reclassification of amortization of net gains on derivative financial instruments not subject to basis adjustments		(4,735)	(4,826)
Foreign currency translation adjustments		(70,225)	76,436
Share of other comprehensive income (loss) of equity-accounted investments	11	33,473	(23,480)
Income tax recovery relating to components of other comprehensive income that may be reclassified to net earnings		1,253	1,277
<i>Items that will not be reclassified subsequently to net earnings</i>			
Unrealized gains (losses) on derivative financial instruments subject to basis adjustments		(48,470)	50,582
Income tax recovery (expense) relating to components of other comprehensive income that will not be reclassified to net earnings		13,011	(13,680)
Total other comprehensive income (loss), net of income taxes		(75,693)	86,309
Total comprehensive income		1,233,745	1,254,854
Earnings per common share			
Basic net earnings per common share	18	\$4.75	\$4.18
Diluted net earnings per common share	18	\$4.73	\$4.16
Weighted average number of common shares outstanding (thousands)	18	275,611	279,825
Weighted average number of diluted common shares outstanding (thousands)	18	276,684	280,819

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

Dollarama Inc.

Consolidated Statements of Cash Flows for the years ended (Expressed in thousands of Canadian dollars)

	Note	February 1, 2026 \$	February 2, 2025 \$
Operating activities			
Net earnings		1,309,438	1,168,545
Adjustments to reconcile net earnings to net cash generated from operating activities:			
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	20	460,019	411,151
Share-based compensation	15	16,023	15,507
Net financing costs	20	184,020	163,782
Deferred income taxes	16	(8,834)	(10,618)
Unrealized gain from derivative on equity-accounted investments	11	(10,348)	-
Share of net earnings of equity-accounted investments	11	(191,536)	(129,905)
Interest received		25,562	29,414
Other		32,686	3,015
		<u>1,817,030</u>	<u>1,650,891</u>
Changes in non-cash working capital components	22	(55,874)	(6,752)
Net cash generated from operating activities		<u>1,761,156</u>	<u>1,644,139</u>
Investing activities			
Acquisition of a business, net of cash acquired	6	(181,831)	-
Addition to equity-accounted investments	11	(49,960)	(5,402)
Distributions from equity-accounted investments	11,19	106,554	27,397
Additions to property, plant and equipment	9	(248,747)	(212,828)
Additions to intangible assets	10	(24,034)	(30,622)
Initial direct costs on right-of-use assets	8	(6,554)	-
Proceeds from disposal of property, plant and equipment		1,077	736
Net cash used in investing activities		<u>(403,495)</u>	<u>(220,719)</u>
Financing activities			
Proceeds from long-term debt issued	13	600,000	-
Repayment of long-term debt	13	(250,000)	-
Interest paid on long-term debt, long-term financing arrangements and short-term borrowings	13	(114,516)	(108,490)
Payment of debt issue costs	13	(3,584)	(480)
Net payment of lease liabilities	8	(390,333)	(317,829)
Issuance of common shares	15	8,840	19,772
Dividends paid	14	(113,196)	(97,244)
Repurchase and cancellation of common shares	14	(854,414)	(1,070,712)
Repurchase of treasury shares, net of dividends	14	(9,970)	(20,000)
Performance share units settlement	15	(21,604)	(19,667)
Net cash used in financing activities		<u>(1,148,777)</u>	<u>(1,614,650)</u>
Change in cash and cash equivalents		208,884	(191,230)
Cash and cash equivalents – beginning of year		<u>122,685</u>	<u>313,915</u>
Cash and cash equivalents – end of year		<u>331,569</u>	<u>122,685</u>
Supplemental information:			
Interest paid on lease liabilities	8	99,087	86,730

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

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

1 General information

Dollarama Inc. (together with its consolidated subsidiaries, the “Corporation”) was formed on October 20, 2004 under the Canada Business Corporations Act. The Corporation’s head and registered office is located at 5805 Royalmount Avenue, Town of Mount Royal, Quebec, H4P 0A1. The Corporation is listed on the Toronto Stock Exchange (“TSX”) under the symbol “DOL”.

As at February 1, 2026, 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	Canadian dollar (“CAD”)	100.0%
Dollarama International Inc. (“Dollarama International”)	Canada	U.S. dollar (“USD”)	100.0%
Central American Retail Sourcing Inc. (“CARS”)	Panama	U.S. dollar	60.1%
Inversiones Comerciales Mexicanas S.A. (“ICM”)	Panama	Mexican pesos (“MXN”)	80.05%
Dollarama Australia Pty Limited (“Dollarama Australia”), formerly The Reject Shop Limited (“TRS”), pursuant to the modification of its legal name effective December 25, 2025	Australia	Australian dollar (“AUD”)	100.0%

The Corporation’s fiscal year ends on the Sunday closest to January 31 of each year and usually has 52 weeks. However, as it is traditional with the retail calendar, every five or six years, a week is added to the fiscal year. The fiscal year ended February 1, 2026 was comprised of 52 weeks whereas the fiscal year ended February 2, 2025 was comprised of 53 weeks.

Dollarama L.P. operates the chain of stores in Canada and performs related logistical and administrative support activities. The entity offers a broad assortment of general merchandise, consumable products and seasonal items at select, fixed price points up to \$5.00 in-store and through third-party online delivery platforms in Canada. As at February 1, 2026, Dollarama L.P. maintains retail operations in every Canadian province as well as in the Yukon and Northwest Territories.

Dollarama International has retail operations in Latin America through its 60.1% equity-accounted investment in CARS and its 80.05% equity-accounted investment in ICM (and together with their respective subsidiaries, the “Dollarcity Group” or “Dollarcity”). 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 stores located in Mexico. Dollarcity operates stores offering 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).

Since July 21, 2025, Dollarama International also has retail operations in Australia through its wholly-owned subsidiary, Dollarama Australia, a corporation organized under the laws of Australia, which operates stores 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.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

2 Basis of preparation

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

These consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments, which are measured at fair value. The accounting policies of the Corporation have been applied consistently to all fiscal years in these consolidated financial statements.

These consolidated financial statements were approved by the board of directors of the Corporation (the “Board of Directors”) for issue on March 24, 2026.

Seasonality of operations

The Corporation’s sales generally increase ahead of major holidays, with December representing the highest proportion of sales, but otherwise experience limited seasonal fluctuations. However, the occurrence of certain events that are beyond the Corporation’s control, such as unfavorable weather or an epidemic or pandemic outbreak, and that cause disruption in its operations could materially adversely affect the business and financial results of the Corporation. Consequently, results for the periods ended February 1, 2026 may not be representative of results for subsequent quarters.

3 Material accounting policy information

Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the Corporation has control. The Corporation determines control based on its ability to exercise power that significantly affects the entities’ relevant day-to-day activities. Control is also determined by the Corporation’s exposure to the variability in returns on investment in the entity, whether favorable or unfavorable. Furthermore, control is defined by the Corporation’s ability to direct the decisions made by the entity which ultimately impact return on investment. The existence and effect of substantive voting rights are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is determined and they are deconsolidated from the date on which control is deemed to have ceased.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries’ accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Corporation. All entities considered as subsidiaries of the Corporation for accounting purposes are wholly-owned subsidiaries.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

3 Material accounting policy information (cont'd)

Investment in joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control over an entity. The classification as a joint arrangement requires the application of judgement through the analysis of various indicators, such as the percentage of ownership interest held in the entity, the representation on the entity's board of directors, strategic and operational decisions requiring the approval of all stockholders and various other factors.

A joint arrangement is classified as either a joint operation or joint venture depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Corporation classifies its arrangements with Dollarcity as joint ventures accounted for using the equity method since, under the terms of the amended and restated stockholders agreement (as it can be amended from time to time, the "Stockholders Agreement") among Dollarama International and Dollarcity's founding stockholders, certain specified strategic and operational decisions with respect to CARS and ICM are currently subject to the approval of all stockholders. These include, but are not limited to, decisions related to capital structure, nature of the business, merger and acquisition activities, declaration and payment of dividends, executive officer appointments and remuneration, approval of annual budget and business plan, and any entry into a new country.

Dollarcity's reporting period ends on December 31, and adjustments are made to align accounting policies, incorporate significant transactions between December 31 and the Corporation's fiscal year end and eliminate the Corporation's share of unrealized gains and losses from transactions between the Corporation and Dollarcity.

Under the equity method, the investment is initially recorded at the amount of consideration paid, including transaction costs, and adjusted thereafter to recognise the Corporation's share of the post-acquisition net earnings and other comprehensive income of the investee in the consolidated statements of net earnings and comprehensive income.

Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment. Capital contributions paid or payable to joint ventures are recognized as an increase in the carrying amount of the investment.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method by allocating the consideration transferred to the fair value of identifiable assets and liabilities that meet the conditions for recognition under *IFRS 3 – Business Combinations* at the acquisition date. The excess of the consideration transferred over the fair value of the net assets is recorded as goodwill, which represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Acquisition-related costs are expensed as incurred and included in General, administrative and store operating expenses.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

3 Material accounting policy information (cont'd)

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the Corporation operates and has been determined for each consolidated entities within the Corporation. The consolidated financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

Translation of foreign currency transactions and balances into functional currency

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate at the date of the statement of financial position. Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction. Gains and losses resulting from currency translations are recognized in net earnings, except where hedge accounting is applied as described below under "Derivative financial instruments".

Translation of functional currency into presentation currency

The assets and liabilities of foreign operations that have a functional currency different from that of the Corporation are translated into the Canadian dollar presentation currency at the exchange rate in effect at the reporting date. Revenues and expenses of foreign operations are translated into Canadian dollars at the average rates during the period. Individual transactions with a significant impact on the consolidated statement of net earnings, comprehensive income or cash flows are translated using the transaction date exchange rate. The resulting foreign currency exchange gains or losses are recognized in the foreign currency translation adjustment as part of other comprehensive income. On the disposal of a foreign operation, the component of accumulated other comprehensive income ("AOCI") related to the foreign currency translation is reclassified to net earnings.

Segment information

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the Chief Operating Decision Maker (the "CODM") to make decisions about resources to be allocated to the segment and assess its performance. The Corporation has determined that the Chief Executive Officer is the CODM.

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, following the completion of the TRS Transaction (as hereinafter defined). No operating segments have been aggregated to form the reportable segments.

Dollarama Inc.

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

3 Material accounting policy information (cont'd)

Financial assets

On initial recognition, the Corporation determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through other comprehensive income (FVTOCI) or through profit or loss (FVTPL)

The classification under IFRS 9 is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Contracts with embedded derivatives where the host is a financial asset will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

1. Held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets classified at amortized cost are initially measured at fair value adjusted for directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of net earnings and comprehensive income.

Financial assets at fair value through profit or loss (FVTPL) are initially and subsequently recognized at fair value, with changes recorded in the consolidated statement of net earnings and comprehensive income in the period they arise. Transaction costs are expensed in net earnings.

The table below summarizes the classification and measurement of the Corporation's financial assets.

	<u>IFRS 9 Classification</u>
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Distributions receivable from equity-accounted investments	Amortized cost
Derivative financial instruments	FVTPL

The Corporation estimates the expected credit losses associated with financial assets accounted for at amortized cost. The impairment methodology used depends on whether there is a significant increase in the credit risk or not. For accounts receivable and distributions receivable from equity-accounted investments, the Corporation measures loss allowances at an amount equal to lifetime expected credit loss (ECL).

