



DOLLARAMA INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended February 1, 2026

March 24, 2026

The following management's discussion and analysis ("MD&A") dated March 24, 2026 is intended to assist readers in understanding the business environment, strategies, performance and risk factors of Dollarama Inc. (together with its consolidated subsidiaries, referred to as "Dollarama", the "Corporation", "we", "us" or "our"). This MD&A provides the reader with a view and analysis, from the perspective of management, of the Corporation's financial results for the fourth quarter and fiscal year ended February 1, 2026. This MD&A should be read in conjunction with the Corporation's audited annual consolidated financial statements and notes for Fiscal 2026 (as hereinafter defined).

Unless otherwise indicated and as hereinafter provided, all financial information in this MD&A as well as the Corporation's audited annual consolidated financial statements for Fiscal 2026 have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook - Accounting under Part I, which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Accounting Periods

All references to "Fiscal 2024" are to the Corporation's fiscal year ended January 28, 2024; to "Fiscal 2025" are to the Corporation's fiscal year ended February 2, 2025; to "Fiscal 2026" are to the Corporation's fiscal year ended February 1, 2026; and to "Fiscal 2027" are to the Corporation's fiscal year ending January 31, 2027.

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

Recent Events and Highlights

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 Mexico Capital Call

On February 5, 2026, subsequent to the end of the period, CARS' (as hereinafter defined) board of directors approved a cash dividend of US\$125.0 million. Dollarama's share corresponded to US\$75.1 million (\$102.2 million), 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\$38.0 million (\$51.7 million) to ICM (as hereinafter defined) for expansion plans in Mexico, reflecting the Corporation's 80.05% ownership interest in ICM.

Credit Agreement

On December 22, 2025, the Corporation and Dollarama Australia Pty Limited ("Dollarama Australia")⁽¹⁾ 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\$75.0 million (\$71.1 million) 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.

Overview

Our Business

Founded in 1992 and headquartered in Montreal, Québec, Canada, Dollarama is a leading Canadian value retailer with operations in Canada and, following the acquisition of The Reject Shop Limited on July 21, 2025 (the "TRS Transaction"), in Australia, and in Latin America through its equity accounted investments in Central American Retail Sourcing, Inc. ("CARS") and Inversiones Comerciales Mexicanas S.A ("ICM", and together with CARS and their respective subsidiaries, the "Dollarcity Group" or "Dollarcity"). In every market where it operates, either directly or indirectly, the Corporation aims to provide compelling value at select low fixed price points and convenient access to a wide assortment of affordable everyday and seasonal merchandise that appeals to a broad customer base. The stores forming the Corporation's network currently operate in Canada under the Dollarama® banner, in Australia under The Reject Shop® banner and in Latin America under the Dollarcity® banner.

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

In Canada, as at February 1, 2026, the Corporation had 1,691 stores, including 75 net new stores opened during Fiscal 2026. Canadian stores average 10,455 square feet and offer a broad assortment of consumable products, general merchandise and seasonal items, including private label and national brand products, all at compelling value. Merchandise is sold in individual or multiple units at select, fixed price points up to \$5.00. All stores are corporately operated, providing a consistent shopping experience, and located in high-traffic metropolitan areas, mid-sized cities and small towns. The Corporation also has partnerships with third-party online delivery platforms offering fast delivery to provide additional convenience to Canadian customers.

In Australia, as at February 1, 2026, the Corporation operated a well-located national store network of 402 stores, including 7 net new stores opened during Fiscal 2026 under the "The Reject Shop" banner (the "TRS banner"). Australian stores average 7,675 square feet and offer 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. Since the completion of the TRS Transaction, the Corporation renovated 4 existing stores based on the Dollarama layout and store fixtures. While new and renovated stores are being designed with the Dollarama layout and fixtures, all stores will continue to operate under the legacy banner until the in-store product assortment better reflects Dollarama's value proposition.

In Latin America, Dollarcity had a total of 732 stores as at December 31, 2025 (compared to 632 as at December 31, 2024), with 415 locations in Colombia, 116 in Guatemala, 105 in Peru, 85 in El Salvador and 11 in Mexico. Dollarcity stores offer a broad assortment of general merchandise, consumable products and seasonal items at select, fixed price points up to US\$4.00 (or the equivalent in local currency). The operations of Dollarcity in Latin America are jointly controlled by Dollarama International Inc. ("Dollarama International") and the Dollarcity founding stockholders, through their respective ownership in CARS and ICM. CARS is a corporation organized under the laws of Panama and the parent company of entities operating stores located in El Salvador, Guatemala, Colombia and Peru, and ICM, also organized under the laws of Panama, is the parent company of entities operating stores located in Mexico. Dollarama International holds a 60.1% interest in CARS and a 80.05% interest in ICM, both accounted for as joint arrangements using the equity method.