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3 Material accounting policy information (cont'd)

Financial liabilities

Financial liabilities comprise accounts payable and accrued liabilities, dividend payable, derivative financial instruments, short-term borrowings, provisions and other liabilities (excluding non-current income tax payable related to Pillar Two and restoration provision), long-term debt and lease liabilities.

Long-term debt is initially recognized at fair value, net of recognized transaction costs, and is subsequently measured at amortized cost, being the carrying value. Any difference between the carrying value and the redemption value is recognized in the consolidated statement of net earnings and comprehensive income using the effective interest rate method.

Fees paid on the establishment of revolving credit facilities are capitalized and amortized over the term of the facility to which they relate, whereas fees paid upon the issuance of notes reduce their carrying value.

Financial liabilities are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the financial liabilities for at least 12 months after the statement of financial position date.

Derivative financial instruments

The Corporation uses derivative financial instruments in the management of its foreign currency and interest rate exposure. Derivative financial instruments designated as hedging instruments are recorded at fair value, determined using market prices and other observable inputs.

When hedge accounting is applied, the Corporation documents at inception the relationships between the hedging instruments and the hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking derivatives to specific assets and liabilities on the consolidated statement of financial position or to specific firm commitments or forecasted transactions.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as held for trading for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period, or non-current assets or liabilities if their maturity exceeds 12 months. The Corporation applies the hedge accounting requirements of IFRS 9, "Financial Instruments" to all existing qualifying hedge relationships.

Cash flow hedges

The Corporation uses foreign exchange forward contracts to mitigate the risk associated with fluctuations in the U.S. dollar against the Canadian dollar. 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 U.S. Commercial Paper Program (as hereinafter defined). Foreign exchange forward contracts are designated as hedging instruments and are recorded at fair value, determined using market prices and other observable inputs.

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3 Material accounting policy information (cont'd)

For the cash flow hedges of future forecasted purchases of merchandise, the gain or loss relating to the effective portion of the changes in the fair value is recognized in other comprehensive income, whereas any ineffective portion is recognized immediately in earnings. The accumulated realized gains or losses as a result of cash flow hedges on foreign exchange contracts are reclassified from shareholders' equity to the carrying value of inventory (known as a basis adjustment). These accumulated gains and losses recorded in inventory are then subsequently reclassified to the consolidated statement of net earnings and comprehensive income in the same period during which the inventory is sold and recognized as a cost of sales.

For the cash flow hedges of U.S. dollar borrowings under the U.S. Commercial Paper Program, the fluctuations in fair value of the hedged item and hedging instrument are recognized in net earnings and the forward points variations are recorded in other comprehensive income at every reporting period.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in shareholders' equity at that time remains in shareholders' equity and is recognized as part of the carrying value of the hedged transaction when the forecasted non-financial item is recognized.

For cash flow hedges associated with interest rate risk such as a bond forward, the derivative is recorded on the consolidated statement of financial position at fair value. The effective portion of changes in the fair value of the derivative is recorded to other comprehensive income and reclassified to earnings over the same period as the hedged interest payments are recorded in earnings.

Movements on the hedging reserve in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity.

Fair value hedges

The Corporation uses interest rate swaps to hedge changes in the fair value of the issued Fixed Rate Notes (as hereinafter defined). The changes in the fair value of the derivatives are recorded in net earnings as financing costs together with the changes in the fair value of the hedged items attributable to the hedged risk. Any hedge ineffectiveness is recognized in net earnings immediately.

Hedge accounting is discontinued if a derivative instrument is sold, terminated or otherwise de-designated. If fair value hedge accounting is discontinued, the previously hedged item is no longer adjusted for changes in fair value through the consolidated statement of net earnings and comprehensive income and the cumulative net gain or loss on the hedged asset or liability at the time of discontinuation is amortized to net financing costs over the expected remaining life of the hedged item.

Derivatives where hedge accounting is not applied

Derivative financial instruments which are not designated as hedges or have ceased to be effective prior to maturity are recorded at their fair values under assets or liabilities, with changes in their fair values recorded in net earnings.

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3 Material accounting policy information (cont'd)

Property, plant and equipment

Property, plant and equipment are carried at cost and depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Building and roof	15 to 50 years
Store and warehouse equipment	7 to 15 years
Computer equipment	5 years
Vehicles	5 years
Leasehold improvements	Shorter of useful life or lease term

Property, plant and equipment acquired as part of the TRS Transaction are depreciated on a straight-line basis, between 2 to 21 years, representing the estimated remaining useful lives of the assets. The depreciation method reflects the manner in which the Corporation expects to consume the future economic benefits associated with these assets, consistent with its store conversion plan in Australia.

The Corporation recognizes in the carrying amount of property, plant and equipment the full purchase price of assets acquired or constructed as well as the costs incurred that are directly incremental as a result of the construction of a specific asset, when they relate to bringing the asset into working condition.

The Corporation also capitalizes the cost of replacing parts of an item when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

Estimates of useful lives, residual values and methods of depreciation are reviewed annually. Any changes are accounted for prospectively as a change in accounting estimate. If the expected residual value of an asset is equal to or greater than its carrying value, depreciation on that asset is ceased. Depreciation is resumed when the expected residual value falls below the asset's carrying value. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized directly in the consolidated statement of net earnings and comprehensive income.

Intangible assets

Intangible assets are initially recorded at costs and are comprised of two categories: intangible assets with finite lives subject to amortization and intangible assets with indefinite lives not subject to amortization.

Intangible assets with finite lives subject to amortization

Finite life intangible assets which consist of computer software are carried at cost and depreciated on a straight-line basis over an estimated useful life of 5 years. The Corporation determines the useful lives of identifiable intangible assets based on the specific facts and circumstances related to each intangible asset.

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3 Material accounting policy information (cont'd)

The Corporation recognizes in the carrying amount of intangible assets with finite lives subject to amortization the full purchase price of the intangible assets developed or acquired as well as other costs incurred that are directly incremental as a result of the development of a specific intangible asset, when they relate to bringing the asset into working condition.

Intangible assets with indefinite lives not subject to amortization

Indefinite live intangibles consist of the trade name, which is carried at cost and is not subject to amortization, as it is expected to generate economic benefits to the Corporation indefinitely.

Impairment of non-financial assets

As each reporting date, or more frequently if events or circumstances indicate that it may be impaired, the Corporation reviews non-financial assets, for indicators of impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset is tested for impairment. For impairment testing purposes, assets are allocated to cash generating unit ("CGU"), which represents the smallest identifiable group of assets that generates cash inflows that are largely independent from other assets or groups of assets. The Corporation has determined that each retail location is a separate CGU,

Goodwill and indefinite life intangibles are tested for impairment annually, or more frequently when indicators of impairment exist. For impairment testing purposes, goodwill and intangible assets with indefinite useful lives are allocated to CGU or group of CGUs based on the lowest level monitored for internal management purposes, a level which is not higher than the operating segment.

Goodwill and trade name recorded upon the acquisition, in November 2004, of 80% of the common equity of the Corporation's predecessor, were allocated to the group of CGUs within the Canadian segment, whereas goodwill arising from the TRS Transaction was allocated to the group of CGUs under the Australian segment. Corporate assets, such as the Corporation's head office, distribution centre, logistics hubs and warehouses, do not individually generate separate cash inflows and are tested for impairment at the minimum grouping of CGUs to which the corporate assets can be reasonably and consistently allocated.

To test for impairment, the CGU's carrying amount is compared to its recoverable amount, which represents the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU. The fair value is the price that could be received for an asset or CGU in an orderly transaction between market participants at the measurement date, less costs of disposal. To the extent that the asset or CGU's carrying amount exceeds its recoverable amount, an impairment loss is recognized in the consolidated statement of net earnings and comprehensive income. The asset or CGUs' impairment losses are first allocated to goodwill, if applicable, then pro rata to the asset or assets of the CGU, without reducing the carrying amount of the assets below the highest of their fair value less costs of disposal, their value in use or zero.

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3 Material accounting policy information (cont'd)

Cash and cash equivalents

Cash and cash equivalents can include highly liquid investments with original maturities from the date of purchase of three months or less. The payments due from financial institutions for the settlement of credit card and debit card transactions are processed within one business day, and are therefore classified as cash equivalents.

Inventories

The Corporation's inventories at the distribution centre, logistics hubs, warehouses and stores consist of merchandise purchased and held for resale and are valued at the lower of cost and net realizable value.

Cost is determined on a weighted average cost basis prior to being transferred to the stores, where it is subsequently recognized using the retail inventory method. Costs of inventories include amounts paid to suppliers, duties and freight into the warehouses, costs directly associated with warehousing and distribution to stores and receiving at stores as well as gains and losses relating to the effective portion of the cash flow hedges relating to purchases of merchandise.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are obligations to pay for goods acquired from suppliers or for services rendered by employees and service providers in the ordinary course of business. Accounts payable and accrued liabilities are classified as current liabilities if payment is due or expected within one year or less. Otherwise, they are presented as non-current liabilities.

Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.

Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and if it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

If the effect of time value of money is material, provisions are measured at the present value of cash flows expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as accretion expense under net financing costs in the consolidated statement of net earnings and comprehensive income.

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3 Material accounting policy information (cont'd)

Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares or options are shown in shareholders' equity as a deduction, net of tax, from the proceeds of issuance.

When the Corporation repurchases common shares under its normal course issuer bid, the portion of the price paid for the common shares that corresponds to the book value of those shares is recognized as a reduction of share capital. The portion of the price paid that is in excess of the book value is recognized as a reduction of retained earnings. The tax on share repurchases is included in the price paid for the common shares. As a direct result of the fact that the price paid for each common share exceeds its book value, the Corporation's shareholders' equity could be in a deficit position.

Treasury shares

The Corporation established an employee benefit plan trust for purposes of facilitating the holding and administering of common shares that may be purchased from time to time to hedge the Corporation's exposure in respect of grants made under its performance share unit plan. The shares repurchased are held in trust as treasury shares and are recorded as a reduction of equity, at acquisition cost, until released into circulation when performance share units ("PSUs") settle.

Dividends declared

Dividend distributions to the Corporation's shareholders are recognized as a liability in the Corporation's consolidated financial statements in the period in which the dividends are declared by the Board of Directors.

Short-term employee benefits

Liabilities for bonus plans are recognized based on a formula that takes into consideration individual performance and contributions to the profitability of the Corporation.

Income taxes

The income tax expense for the year comprises current and deferred tax. Tax is recognized in net earnings, except to the extent that it relates to items recognized in other comprehensive income or directly in shareholders' equity. In this case, tax is recognized in other comprehensive income or directly in shareholders' equity.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

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3 Material accounting policy information (cont'd)

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from initial recognition of goodwill or if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

In December 2021, the Organization for Economic Cooperation and Development introduced a 15.0% minimum tax rate for multinationals ("Pillar Two") applicable on income arising from jurisdictions where they operate, which has since been enacted in Canada. Following the TRS Transaction, the Corporation is in the scope of Pillar Two and has applied the mandatory temporary exemption to recognize deferred tax assets and liabilities related to income taxes resulting from the Pillar Two legislation and has therefore not recognized any deferred income tax assets and liabilities that would result from such legislation.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Revenue recognition

Under IFRS 15, "Revenue from Contracts with Customers", revenue is recognized when control of a good or service is transferred to a customer. A five-step recognition model is used to apply the standard as follows: (1) identify the contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied. The vast majority of the Corporation's revenue comes from the sale of products that are recognized at a point in time. Sales of products in the consolidated statement of net earnings and comprehensive income are recognized by the Corporation when control of the goods has been transferred, being when the customer tenders payment and takes possession of the merchandise and that all obligations have been fulfilled. Revenue is recognized for goods shipped when the goods leave the port; and revenue is recognized for services when services have been rendered, which can occur discretely or over time.

Sale of merchandise

The recognition of revenue at the store occurs at the time a customer tenders payment for and takes possession of the merchandise. For stores operating in Canada, all sales are final and revenue is measured at the fair value of the consideration received, net of sales taxes. For stores operating in Australia, revenue is recorded at the fair value of the consideration received, net of discount, returns and sales taxes. Gift cards sold are recorded as a liability, and revenue is recognized when gift cards are redeemed.

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3 Material accounting policy information (cont'd)

Gross versus net

The Corporation may enter into arrangements for the sale of products to customers. When the Corporation acts as the principal in these arrangements, it recognizes revenue based on the amounts billed to customers. Otherwise, the Corporation recognizes the net amount that it retains as revenue.

Cost of sales

Cost of sales includes the cost of inventories purchased, transportation costs, warehousing and distribution costs, receiving costs at the store, store, warehouse, distribution centre and logistics hubs occupancy costs, as well as the effective portion of change in fair value on qualifying cash flow hedges related to the purchase of inventories.

Vendor rebates

The Corporation records vendor rebates, consisting of volume purchase rebates, when it is probable that they will be received and the amounts are reasonably estimable. The rebates are recorded as a reduction of inventory purchases or, if the related inventory has been sold, as a reduction of cost of sales in the consolidated statement of net earnings and comprehensive income.

General, administrative and store operating expenses

The Corporation includes store and head office salaries and benefits, repairs and maintenance, professional fees, store supplies and other related expenses in general, administrative and store operating expenses.

Earnings per common share

Earnings per common share is determined using the weighted average number of common shares outstanding during the fiscal year. Diluted earnings per common share is determined using the treasury share method to evaluate the dilutive effect of share options. Under this method, instruments with a dilutive effect are considered to have been exercised at the beginning of the fiscal year, or at the time of issuance, if later, and the proceeds received are considered to have been used to redeem common shares at the average market price during the fiscal year.

Share-based compensation

The Corporation's long-term incentive plan ("LTIP") is comprised of share options and PSU, which can be awarded annually. Awards under the LTIP are allocated so that at all times PSUs represent a minimum of 50% of the target dollar value of the LTIP award with the balance allocated to share options. The Corporation also grants deferred share units ("DSUs") to non-executive directors under its DSU plan.

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3 Material accounting policy information (cont'd)

Share options

The Corporation established a management option plan whereby its officers and employees may be granted options to purchase an equivalent number of common shares of the Corporation. Share options under the plan are granted with service requirements (or service conditions) which vest in tranches over a five-year period at a rate of 20% annually on the anniversary of the grant date and have a life not exceeding 10 years. The Corporation recognizes a compensation expense for share options granted based on the fair value of those options at the grant date, using the Black-Scholes option pricing model. The compensation expense is recognized over the vesting term of each tranche (graded vesting).

At the end of each reporting period, the Corporation revises its estimates of the number of options that are expected to vest and recognizes the impact of the revision to original estimates, if any, in the consolidated statement of net earnings and comprehensive income, with a corresponding adjustment to contributed surplus.

When option holders exercise their options, the cash paid for the shares issued is credited, together with the related compensation costs, to share capital (nominal value).

Performance share units

PSU grants are equity-settled transactions whereby the compensation expense is measured based on the fair value at the grant date and recognized over the related performance period of three years with a corresponding increase in contributed surplus. PSUs vest and settle all at once following the end of the three-year period, contingent upon the level of achievement of performance objectives established at the time of grant by the Board of Directors. Payouts vary from 0% to 200% depending on the performance at the end of the three-year performance period.

Deferred share units

A DSU is a notional unit, equivalent in value to the Corporation's shares. Under the DSU program, non-executive directors receive an annual equity retainer consisting of DSUs on the first day of each fiscal year. DSUs comprising the annual equity retainer vest on the first anniversary of the date of grant, together with additional DSUs credited as dividend equivalents in respect of such annual DSUs. In addition to the annual equity retainer, non-executive directors may elect to receive all or a portion of their cash retainer, which is paid quarterly, in the form of DSUs. DSUs credited to a director's notional account as a result of the election by such director to receive all or a portion of their cash compensation in the form of DSUs vest immediately.

DSUs are settled upon a director's resignation, either as a lump-sum cash payout or in common shares to be acquired on the open market by the Corporation, at the Corporation's sole discretion. The Corporation accounts for the DSU program as a cash settled award, whereby the liability is adjusted periodically to reflect any variation in the market value of the Corporation's shares.

The Corporation also enters into equity derivative transactions to hedge a portion of the price risk on the DSU plan and does not apply hedge accounting.

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3 Material accounting policy information (cont'd)

Leases

Under IFRS 16, "Leases", the Corporation assesses whether a contract is or contains a lease, at the inception of the contract. The Corporation recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and some leases of low-value assets. For these leases, the Corporation recognizes the lease payments as occupancy costs on a straight-line basis over the term of the lease.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the contract's implicit interest rate, if that rate can be readily determined, or the Corporation's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, which are initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Corporation remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate, in which cases the lease liability is remeasured by discounting the revised lease payments using the same discount rate used in initially setting up the liability (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

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3 Material accounting policy information (cont'd)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability nor the right-of-use assets. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Cost of sales" or "General, administrative and store operating expenses" in the consolidated statement of net earnings. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and to instead account for any lease and associated non-lease components as a single arrangement. The Corporation has elected to use the practical expedient, and considers the different components identified in a lease as a single lease component.

In Canada, store leases generally have initial terms of approximately 10 years, with one or more options to renew for additional periods thereafter. In Australia, store leases are generally signed with shorter terms than those in Canada and may include renewal options. These terms are used to maximize operational flexibility in terms of managing contracts. Extension options are either at a fixed rate or at fair market value and are exercisable only by the Corporation. Certain leases require additional payments linked to local price indices, sales from the leased store or reimbursements of property taxes and insurance incurred by the lessor.

4 New accounting standards

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, "Presentation and Disclosure in Financial Statements" ("IFRS 18") to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Corporation is currently assessing the impact of the new standard on its consolidated financial statements, with initial adoption in the condensed interim consolidated financial statements for the 13-week period ending May 2, 2027.

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

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5 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. The accuracy of the Corporation's estimates can be affected by many factors, some of which are beyond its control, including changes in economic conditions.

The following discusses the most significant accounting judgments and estimates that the Corporation made in the preparation of the consolidated financial statements.

Business combination

Business combinations are accounted for using the acquisition method, which requires the Corporation to make significant estimates and apply judgement in determining the fair value of identifiable assets acquired and liabilities assumed. These estimates include the selection of appropriate valuation technique and the determination of key assumptions, including market-based input and assessment of useful lives of acquired property, plant and equipment. Any change to these estimates or judgements could affect the recognized amounts to the net assets, which would have an impact on the carrying value of goodwill.

Valuation of inventories

Store inventories are valued at the lower of cost and net realizable value, with cost being determined by the retail inventory method. Under the retail inventory method, inventories are converted to a cost basis by applying an average cost-to-sell ratio. Inventories that are at the distribution centre, logistics hubs or warehouses and inventories that are in transit from suppliers are measured at the lower of cost and net realizable value, with cost determined on a weighted average cost basis.

The Corporation estimates its inventory provisions using factors such as quantities of slow-moving merchandise on hand, historical markdown statistics, future merchandising plans and inventory shrinkage. Changes in inventory provisions, particularly shrinkage, can have a material impact on the results of the Corporation.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Under IFRS 16, the lease term impacts the measurement of lease liabilities at the commencement date and also influences the incremental borrowing rate.

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6 Business Combination

On July 21, 2025, the Corporation, through its wholly-owned subsidiary, Dollarama International, completed the acquisition of all the issued and outstanding ordinary shares of TRS (the "TRS Transaction"), pursuant to an Australian scheme of arrangement in accordance with the scheme implementation agreement signed on March 26, 2025.

As at February 1, 2026, the purchase price allocation remains provisional and may be adjusted during the measurement period. The measurement period begins on the acquisition date and ends on the earlier of (i) the date the Corporation obtains complete information about the facts and circumstances that existed at the acquisition date, or (ii) one year from the acquisition date. During the fiscal year ended February 1, 2026, the Corporation revised the purchase price allocation to reflect new information regarding facts and circumstances that existed as at the acquisition date which, had it been known, would have impacted the amounts initially recognized in the financial statements.

The total consideration transferred and the preliminary fair value of assets acquired and liabilities assumed, as at July 21, 2025, and updated as at February 1, 2026, were as follows:

	July 21, 2025 – Preliminary \$	Adjustments \$	July 21, 2025 – Updated \$
Total consideration			
Cash consideration	205,098	-	205,098
Settlement of the deal contingent hedge contract	2,169	-	2,169
Performance rights	1,531	-	1,531
	208,798	-	208,798
Identifiable assets acquired			
Cash and cash equivalents	25,436	-	25,436
Accounts receivable	2,313	(1,322)	991
Prepaid expenses	2,611	-	2,611
Inventories	127,801	-	127,801
Right-of-use assets	213,752	1,322	215,074
Property, plant and equipment	78,528	(12,384)	66,144
Deferred income taxes	17,594	3,715	21,309
	468,035	(8,669)	459,366
Liabilities assumed			
Accounts payable and accrued liabilities	75,477	(893)	74,584
Derivative financial instruments	628	-	628
Income taxes payable	3,834	-	3,834
Non-current provisions and other liabilities	3,845	-	3,845
Lease liabilities	237,324	-	237,324
	321,108	(893)	320,215
Goodwill ⁽¹⁾	61,871	7,776	69,647

⁽¹⁾ The goodwill recognized is not expected to be deductible for income tax purposes.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

6 Business Combination (cont'd)

Total consideration

The Corporation completed the acquisition of all the issued and outstanding ordinary shares of TRS on July 21, 2025, for a total consideration of \$208,798. In accordance with the terms and conditions of the scheme implementation agreement entered into on March 26, 2025, the total consideration represents the agreed-upon purchase price of A\$6.68 per ordinary share, less the amount of the fully franked special dividend of A\$0.77 per ordinary share paid by TRS on July 13, 2025 and includes performance rights for a total amount of A\$1,712 (\$1,531). Concurrently with the closing of the TRS Transaction, the Corporation also settled its deal contingent hedge contract, established to mitigate the currency fluctuation risk associated with the Australian dollar, at a rate of \$0.9040 to A\$1.00, resulting in an accumulated loss of \$2,169 included in the total cash consideration transferred.