⁽¹⁾ Formerly The Reject Shop Limited, Dollarama Australia changed its legal name effective December 25, 2025.

The Corporation has two reportable segments: Canada (which includes the contribution of the Corporation's equity-accounted investments in Latin America) and Australia since the completion of the TRS Transaction. 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	100.0%
Dollarama International Inc.	Canada	U.S. dollar	100.0%
Central American Retail Sourcing Inc.	Panama	U.S. dollar	60.1%
Inversiones Comerciales Mexicanas S.A.	Panama	Mexican pesos	80.05%
Dollarama Australia Pty Limited	Australia	Australian dollar	100.0%

Key Items in the Fourth Quarter of Fiscal 2026

Compared to the fourth quarter of Fiscal 2025 (13 weeks compared to 14 weeks):

- Sales increased by 11.7% to \$2,101.3 million, compared to \$1,881.3 million
- In Canada, Comparable store sales⁽¹⁾, determined on a 13-week basis, increased by 1.5% (or 3.5% excluding the impact of the calendar shift), compared to 4.9% growth in the fourth quarter of the previous year
- EBITDA⁽¹⁾ increased by 6.2% to \$711.5 million, representing an EBITDA margin⁽¹⁾ of 33.9%, compared to 35.6%
- Operating income increased by 4.7% to \$584.4 million, representing an operating margin⁽¹⁾ of 27.8%, compared to 29.7%
- Net earnings increased by 0.4% to \$392.5 million, resulting in a 2.1% increase in diluted net earnings per common share to \$1.43, compared to \$1.40
- 7 net new stores opened in Canada, compared to 15 in the corresponding period of the previous year, and 1 net new store opened in Australia under the TRS banner
- 888,309 common shares repurchased for cancellation for \$174.8 million

Key Items in Fiscal 2026

Compared to Fiscal 2025 (52 weeks compared to 53 weeks):

- Sales increased by 13.1% to \$7,255.8 million, compared to \$6,413.1 million
- In Canada, Comparable store sales, determined on a 52-week basis, increased by 4.2%, compared to 4.6% growth in the previous year
- EBITDA increased by 13.5% to \$2,408.2 million, representing an EBITDA margin of 33.2%, compared to 33.1%
- Operating income increased by 13.3% to \$1,937.9 million, representing an operating margin of 26.7%, unchanged from Fiscal 2025
- Net earnings increased by 12.1% to \$1,309.4 million, resulting in a 13.7% increase in diluted net earnings per common share to \$4.73, compared to \$4.16
- Unrealized gain of \$10.4 million recorded in the first quarter of Fiscal 2026 relating to the derivative on equity-accounted investments, positively impacting EBITDA margin by 20 basis points and diluted net earnings per common share by \$0.03
- 75 net new stores opened in Canada, compared to 65 in the corresponding period of the previous year, and 7 net new stores opened in Australia under the TRS banner since closing of the TRS Transaction
- 4,426,267 common shares repurchased for cancellation for \$834.2 million

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

Fiscal 2026 Performance Compared to Guidance

A summary of the Corporation's actual results against Fiscal 2026 guidance is contained in the Corporation's press release dated March 24, 2026 under the heading "Fiscal 2027 Outlook – Canadian Segment". The press release is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com.

Factors Affecting Results of Operations

Sales

The Corporation recognizes revenue from the sale of products. For stores operating in Canada, all sales are final, and revenue is measured net of sales taxes and discount. For stores operating in Australia, revenue is recorded net of discount, returns and sales taxes. Gift cards sold are recorded as a liability, and revenue is recognized when gift cards are redeemed. Sales consist of Comparable store sales and new store sales as well as sales to third parties.

Comparable store sales represent sales from stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior fiscal year. The primary drivers of Comparable store sales performance are changes in the number of transactions and the average transaction size. To increase Comparable store sales, the Corporation focuses on offering a wide selection of quality merchandise at attractive values in well-designed, consistent and convenient store formats. As the Corporation continues to evaluate and implement strategies to optimize operations and deploy attributes of the Dollarama business model in Australia over the coming years, the Corporation is not currently presenting Comparable store sales information for this segment.