Identifiable assets acquired and liabilities assumed

Inventories

Inventories were recognized at their estimated fair value as at the valuation date, determined using the replacement costs approach. This method involves determining the replacement cost of individual items by considering both direct material and labor costs incurred in purchasing, receiving and handling the inventory, and is adjusted to reflect slow-moving, obsolete or excess inventory. This valuation method is commonly used in the retail industry, where inventory can be readily replaced.

Property, plant and equipment

Property, plant and equipment were recognized at their estimated fair value as at the valuation date, determined using the depreciated replacement costs approach. This valuation method is based on the principle of substitution, assuming a prudent investor would pay no more for the tangible assets than the cost to reproduce or replace the tangible assets with an identical or similar unit of equal utility.

Right-of-use assets and Lease Liabilities

The Right-of-use assets and lease liabilities were measured at the present value of future lease payments of the acquired business using its incremental borrowing rate as at the valuation date.

Goodwill

The goodwill resulting from the business combination is attributable to the workforce of the acquired business and the anticipated synergies with the Corporation following the acquisition.

Impact of the business combination on the Corporation's financial performance

Between July 22, 2025 and February 1, 2026, Dollarama Australia reported sales of \$454,827 and incurred a net loss of \$245. On a pro forma basis, had the acquisition occurred on February 3, 2025, being at the beginning of the current fiscal year, the Corporation's sales and net earnings would have amounted to approximately \$7,628,850 and \$1,300,106, respectively, for the year ended February 1, 2026. For the fiscal year ended February 1, 2026, the Corporation incurred acquisition-related costs of \$7,206 in connection with the TRS Transaction, which were recorded in General, administrative and store operating expenses.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

7 Cash and cash equivalents

	February 1, 2026	February 2, 2025
	\$	\$
Cash	262,630	75,599
Cash equivalents	68,939	47,086
	<u>331,569</u>	<u>122,685</u>

8 Leases

As at February 1, 2026, the Corporation owned four stores, one distribution centre and one warehouse. The Corporation also leased 1,687 stores, one corporate office and six warehouses in Canada, and leased 402 stores, one corporate office and three logistics hubs in Australia. The following table reconciles the Corporation's right-of-use assets for the fiscal years ended on the dates indicated below:

	February 1, 2026	February 2, 2025
	\$	\$
Balance, beginning of year	2,109,445	1,788,550
Additions from business combination	215,074	-
Additions	379,792	590,609
Initial direct costs	6,554	-
Terminations and other adjustments	2,089	(871)
Depreciation	(328,771)	(268,843)
Foreign currency translation adjustments	13,026	-
Balance, end of year	<u>2,397,209</u>	<u>2,109,445</u>

The following table reconciles the Corporation's lease liabilities for the fiscal years ended on the dates indicated below:

	February 1, 2026	February 2, 2025
	\$	\$
Balance, beginning of year	2,426,977	2,069,229
Additions from business combination	237,324	-
Additions	379,792	590,609
Interest expense on lease liabilities	99,087	86,730
Disposals and other adjustments	3,225	(1,762)
Net payment of lease liabilities	(390,333)	(317,829)
Foreign currency translation adjustments	14,401	-
Balance, end of year	<u>2,770,473</u>	<u>2,426,977</u>
Current portion	377,743	278,705
Non-current portion	2,392,730	2,148,272

During the fiscal year ended February 1, 2026, the Corporation expensed \$155,527 (February 2, 2025 – \$131,405) of variable lease payments and \$16,921 (February 2, 2025 – \$8,431) relating to short-term leases for which the payments were not included in the lease liabilities. During the year, the financial impact of revising the lease terms to reflect the effect of exercising extension options was an increase in recognized lease liabilities of \$44,249 (February 2, 2025 – \$34,950). As at February 1, 2026, the Corporation had future undiscounted minimum lease payments of \$214,560 (February 2, 2025 – \$161,117) for leases committed to but not yet commenced.

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

9 Property, plant and equipment

	Land	Buildings and roofs	Store and warehouse equipment	Computer equipment	Vehicles	Leasehold improvements	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance February 2, 2025	218,272	95,365	838,289	106,477	6,988	691,057	-	1,956,448
Additions from business combination	-	-	31,087	3,204	2	31,851	-	66,144
Additions	86	273	63,807	28,639	3,686	97,871	54,385	248,747
Disposal	-	-	(109)	(2)	(2,128)	(3,199)	-	(5,438)
Foreign currency translation adjustments	-	-	3,150	150	-	2,128	-	5,428
Balance February 1, 2026	218,358	95,638	936,224	138,468	8,548	819,708	54,385	2,271,329
Accumulated depreciation								
Balance February 2, 2025	-	15,871	480,604	77,995	2,700	332,888	-	910,058
Depreciation	-	2,236	56,881	13,468	1,326	30,895	-	104,806
Disposal	-	-	(3)	-	(1,508)	(2,004)	-	(3,515)
Foreign currency translation adjustments	-	-	650	187	-	644	-	1,481
Balance February 1, 2026	-	18,107	538,132	91,650	2,518	362,423	-	1,012,830
Net book value								
Balance February 1, 2026	218,358	77,531	398,092	46,818	6,030	457,285	54,385	1,258,499
Cost								
Balance January 28, 2024	160,254	89,699	778,538	95,693	6,587	618,500	-	1,749,271
Additions	58,018	5,666	60,760	10,784	2,105	75,495	-	212,828
Disposal	-	-	(1,009)	-	(1,704)	(2,938)	-	(5,651)
Balance February 2, 2025	218,272	95,365	838,289	106,477	6,988	691,057	-	1,956,448
Accumulated depreciation								
Balance January 28, 2024	-	13,469	424,029	67,003	2,672	291,104	-	798,277
Depreciation	-	2,402	57,524	10,992	1,304	44,016	-	116,238
Disposal	-	-	(949)	-	(1,276)	(2,232)	-	(4,457)
Balance February 2, 2025	-	15,871	480,604	77,995	2,700	332,888	-	910,058
Net book value								
Balance February 2, 2025	218,272	79,494	357,685	28,482	4,288	358,169	-	1,046,390

As at February 1, 2026, the Corporation had capital commitments for the acquisition of property, plant and equipment of \$82,386 (February 2, 2025 – nil), mainly related to the construction of the Western logistics hub.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

10 Intangible assets and goodwill

	Computer software	Trade name ⁽¹⁾	Total intangible assets	Goodwill
	\$	\$	\$	\$
Cost				
Balance February 2, 2025	260,489	108,200	368,689	727,782
Additions from business combination	-	-	-	69,647
Additions	24,034	-	24,034	-
Foreign currency translation adjustments	-	-	-	4,280
Balance February 1, 2026	<u>284,523</u>	<u>108,200</u>	<u>392,723</u>	<u>801,709</u>
Accumulated amortization				
Balance February 2, 2025	188,000	-	188,000	-
Amortization	26,442	-	26,442	-
Balance February 1, 2026	<u>214,442</u>	<u>-</u>	<u>214,442</u>	<u>-</u>
Net book value				
Balance February 1, 2026	<u>70,081</u>	<u>108,200</u>	<u>178,281</u>	<u>801,709</u>
Cost				
Balance January 28, 2024	221,785	108,200	329,985	727,782
Additions	39,121	-	39,121	-
Disposal	(417)	-	(417)	-
Balance February 2, 2025	<u>260,489</u>	<u>108,200</u>	<u>368,689</u>	<u>727,782</u>
Accumulated amortization				
Balance January 28, 2024	162,150	-	162,150	-
Amortization	26,070	-	26,070	-
Disposal	(220)	-	(220)	-
Balance February 2, 2025	<u>188,000</u>	<u>-</u>	<u>188,000</u>	<u>-</u>
Net book value				
Balance February 2, 2025	<u>72,489</u>	<u>108,200</u>	<u>180,689</u>	<u>727,782</u>

⁽¹⁾ Intangible assets with indefinite lives are not subject to amortization.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

11 Equity-accounted investments

a) Investment in joint arrangements

On June 11, 2024, the Corporation acquired an additional 10.0% equity interest (the “Dollarcity Transaction”) in CARS, thereby increasing its equity interest from 50.1% to 60.1%. The transaction also involved the establishment of ICM, in which the Corporation holds a 80.05% indirect equity interest, as the parent company of the entities established for the expansion of the operations of Dollarcity in Mexico.

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

The following table reconciles the carrying amount of the equity-accounted investments for the fiscal years ended on the dates indicated below:

	CARS	
	February 1, 2026	February 2, 2025
	\$	\$
Balance, beginning of year	1,131,650	319,353
Acquisition cost	-	680,916
Transaction cost	-	5,402
Net investment	7,190	4,419
Share of net earnings ⁽¹⁾	204,557	129,905
Share of other comprehensive income (loss) ⁽¹⁾	31,586	(23,480)
Distributions	(51,934)	(54,620)
Foreign currency translation adjustments	(76,091)	69,755
Balance, end of year	1,246,958	1,131,650

⁽¹⁾ The Corporation’s share of net earnings and other comprehensive income (loss) of CARS was 50.1% for the period from January 1, 2024 to June 10, 2024 and 60.1% for the period from June 11, 2024 to December 31, 2024.

	ICM	
	February 1, 2026	February 2, 2025
	\$	\$
Balance, beginning of year	-	-
Capital contribution	49,960	-
Share of net loss	(13,021)	-
Share of other comprehensive income	1,887	-
Foreign currency translation adjustments	(679)	-
Balance, end of year	38,147	-

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

11 Equity-accounted investments (cont'd)

The summarised financial information disclosed reflects the amounts presented in the financial statements of CARS and ICM, amended to reflect adjustments made by the Corporation when using the equity method, including fair value adjustments and modifications for differences in accounting policy, and reconciles this information to the carrying amount of the Corporation's equity-accounted investments on the dates indicated below:

	CARS	
	December 31, 2025	December 31, 2024
	\$	\$
Summarised Consolidated Statement of Financial Position		
Cash and cash equivalents	154,822	195,306
Other current assets	672,397	427,890
Non-current assets	1,217,802	1,017,918
Total assets	2,045,021	1,641,114
Current financial liabilities, excluding trade, other payables and provisions	155,253	178,365
Other current liabilities	290,939	336,761
	446,192	515,126
Non-current financial liabilities, excluding trade, other payables and provisions	766,294	569,212
Other non-current liabilities	791	676
Total liabilities	1,213,277	1,085,014
Net assets	831,744	556,100
Dollarama's share in %	60.1%	60.1%
Dollarama's share in CARS' net asset	499,878	334,216
Goodwill and intangible assets with indefinite lives not subject to amortization	747,080	797,434
Carrying amount of equity-accounted investment	1,246,958	1,131,650
Summarised Consolidated Statements of Net Earnings		
Sales	2,122,125	1,753,232
Net earnings	340,361	234,063
Other comprehensive income (loss)	52,556	(40,644)
Total comprehensive income	392,917	193,419
Share of net earnings ⁽¹⁾	204,557	129,905
Share of other comprehensive income (loss) ⁽¹⁾	31,586	(23,480)
Share of total comprehensive income	236,143	106,425

⁽¹⁾ The Corporation's share of net earnings and other comprehensive income (loss) of CARS was 50.1% for the period from January 1, 2024 to June 10, 2024 and 60.1% for the period from June 11, 2024 to December 31, 2024.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

11 Equity-accounted investments (cont'd)

	ICM	
	December 31, 2025	December 31, 2024
	\$	\$
Summarised Consolidated Statement of Financial Position		
Cash and cash equivalents	3,427	-
Other current assets	45,609	-
Non-current assets	53,569	-
Total assets	102,605	-
Current financial liabilities, excluding trade, other payables and provisions	569	-
Other current liabilities	46,308	-
	46,877	-
Non-current financial liabilities, excluding trade, other payables and provisions	8,074	-
Other non-current liabilities	-	-
Total liabilities	54,951	-
Net assets	47,654	-
Dollarama's share in %	80.05%	-
Dollarama's share in ICM's net asset	38,147	-
Goodwill and intangible assets with indefinite lives not subject to amortization	-	-
Carrying amount of equity-accounted investment	38,147	-
Summarised Consolidated Statements of Net Earnings		
Sales	6,785	-
Net loss	(16,266)	-
Other comprehensive income	2,357	-
Total comprehensive loss	(13,909)	-
Share of net loss	(13,021)	-
Share of other comprehensive income	1,887	-
Share of total comprehensive loss	(11,134)	-

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

11 Equity-accounted investments (cont'd)

b) Derivative on equity-accounted investments

In connection with the Dollarcity Transaction, the Corporation secured an option (the "Call Option") to acquire, at any time on or before December 31, 2027, an additional 9.89% equity interest in CARS and a corresponding 4.945% equity interest in ICM. The Call Option is measured at fair value through profit or loss ("FVTPL") and is classified as a level 3 instrument. The fair value of the option was determined using the Monte Carlo Simulation model.

The following table reconciles the fair value of the Call Option for the fiscal years ended on the dates indicated below:

	February 1, 2026 \$	February 2, 2025 \$
Balance, beginning of period	85,356	-
Initial fair value	-	80,765
Unrealized gain	10,348	-
Foreign currency translation adjustments	(5,858)	4,591
Balance, end of period	89,846	85,356

12 Accounts payable and accrued liabilities

	February 1, 2026 \$	February 2, 2025 \$
Trade accounts payable	126,761	117,414
Employee benefits payable	128,551	100,810
Inventories in transit	49,692	44,676
Sales tax payable	22,245	4,004
Rent and other expenses	134,517	87,996
	461,766	354,900

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

13 Debt

	February 1, 2026	February 2, 2025
	\$	\$
Long-term debt outstanding consists of the following as at:		
Senior unsecured fixed rate notes (the "Fixed Rate Notes") bearing interest at: Fixed annual rate of 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
Unamortized debt issue costs, including \$1,300 (February 2, 2025 – \$1,219) for the Credit Agreement (as hereinafter defined)	(7,992)	(7,092)
Accrued interest on the Fixed Rate Notes	20,837	22,330
Long-term financing arrangements	3,465	5,080
Fair value hedge – basis adjustment on interest rate swap	8,811	12,361
	<u>2,625,121</u>	<u>2,282,679</u>
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)	<u>(398,275)</u>	<u>(273,771)</u>
	<u>2,226,846</u>	<u>2,008,908</u>

The table below provides the carrying values and fair values of the Fixed Rate Notes as at February 1, 2026 and February 2, 2025. The fair values of the Fixed Rate Notes were determined as a level 2 in the fair value hierarchy.

	February 1, 2026		February 2, 2025	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Fixed Rate Notes				
3.850% Fixed Rate Notes	600,319	607,116	-	-
5.165% Fixed Rate Notes	454,823	478,751	454,771	480,443
2.443% Fixed Rate Notes	374,860	365,606	374,646	359,258
5.533% Fixed Rate Notes	507,544	528,830	507,822	534,915
1.505% Fixed Rate Notes	301,257	294,495	301,029	287,922
1.871% Fixed Rate Notes	375,342	374,048	375,018	368,996
5.084% Fixed Rate Notes	-	-	253,171	253,220
	<u>2,614,145</u>	<u>2,648,846</u>	<u>2,266,457</u>	<u>2,284,754</u>

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

13 Debt (cont'd)

Fixed Rate Notes

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 \$600,000 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.

Credit Agreement

On June 27, 2025, the Corporation entered into a Fourth Amended and Restated Credit Agreement with the lenders parties thereto in order to, among other things, (i) extend the terms of its revolving credit facilities such that the term of Facility A, in the amount of \$250,000, was extended from June 28, 2029 to June 27, 2030, the term of Facility B, in the amount of \$450,000, was extended from June 28, 2027 to June 27, 2028, the term of Facility C, in the amount of \$50,000, was extended from June 28, 2027 to June 27, 2028, and the term of Facility D, in the amount of \$300,000, was extended from June 27, 2025 to June 26, 2026, and (ii) permit drawings under this agreement in Australian dollars with interest thereon calculated on the basis of the prevailing Australian Bank Bill Swap Reference Rate (plus the applicable margin).

On December 22, 2025, the Corporation and Dollarama Australia entered into a Fifth Amended and Restated Credit Agreement (the "Credit Agreement") with the lenders parties thereto in order to, among other things (i) include a new Facility E, maturing on December 22, 2026, in the amount of A\$75,000 (\$71,093) and (ii) add Dollarama Australia as a borrower for the purposes of Facility E. Concurrently with the effectiveness of the Credit Agreement, Dollarama Australia made a drawdown under Facility E, the proceeds of which were used to fully repay its existing Australian credit facilities.

Under the Credit Agreement, the Corporation may, under certain circumstances and subject to receipt of additional commitments from existing lenders or other eligible institutions, request increases of the facilities (other than Facility E) up to an aggregate amount, together with all then-existing commitments (excluding the Facility E commitments), of \$1,500,000. The Credit Agreement 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 under the Credit Agreement, except for Facility E where drawdown is limited to Australian dollars.

The Credit Agreement is guaranteed by Dollarama L.P. and Dollarama GP Inc. (collectively, with the Corporation and Dollarama Australia, the "Credit Parties"). The Corporation and Dollarama Australia are solidarily (jointly and severally) liable for their respective obligations under the Credit Agreement. The Credit Agreement 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 Credit Agreement also limits the ability of the Credit Parties, 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.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

13 Debt (cont'd)

As at February 1, 2026 and February 2, 2025, no amount was outstanding under the Credit Agreement and \$1,118,751 (February 2, 2025 – \$1,048,627) was available under the Credit Agreement, including letters of credit issued for the purchase of inventories which amounted to \$2,342 (February 2, 2025 – \$1,373). As at February 1, 2026, the Corporation was in compliance with all of its financial covenants under the Credit Agreement.

U.S. Commercial Paper Program

Under the terms of its U.S. commercial paper program (the “U.S. 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 U.S. Commercial Paper Program may not exceed US\$700,000. The Corporation uses derivative financial instruments to convert the net proceeds from the issuance of USCP Notes into Canadian dollars and uses those proceeds for general corporate purposes.

The USCP Notes are direct unsecured obligations of the Corporation and rank equally and *pari passu* with all of its other unsecured and unsubordinated indebtedness. The USCP Notes are unconditionally guaranteed by Dollarama L.P. and Dollarama GP Inc., each a wholly-owned subsidiary of the Corporation. The Corporation’s Credit Agreement serves as a liquidity backstop for the repayment of USCP Notes issued under the U.S. Commercial Paper Program. As at February 1, 2026 and February 2, 2025, no amount was outstanding under the U.S. Commercial Paper Program.

14 Shareholders’ equity

a) Share capital

Normal course issuer bid

On July 3, 2025, the Corporation announced the renewal of its normal course issuer bid (the “2025-2026 NCIB”, and collectively with the 2024-2025 NCIB, the “NCIB”). Pursuant to the 2025-2026 NCIB, the Corporation may repurchase up to 13,865,588 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 2025-2026 NCIB will either be cancelled or placed in trust to hedge the Corporation’s exposure in respect of grants made under its performance share unit plan, including to settle the Corporation’s obligations under such plan.

During the fiscal years ended on the dates indicated below, shares repurchased for cancellation under the Corporation’s NCIB programs were as follows:

Dollarama Inc.

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

14 Shareholders' equity (cont'd)

	<u>February 1, 2026</u>	<u>February 2, 2025</u>
Number of common shares repurchased and cancelled under the NCIB program	4,426,267	8,119,971
Cash consideration paid, allocated to:		
Share capital	\$20,134	\$33,742
Retained earnings (Deficit) ⁽¹⁾	<u>\$830,103</u>	<u>\$1,057,166</u>
Total	<u>\$850,237</u>	<u>\$1,090,908</u>

⁽¹⁾ For the year ended February 1, 2026, the Corporation incurred \$16,019 (February 2, 2025 – \$22,694) related to the tax on share repurchases, which \$16,019 (February 2, 2025 – \$20,196) is included in Income taxes payable. During the fiscal year ended February 1, 2026, \$20,196 was paid related to the tax on share repurchases (February 2, 2025 – \$2,498).

During the fiscal years ended on the dates indicated below, shares repurchased under the Corporation's NCIB programs and held under the employee benefit plan trust to hedge the Corporation's exposure in respect of PSU grants were as follows:

	<u>February 1, 2026</u>		<u>February 2, 2025</u>	
	<u>Number of common shares</u>	<u>Amount (\$)</u>	<u>Number of common shares</u>	<u>Amount (\$)</u>
Balance – beginning of year	143,699	20,000	-	-
Treasury shares acquired, net of dividends	54,923	9,970	143,699	20,000
Treasury shares settled	-	-	-	-
Balance – end of year	<u>198,622</u>	<u>29,970</u>	<u>143,699</u>	<u>20,000</u>

The employee benefit plan trust is considered a structured entity and is consolidated in the Corporation's financial statements.

b) Common shares authorized

The Corporation is authorized to issue an unlimited number of common shares. All common shares are issued as fully paid and without par value. Movements in the Corporation's share capital for fiscal years ended on the dates indicated below were as follows:

	<u>February 1, 2026</u>		<u>February 2, 2025</u>	
	<u>Number of common shares</u>	<u>Amount (\$)</u>	<u>Number of common shares</u>	<u>Amount (\$)</u>
Balance – beginning of year	277,177,329	1,275,702	278,760,573	523,125
Cancellation under NCIB	(4,426,267)	(20,134)	(8,119,971)	(33,742)
Issuance of common shares	<u>178,320</u>	<u>11,182</u>	<u>6,536,727</u>	<u>786,319</u>
Balance – end of year	<u>272,929,382</u>	<u>1,266,750</u>	<u>277,177,329</u>	<u>1,275,702</u>

Dollarama Inc.

Notes to Consolidated Financial Statements

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14 Shareholders' equity (cont'd)

c) Accumulated other comprehensive income

The following table reconciles the components of accumulated other comprehensive income for the fiscal years ended on the dates indicated below:

	February 1, 2026	February 2, 2025
	\$	\$
Accumulated other comprehensive income – beginning of year	106,139	34,731
Net change in fair value of foreign exchange forward contracts subject to basis adjustments	(48,470)	50,582
Amortization of net gains on bond forward contracts not subject to basis adjustments	(4,735)	(4,826)
Foreign currency translation adjustments	(70,225)	76,436
Share of other comprehensive income (loss) of equity-accounted investments	33,473	(23,480)
Income tax expense (recovery) thereon	14,264	(12,403)
Total other comprehensive income (loss), net of income taxes	(75,693)	86,309
Transfer of realized cash flow hedge losses (gains) to inventory	3,035	(20,266)
Income tax expense (recovery) thereon	(803)	5,365
Accumulated other comprehensive income – end of year	32,678	106,139

d) Dividends

The table below outlines the dividends recognized as distributions to holders of common shares in the consolidated statement of changes in shareholders' equity during each quarter of the fiscal years ended February 1, 2026 and February 2, 2025.

For the quarters ended	May 4, 2025	August 3, 2025	November 2, 2025	February 1, 2026
Dividend declared	\$29,330	\$29,327	\$28,981	\$28,941
Dividend per common share	\$0.1058	\$0.1058	\$0.1058	\$0.1058
Declaration date	April 2, 2025	June 10, 2025	August 26, 2025	December 10, 2025
Payment date	May 9, 2025	August 8, 2025	November 7, 2025	February 6, 2026
For the quarters ended	April 28, 2024	July 28, 2024	October 27, 2024	February 2, 2025
Dividend declared	\$25,640	\$25,949	\$25,828	\$25,558
Dividend per common share	\$0.0920	\$0.0920	\$0.0920	\$0.0920
Declaration date	April 3, 2024	June 11, 2024	September 10, 2024	December 3, 2024
Payment date	May 3, 2024	August 2, 2024	November 1, 2024	February 7, 2025

Dollarama Inc.

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15 Share-based compensation

a) Performance share units

During the fiscal year ended February 1, 2026, the Corporation recognized a share-based compensation expense for PSUs of \$10,121 (February 2, 2025 – \$9,934). Outstanding PSUs for the fiscal years ended on the dates indicated below are as follows:

	<u>February 1, 2026</u>	<u>February 2, 2025</u>
Outstanding – beginning of year	185,080	222,229
Granted	41,177	55,059
Settled	(67,185)	(87,847)
Forfeited	(236)	(4,361)
Outstanding – end of year	<u>158,836</u>	<u>185,080</u>

b) Share options

During the fiscal year ended February 1, 2026, the Corporation recognized a share-based compensation expense for share options of \$5,902 (February 2, 2025 – \$5,573). The following table reconciles the outstanding share options, together with the exercisable share options, for the fiscal years ended on the dates indicated below:

	<u>February 1, 2026</u>		<u>February 2, 2025</u>	
	<u>Number of share options</u>	<u>Weighted average exercise price (\$)</u>	<u>Number of share options</u>	<u>Weighted average exercise price (\$)</u>
Outstanding – beginning of year	1,776,283	60.92	2,115,097	52.73
Granted	143,872	154.55	166,670	111.69
Exercised	(178,320)	49.57	(476,249)	41.52
Forfeited	(776)	117.60	(29,235)	74.16
Outstanding – end of year	<u>1,741,059</u>	<u>69.79</u>	<u>1,776,283</u>	<u>60.92</u>
Exercisable – end of year	<u>1,179,996</u>	<u>53.86</u>	<u>1,056,815</u>	<u>49.94</u>

Dollarama Inc.

Notes to Consolidated Financial Statements

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15 Share-based compensation (cont'd)

Information relating to share options outstanding and exercisable as at February 1, 2026 is as follows:

Range of exercise prices	Share options outstanding			Share options exercisable		
	Weighted average remaining life (in months)	Number of share options	Weighted average exercise price (\$)	Weighted average remaining life (in months)	Number of share options	Weighted average exercise price (\$)
\$37.36 - \$42.49	37	207,000	38.14	37	207,000	38.14
\$42.50 - \$47.34	52	371,000	46.80	52	371,000	46.80
\$47.35 - \$53.88	27	209,100	51.08	27	209,100	51.08
\$53.89 - \$65.15	62	244,800	56.50	62	181,600	56.50
\$65.16 - \$86.85	80	390,715	77.70	79	175,619	76.93
\$86.86 - \$189.18	103	318,444	129.94	97	35,677	107.86
	64	1,741,059	69.79	52	1,179,996	53.86

The weighted average fair value of the share options granted during the fiscal years ended on the dates indicated below was estimated at the grant date based on the Black-Scholes option pricing model using the following assumptions:

	February 1, 2026	February 2, 2025
Exercise price per share	\$154.55	\$111.69
Dividend yield	0.3%	0.3%
Risk-free interest rate	3.0%	3.6%
Expected life	6.0 years	6.1 years
Expected volatility	23.5%	25.7%
Weighted average fair value of share options estimated at the grant date	\$44.57	\$35.68

The expected life is estimated using the average of the vesting period and the contractual life of the share options. Expected volatility is estimated based on weekly observations of the Corporation's publicly traded share price.

c) Deferred share units

During the fiscal year ended February 1, 2026, the Corporation recognized a share-based compensation expense for DSUs of \$1,507 (February 2, 2025 – \$1,510), which includes the effect of equity derivatives. As at February 1, 2026, the DSU liability amounted to \$36,222 (February 2, 2025 – \$26,934) and the intrinsic value of the liability for vested benefits was \$35,080 (February 2, 2025 – \$25,910). The following table reconciles the outstanding DSUs for the fiscal years ended on the dates indicated below:

	February 1, 2026	February 2, 2025
Outstanding – beginning of year	187,246	174,544
Granted	10,152	12,702
Outstanding – end of year	197,398	187,246

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February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

16 Income taxes

a) Income taxes

	February 1, 2026	February 2, 2025
	\$	\$
Current tax expense	463,583	388,969
Deferred tax recovery	(8,834)	(10,618)
Income taxes	454,749	378,351

During the fiscal year ended February 1, 2026, the current income tax expense related to Pillar Two amounted to \$27,229 (February 2, 2025 – nil), which is recorded in Non-current provisions and other liabilities in the Consolidated Statements of Financial Position.

The effective income tax rates are different from the combined Canadian federal and provincial statutory income tax rates. The consolidated statements of net earnings and comprehensive income contain items that are non-taxable or non-deductible for income tax purposes, which cause the income tax expense to differ from what it would have been if based on statutory tax rates. The following table presents the reconciliation of the effective income tax rate to the income tax expense calculated at statutory tax rates for the fiscal years ended on the dates indicated below:

	February 1, 2026	February 2, 2025
	\$	\$
Combined statutory Canadian federal and provincial tax rates	26.5%	26.5%
Increase (decrease) in the income tax rate resulting from:		
Permanent differences	(2.9%)	(2.1%)
Pillar Two	1.5%	-
Licensing revenue and other	0.7%	0.1%
Effective income tax rate	25.8%	24.5%

The income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full fiscal year.

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Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

16 Income taxes (cont'd)

b) Deferred income tax

Deferred income taxes reflect the net tax impact of temporary differences between the value of assets and liabilities for accounting and tax purposes. The main components of the deferred income tax assets and liabilities were as follows:

	February 1, 2026	February 2, 2025
	\$	\$
Non-deductible reserves	58,521	36,862
Lease obligations	739,561	640,751
Derivative financial instruments	3,494	-
Deferred income tax assets	801,576	677,613
Property, plant and equipment	739,329	658,473
Intangible assets and goodwill	139,260	136,168
Derivative financial instruments	-	5,820
Deferred income tax liabilities	878,589	800,461
	77,013	122,848

Movements in the Corporation's net deferred income tax liabilities for fiscal years ended on the dates indicated below were as follows:

	February 1, 2026	February 2, 2025
	\$	\$
Net deferred income tax liabilities – beginning of year	122,848	127,273
Deferred tax recovery recorded in net earnings	(8,834)	(10,618)
Deferred tax asset recorded from business combination	(21,309)	-
Deferred tax on share-based compensation charged against equity	(2,088)	(1,464)
Deferred tax expense (recovery) recorded in other comprehensive income (loss)	(12,208)	7,657
Foreign currency translation adjustments	(1,396)	-
Net deferred income tax liabilities – end of year	77,013	122,848

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

17 Financial instruments

a) Measurement categories

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for hedged items measured at fair value, whether changes in fair value are recorded in the consolidated statement of net earnings and comprehensive income. Those categories are, for assets, amortized cost, as well as fair value through the consolidated statement of net earnings and comprehensive income and, for liabilities, amortized cost, as well as fair value through the consolidated statement of net earnings and comprehensive income. The following table shows the carrying values of assets and liabilities for each of these categories as at:

	February 1, 2026	February 2, 2025
	\$	\$
Assets		
Amortized cost		
Cash and cash equivalents	331,569	122,685
Accounts receivable	38,500	46,638
Distributions receivable from equity-accounted investments	-	54,620
Total amortized cost	<u>370,069</u>	<u>223,943</u>
Fair value through profit or loss		
Derivative financial instruments ⁽¹⁾	9,734	42,331
Derivatives on equity-accounted investment	89,846	85,356
Total fair value through profit or loss	<u>99,580</u>	<u>127,687</u>
Liabilities		
Amortized cost		
Trade payable and accrued liabilities ⁽²⁾	431,764	344,238
Dividend payable	28,941	25,558
Lease liabilities	2,770,473	2,426,977
Non-current provisions and other liabilities ⁽³⁾	1,399	-
Long-term debt	2,625,121	2,282,679
Total amortized cost	<u>5,857,698</u>	<u>5,079,452</u>
Fair value through profit or loss		
Derivative financial instruments ⁽¹⁾	17,145	-

(1) These derivatives are part of an effective hedging relationship.

(2) Excluding non-contractual accounts payable.

(3) Excluding the income tax payable related to Pillar Two and restoration provision.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

17 Financial instruments (cont'd)

Fair value measurement

The carrying amounts of financial instruments are presented in the consolidated statement of financial position at fair value or amortized cost according to the Corporation's accounting policies. Current financial assets and liabilities, which include cash and cash equivalents, accounts receivable, distributions receivable from equity-accounted investments, accounts payable and accrued liabilities and dividends payable, approximate fair values due to the immediate or short-term maturities of these financial instruments.

The three levels of fair value hierarchy under which the Corporation's financial instruments are valued are the following:

Level 1 – Quoted market prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

b) Derivatives

Foreign exchange forward contracts and interest rate swap contracts are designated as hedging instruments and are recorded at fair value, determined using market prices and other observable inputs. The Corporation has master netting agreements for the vast majority of derivative contracts but no amounts have been netted as at February 1, 2026 or February 2, 2025.

Dollarama Inc.

Notes to Consolidated Financial Statements

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17 Financial instruments (cont'd)

A summary of the aggregate contractual nominal value, weighted average contract rate or interest rate, as applicable, statement of financial position location and estimated fair values of derivative financial instruments as at February 1, 2026 and February 2, 2025 is as follows:

	Contractual nominal value	Weighted average contract rate	Statement of financial position location	Fair value - Asset (Liability) (Level 2) \$	Nature of hedging relationship
As at February 1, 2026					
Hedging instruments for the forecasted U.S. dollar merchandise purchases					
USD Foreign exchange forward contracts	US\$80,000	1.35 CAD/USD	Current assets	815	Cash flow hedge
USD Foreign exchange forward contracts	US\$81,000	1.51 AUD/USD	Current liabilities	(5,871)	Cash flow hedge
USD Foreign exchange forward contracts	US\$530,000	1.37 CAD/USD	Current liabilities	(11,166)	Cash flow hedge
	<u>US\$691,000</u>			<u>(16,222)</u>	
Hedging instruments for the fixed to floating interest rate notes					
CAD Interest rate swap contracts	\$250,000	CORRA	Current assets	8,919	Fair value hedge
CAD Interest rate swap contracts	<u>\$75,000</u>	CORRA	Current liabilities	<u>(108)</u>	Fair value hedge
	<u>\$325,000</u>			<u>8,811</u>	
Total				<u>(7,411)</u>	
As at February 2, 2025					
Hedging instruments for the forecasted U.S. dollar merchandise purchases					
USD Foreign exchange forward contracts	<u>US\$581,000</u>	1.39 CAD/USD	Current assets	<u>29,970</u>	Cash flow hedge
	<u>US\$581,000</u>			<u>29,970</u>	
Hedging instruments for the fixed to floating interest rate notes					
CAD Interest rate swap contracts	<u>\$250,000</u>	CORRA	Current assets	<u>12,361</u>	Fair value hedge
	<u>\$250,000</u>			<u>12,361</u>	
Total				<u>42,331</u>	

Dollarama Inc.

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17 Financial instruments (cont'd)

The foreign currency forwards are denominated in the same currency as the highly probable future inventory purchases, therefore the hedge ratio is 1:1.

For the fiscal year ended February 1, 2026, accumulated fair value gains of \$18,687 (February 2, 2025 – \$17,728) on USD foreign exchange forward contracts recorded in the carrying value of inventory were reclassified from inventory to the cost of sales in the consolidated statement of net earnings and comprehensive income.

Hedge ineffectiveness

The Corporation formally documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedging transactions.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases and hedges of U.S. dollar borrowings, the Corporation or any of its subsidiaries enter into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Corporation therefore performs a qualitative assessment of effectiveness.

For hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecasted transaction changes from what was originally estimated or if there are changes in the credit risk of the Corporation or the counterparty. For hedges of U.S. dollar borrowings, ineffectiveness may arise if the terms of the hedging instruments differ from the terms of the hedged item.

c) Exposure and management of risk

The Corporation's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value and cash-flow interest rate risk and price risk), credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Corporation's financial performance. The Corporation uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance department under practices approved by the Board of Directors. This department identifies, evaluates and hedges financial risks based on the requirements of the organization. The Board of Directors provides guidance for overall risk management, covering many areas of risk including but not limited to the management of its currency and interest rate exposure. The Corporation documents the relationship between hedging instruments.

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17 Financial instruments (cont'd)

Market risk: Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign exchange risk arising from differences between the functional currencies of its Canadian and Australian operations and the U.S. dollar, primarily related to merchandise purchases denominated in U.S. dollars.

Foreign exchange forward contracts are entered into in order to manage the currency fluctuation risk associated with forecasted US dollar merchandise purchases sold in stores, as well as the hedges of U.S. dollar borrowings converted into Canadian dollar borrowings under the U.S. Commercial Paper Program. These contracts are purchased for cash flow hedging as part of the Corporation's risk management process and are designated as the hedging item of highly probable future purchases of merchandise and USCP notes (the "hedged item"). Under the Corporation's policy, the critical terms of the forward contracts must align with the hedged items.

At each reporting date, the Corporation performs an assessment of effectiveness of its cash flow hedges to ensure that the hedging relationship, between the hedging instrument and the hedged item, remains highly effective.

Foreign exchange forward contracts are designated as hedging instruments and recorded at fair value, determined using market prices and other observable inputs. The Corporation designates its foreign exchange forward contracts as hedges of the variability in highly probable future cash flows attributable to a forecasted transaction (cash flow hedges) or as hedges of U.S. dollar borrowings under the U.S. Commercial Paper Program (cash flow hedges). The fair value of these contracts is determined using the forward exchange rates at the measurement date, with the resulting value discounted back to present values, or using other valuation techniques.

For the fiscal year ended February 1, 2026, accumulated fair value losses of \$3,035 (February 2, 2025 – gains of \$20,266) on foreign exchange forward contracts were reclassified from accumulated other comprehensive income to the carrying value of inventory.

Accumulated fair value gains or losses are recorded in inventory prior to being reclassified in the cost of sales. As a result, adjustments to the consolidated statement of cash flows are made through changes in non-cash working capital.

As at February 1, 2026 and February 2, 2025, a variation of 10% in the functional currency of the Corporation's operations against the USD on monetary accounts denominated in USD would, all other variables constant, have an approximate favorable/unfavorable impact of approximately \$680 and \$1,465 on net earnings, respectively.

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17 Financial instruments (cont'd)

Market risk: Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's interest rate risk arises from long-term debt and short-term borrowings. Long-term debt and short-term borrowings issued at variable rates exposes the Corporation to cash flow interest rate risk, whereas long-term debt issued at fixed rates exposes the Corporation to fair value interest rate risk.

The Corporation uses variable rate debt from time to time to finance a portion of its operations and capital expenditures. These obligations expose the Corporation to variability in interest payments due to changes in interest rates.

On a quarterly basis, the Corporation reviews its exposure to interest rate risk to determine its optimal allocation between fixed rate and variable rate debt. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Corporation calculates the impact on earnings of a defined interest rate shift.

As at February 1, 2026, 100% (February 2, 2025 – 100%) of the Corporation's long-term debt carried a fixed interest rate and none (February 1, 2026– none) carried a variable interest rate.

The Corporation also uses interest rate swap contracts to mitigate the risk associated with changes in the fair value of various Fixed Rates Notes due to changes in interest rates. These derivative financial instruments are used for risk management purposes and are designated as fair value hedges. Under these 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. An analysis by maturities is provided in Note 16 e).

As at February 1, 2026, a variation of 100 basis points of the CORRA rate would, all other variables constant, have a favorable/unfavorable impact of approximately \$2,389 on net earnings (February 2, 2025 – \$1,838).

Market risk: Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Corporation uses equity derivatives to economically hedge a portion of the price risk on the DSU plan as the recorded amounts of the related liabilities fluctuate with the fair value of the Corporation's shares. These derivatives are not designated as hedging instruments for accounting purposes with change in fair value recorded as part of general, administrative and store operating expenses in the consolidated statements of net earnings and comprehensive income. These derivatives are settled every reporting period.

Credit risk

Credit risk is the risk of an unexpected loss if a third party fails to meet its contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist of cash and cash equivalents, accounts receivable, distributions receivable from equity-accounted investments and derivative contracts. The Corporation offsets the credit risk by depositing its cash and cash equivalents with major financial institutions whom have been assigned high credit ratings by internationally recognized credit rating agencies.

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17 Financial instruments (cont'd)

The Corporation is exposed to credit risk on receivables from landlords for tenant allowances, trade receivables from third parties, distributions receivable and other receivables from equity-accounted investments. In order to mitigate this risk, the Corporation monitors credit risk and may retain offsetting payments until accounts receivable are fully satisfied.

For purposes of testing the impairment of financial assets, the Corporation applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit loss allowance recorded for accounts receivable was not significant as at February 1, 2026 and February 2, 2025.

The Corporation only enters into derivative contracts with major financial institutions that have investment grade credit ratings for the purchase of USD forward and interest rate swap contracts, as described above.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation mitigates liquidity risk through continuous monitoring of its debt which is guaranteed by Dollarama L.P. and Dollarama GP Inc.

The Corporation's objective is to maintain sufficient liquidity to meet its financial liabilities as they become due and remain compliant with financial and non-financial covenants under the Credit Agreement and under the trust indenture governing the Fixed Rate Notes. The Corporation manages liquidity risk through various means, including monitoring cash balances and planned cash flows generated from operations and used for investing in capital assets.

As at February 1, 2026, the Corporation had Fixed Rate Notes outstanding for an aggregate principal amount of \$2,600,000 (February 2, 2025 – \$2,250,000) and had authorized and available credit in the amount of \$1,118,751 under the Credit Agreement (February 2, 2025 – \$1,048,627), of which no amount was reserved to serve as a backstop for outstanding amounts under the U.S. Commercial Paper Program (refer to Note 13).

Management estimates that, as at February 1, 2026 and February 2, 2025, the average time to maturity of the Corporation's committed debt portfolio, which consists of the Fixed Rate Notes, amounts drawn on the Credit Agreement and the USCP Notes, was 3.1 years and 3.3 years, respectively.

Dollarama Inc.

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17 Financial instruments (cont'd)

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 February 1, 2026. Trade payable and accrued liabilities exclude liabilities that are not contractual (such as income tax liabilities that are created as a result of statutory requirements imposed by governments).

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Over 5 years \$	Total \$
Trade payable and accrued liabilities	431,764	-	-	-	431,764
Dividend payable	28,941	-	-	-	28,941
Lease liabilities ⁽¹⁾	84,400	307,583	1,432,057	1,460,389	3,284,429
Non-current provisions and other liabilities ⁽²⁾	-	-	248	1,151	1,399
Long-term financing arrangements	-	1,864	1,863	-	3,727
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
Interest payments on:					
3.850% Fixed Rate Notes	-	23,100	92,400	-	115,500
5.165% Fixed Rate Notes	11,621	11,621	81,349	-	104,591
2.443% Fixed Rate Notes	-	9,161	22,903	-	32,064
5.533% Fixed Rate Notes	13,833	13,833	55,329	-	82,995
1.505% Fixed Rate Notes	2,258	2,258	4,514	-	9,030
1.871% Fixed Rate Notes	-	3,508	-	-	3,508
	<u>572,817</u>	<u>747,928</u>	<u>3,915,663</u>	<u>1,461,540</u>	<u>6,697,948</u>

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

⁽²⁾ Represent employee entitlement.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

17 Financial instruments (cont'd)

d) Capital management

The Corporation's capital structure consists of common shares, the Fixed Rate Notes, the Credit Agreement, the USCP Notes, share options, equity and accumulated other comprehensive income. The Corporation manages its capital structure and makes changes pursuant to economic conditions and conditions related to its assets.

The Corporation monitors capital using a number of financial metrics, including but not limited to the leverage ratio, defined as adjusted net debt (sum of long-term debt and lease liabilities, less cash and cash equivalents, adjusted for unamortized debt issue costs and basis adjustment on interest rate swap) over consolidated EBITDA (earnings before interest, taxes, depreciation and amortization).

The Corporation's objectives when managing capital are to:

- provide a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
- maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations; and
- ensure sufficient liquidity to pursue its growth strategy.

In managing its capital structure, the Corporation monitors performance throughout the year to ensure working capital requirements are funded from operations, available cash on deposit and, where applicable, bank borrowings, USCP Notes and bond issuances. The Corporation manages its capital structure and may make adjustments to it in order to support the broader corporate strategy or in response to changes in economic conditions and risk. In order to maintain or adjust its capital structure, the Corporation may: issue shares or new debt; reduce the amount of existing debt; repurchase shares for cancellation under a normal course issuer bid; and adjust the amount of dividends paid to shareholders.

The Corporation is subject to financial covenants under the Credit Agreement and the trust indenture governing the Fixed Rate Notes, which are measured on a quarterly basis. These covenants include a leverage ratio and an interest coverage ratio. As at February 1, 2026, the Corporation was in compliance with all such covenants.

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

18 Earnings per common share

a) Basic

Basic earnings per common share is calculated by dividing the profit attributable to shareholders of the Corporation by the weighted average number of common shares outstanding during the year.

	February 1, 2026	February 2, 2025
Net earnings attributable to shareholders of the Corporation	\$1,309,438	\$1,168,545
Weighted average number of common shares outstanding during the year (thousands)	275,611	279,825
Basic net earnings per common share	\$4.75	\$4.18

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. For the share options, the Corporation's only category of dilutive potential common shares, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Corporation's shares) based on the exercise price of outstanding share options. The number of shares as calculated above is then compared with the number of shares that would have been issued assuming the exercise of the share options, plus any unrecognized compensation costs.

	February 1, 2026	February 2, 2025
Net earnings attributable to shareholders of the Corporation	\$1,309,438	\$1,168,545
Weighted average number of common shares outstanding during the year (thousands)	275,611	279,825
Dilutive effect of share options (thousands)	1,073	994
Diluted weighted average number of common shares outstanding (thousands)	276,684	280,819
Diluted net earnings per common share	\$4.73	\$4.16

As at February 1, 2026, 143,590 share options (February 2, 2025 – 161,061) have an anti-dilutive effect since the average market price of the underlying shares was lower than the sum of the exercise price and the unearned share-based compensation of those share options under the treasury stock method.

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

19 Related party transactions

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

As at February 1, 2026, the Corporation leased 16 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 February 1, 2026, the outstanding balance of lease liabilities owed to entities related to the Corporation's Chief Executive Officer totalled \$257,430 (February 2, 2025 – \$271,824). During the fiscal year ended February 1, 2026, the Corporation expensed \$6,396 (February 2, 2025 – \$6,027), of lease payments charged from entities related to the Corporation's Chief Executive Officer.

b) Dollarcity

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

Under the terms of the Stockholders Agreement, Dollarcity's founding stockholders have a put right pursuant to which they can require, in certain circumstances, that Dollarama International purchase shares of CARS held by them and their corresponding proportionate interest in ICM at fair market value. This right may be exercised in the ordinary course by Dollarcity's founding stockholders during specified periods, subject to certain transaction size thresholds, required ownership thresholds and freeze and notice periods, among other conditions and restrictions. 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. The Stockholders Agreement, as amended in connection with the Dollarcity Transaction, also includes drag-along and tag-along rights in respect of CARS and ICM. The put right can, prior to February 4, 2027, be exercised for up to 14.9% of all outstanding shares of CARS and their corresponding proportionate interests in ICM. As at February 1, 2026, Dollarama International, a wholly-owned subsidiary of the Corporation, held a 60.1% equity interest in CARS and a 80.05% equity interest in ICM.

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 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. Sales to Dollarcity that were shipped directly from the Corporation's warehouses, as well as the net consideration received for transactions 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 year ended February 1, 2026, the Corporation entered into a licensing agreement with respect to the expansion of the business in Mexico for a total amount of US\$33,000 (\$45,000).

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

19 Related party transactions (cont'd)

The carrying values of assets and liabilities resulting from transactions entered into with Dollarcity in connection with the aforementioned agreements for fiscal years ended on the dates indicated below are as follows:

	February 1, 2026	February 2, 2025
	\$	\$
Included in the Consolidated Statements of Financial Position		
Accounts receivable	26,471	39,251
Distributions receivable from equity-accounted investments	-	54,620
Accounts payable and accrued liabilities	10,862	8,316

Transactions entered into with Dollarcity in connection with the aforementioned agreements during the fiscal years ended on the dates indicated below are as follows:

	February 1, 2026	February 2, 2025
	\$	\$
Included in the Consolidated Statements of Net Earnings and Comprehensive Income		
Sales ⁽¹⁾	22,023	16,357

⁽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.

c) Compensation of key management and directors

The Corporation considers key management to be the members of the Board of Directors, the Chief Executive Officer and the executive team that have the authority and responsibility for planning, directing and controlling the activities of the Corporation. The remuneration expensed for members of key management as well as share-based payments during the fiscal years ended on the dates indicated below are as follows:

	February 1, 2026	February 2, 2025
	\$	\$
Short-term benefits	11,513	11,321
Defined contribution pension plan	98	86
Share-based payments	20,960	11,477
	32,571	22,884

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

20 Expenses by nature included in the consolidated statements of net earnings and comprehensive income

	February 1, 2026	February 2, 2025
	\$	\$
Cost of sales		
Cost of goods sold, labour, transport and other costs	3,732,547	3,303,535
Occupancy costs	223,576	187,518
Depreciation of property, plant and equipment and right-of-use assets relating to the warehouses, distribution centre and logistics hubs	30,966	28,346
Total cost of sales	<u>3,987,089</u>	<u>3,519,399</u>
Depreciation and amortization		
Depreciation of property, plant and equipment and right-of-use assets	402,611	356,735
Amortization of intangible assets	26,442	26,070
Total depreciation and amortization	<u>429,053</u>	<u>382,805</u>
Employee benefits		
Remuneration for services rendered	837,969	729,118
Post-employment benefits	37,473	35,584
Share-based compensation	16,023	15,507
Defined contribution pension plan	16,528	8,730
Total employee benefit expense	<u>907,993</u>	<u>788,939</u>
Net financing cost		
Interest expense on long-term debt and long-term financing arrangements	92,531	87,489
Interest expense on lease liabilities	99,087	86,730
Interest expense on short-term borrowing	12,500	13,235
Banking fees and other interest expense	5,572	4,801
Interest revenue	(25,670)	(28,473)
Total net financing cost	<u>184,020</u>	<u>163,782</u>

Dollarama Inc.

Notes to Consolidated Financial Statements

February 1, 2026 and February 2, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)

21 Segment Information

Following the completion of the TRS Transaction, the Corporation manages its operations on the basis of two reportable segments, Canada and Australia, consistent with the internal reporting provided to the CODM. The following summary describes the operations of each of the Corporation's reportable segments:

- The Canadian segment includes the retail operations of the store network in Canada, offering a broad assortment of general merchandise, consumable products and seasonal items at fixed price points up to \$5.00. It also includes retail operations in Latin America through the equity-accounted investments in CARS and ICM.
- The Australian segment includes the retail operations of the store network of Dollarama Australia, 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.

Transactions among reportable segments are established at fair value, being the amount of consideration established at market terms. For the fiscal year ended February 1, 2026, the Corporation entered into inter-segment transactions between the Canadian and Australian segment for the recharges of certain support functions benefiting the Australian segment. The incremental profits resulting from these inter-segment transactions amounted to \$143 (February 2, 2025 – nil) and are eliminated within the respective segments.

The following table summarizes selected measures of assets and liabilities by reportable segment as at February 1, 2026:

	Canada	Australia	Total
	\$	\$	\$
Non-current assets ⁽¹⁾	5,555,467	365,336	5,920,803
Total assets	7,010,928	547,424	7,558,352
Total liabilities	5,778,813	323,651	6,102,464

⁽¹⁾ Excludes financial instruments and deferred income tax assets.

The following table summarizes selected financial performance measures by reportable segment as at February 1, 2026:

	Canada	Australia ⁽¹⁾	Total
	\$	\$	\$
Sales	6,800,927	454,827	7,255,754
Cost of sales ⁽²⁾	3,698,768	288,321	3,987,089
Gross profit	3,102,159	166,506	3,268,665
General, administrative and store operating expenses	980,909	112,380	1,093,289
Depreciation and amortization	380,608	48,445	429,053
Share of net earnings of equity-accounted investments	(191,536)	-	(191,536)
Operating income	1,932,178	5,681	1,937,859
Unrealized gain from derivative on equity-accounted investments	(10,348)	-	(10,348)
Net financing costs	177,967	6,053	184,020
Income taxes	454,876	(127)	454,749
Net earnings (loss)	1,309,683	(245)	1,309,438

⁽¹⁾ Representing results from July 22, 2025, following the completion of the TRS Transaction by the Corporation on July 21, 2025.

⁽²⁾ For the fiscal year ended February 1, 2026, cost of sales included depreciation and amortization for the Canadian and Australian segments of \$26,678 and \$4,288, respectively.

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

22 Details of statement of cash flows

a) Changes in non-cash working capital

The changes in non-cash working capital components for the fiscal years ended on the dates indicated below are as follows:

	February 1, 2026	February 2, 2025
	\$	\$
Accounts receivable	(255)	(12,495)
Prepaid expenses	(21,931)	(242)
Inventories	(54,278)	(4,283)
Accounts payable and accrued liabilities	37,855	(10,343)
Income taxes payable	(17,265)	20,611
	<u>(55,874)</u>	<u>(6,752)</u>
Net cash paid for income taxes	468,891	391,052

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

b) Financing activities

Changes in liabilities arising from financing activities comprise the following:

	February 1, 2026			February 2, 2025		
	Short-term borrowings	Long-term debt	Lease liabilities	Short-term borrowings	Long-term debt	Lease liabilities
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	2,282,679	2,426,977	-	2,264,394	2,069,229
Non-cash changes:						
Amortization of debt issue costs	-	2,684	-	-	2,437	-
Financing costs	12,500	92,531	99,087	13,235	87,489	86,730
Long-term financing arrangements	-	-	-	-	8,499	-
Other	-	(3,550)	-	-	10,378	-
Net increase in lease liabilities	-	-	397,418	-	-	588,847
increase in lease liabilities from business combination	-	-	237,324	-	-	-
Cash changes:						
Repayments of short-term borrowings	-	-	-	-	-	-
Issuance of long-term debt	-	600,000	-	-	-	-
Repayments of long-term debt	-	(250,000)	-	-	-	-
Payment of interest on long-term debt	-	(93,775)	-	-	(86,280)	-
Payment of debt issue costs	-	(3,584)	-	-	(480)	-
Payment on long-term financing arrangements	-	(1,864)	-	-	(3,758)	-
Payment of interest on short-term borrowings	(12,500)	-	-	(13,235)	-	-
Net payment of lease liabilities	-	-	(390,333)	-	-	(317,829)
Balance, end of year	<u>-</u>	<u>2,625,121</u>	<u>2,770,473</u>	<u>-</u>	<u>2,282,679</u>	<u>2,426,977</u>

Dollarama Inc.

Notes to Consolidated Financial Statements

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(Expressed in thousands of Canadian dollars, unless otherwise noted)

23 Events after the reporting period

Quarterly cash dividend

On March 24, 2026, the Corporation announced that its Board of Directors approved a 13.4% increase of the quarterly cash dividend for holders of common shares, from \$0.1058 to \$0.1200 per common share. This dividend is payable on May 8, 2026 to shareholders of record at the close of business on April 17, 2026. The dividend is designated as an “eligible dividend” for Canadian tax purposes.

Dollarcity - Dividend and capital contribution

On February 5, 2026, CARS' board of directors approved a cash dividend totaling US\$125,000. Dollarama's share of the dividend corresponded to US\$75,100 (\$102,234), reflecting its 60.1% ownership in CARS, and is expected to be received during the first quarter of fiscal 2027. The dividend will partially be used towards a third capital contribution of US\$38,000 (\$51,729) to ICM towards expansion plans in Mexico, reflecting the Corporation's 80.05% ownership interest in ICM.