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

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

Cost of Sales

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

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

Since the Corporation purchases goods in currencies other than the functional currency of the entities conducting its operations in Canada and Australia, primarily by importing merchandise from China in U.S. dollars, fluctuations in the U.S. dollars relative to the functional currency have a direct impact on cost of sales. As a result, cost of sales is impacted indirectly by the fluctuation of the Chinese renminbi against the U.S. dollar and directly by the fluctuation of the U.S. dollar against the functional currency. While we enter into foreign exchange forward contracts to hedge a significant portion of our exposure to fluctuations in the value of the U.S. dollar against the functional currencies (for a period of up to twelve months in advance), we do not hedge our exposure to fluctuations in the value of the Chinese renminbi against the U.S. dollar.

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

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

We strive to maintain a sustainable gross margin, aimed at achieving a healthy balance between maximizing returns to shareholders and offering a compelling value to our customers. The gross margin varies on a quarterly basis as a result of fluctuations in product margins, product mix and/or fluctuations in logistics and transportation costs, among other factors. In Canada, our current target is to refresh approximately 25% to 35% of our offering on an annual basis. In Australia, as we are currently optimizing the assortment to align with Dollarama's value proposition, no refresh target has been established at this time.

General, Administrative and Store Operating Expenses

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

Economic or Industry-Wide Factors Affecting the Corporation

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

Selected Consolidated Financial Information

The following tables set out selected financial information for the periods indicated below:

	13-week period ended	14-week period ended	52-week period ended	53-week period ended	52-week period ended
<i>(dollars and shares in thousands, except per share amounts)</i>	February 1, 2026	February 2, 2025	February 1, 2026	February 2, 2025	January 28, 2024
	\$	\$	\$	\$	\$
Earnings Data					
Sales	2,101,264	1,881,345	7,255,754	6,413,145	5,867,348
Cost of sales	1,145,200	1,000,786	3,987,089	3,519,399	3,253,907
Gross profit	956,064	880,559	3,268,665	2,893,746	2,613,441
SG&A	323,829	276,537	1,093,289	930,168	844,871
Depreciation and amortization	118,307	103,764	429,053	382,805	348,142
Share of net earnings of equity- accounted investments	(70,476)	(58,034)	(191,536)	(129,905)	(75,293)
Operating income	584,404	558,292	1,937,859	1,710,678	1,495,721
Unrealized gain from derivatives on equity-accounted investments	-	-	(10,348)	-	-
Net financing costs	47,924	44,717	184,020	163,782	144,842
Earnings before income taxes	536,480	513,575	1,764,187	1,546,896	1,350,879
Income taxes	144,020	122,621	454,749	378,351	340,419
Net earnings	392,460	390,954	1,309,438	1,168,545	1,010,460
Basic net earnings per common share	\$1.44	\$1.40	\$4.75	\$4.18	\$3.57
Diluted net earnings per common share	\$1.43	\$1.40	\$4.73	\$4.16	\$3.56
Weighted average number of common shares outstanding:					
Basic	273,435	279,118	275,611	279,825	283,074
Diluted	274,534	280,091	276,684	280,819	284,168
Other Consolidated Data					
Year-over-year sales growth	11.7%	14.8%	13.1%	9.3%	16.1%
Gross margin ⁽¹⁾	45.5%	46.8%	45.0%	45.1%	44.5%
SG&A as a % of sales ⁽¹⁾	15.4%	14.7%	15.1%	14.5%	14.4%
EBITDA ⁽¹⁾	711,542	670,104	2,408,226	2,121,829	1,861,166
Operating margin ⁽¹⁾	27.8%	29.7%	26.7%	26.7%	25.5%
Capital expenditures	97,358	93,838	272,781	243,450	278,764
Declared dividends per common share	\$0.1058	\$0.0920	\$0.4232	\$0.3680	\$0.2832

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

<i>(dollars in thousands)</i>	As at		
	February 1, 2026 \$	February 2, 2025 \$	January 28, 2024 \$
Statement of Financial Position Data			
Cash and cash equivalents	331,569	122,685	313,915
Inventories	1,103,175	921,095	916,812
Total current assets	1,521,989	1,201,280	1,309,093
Property, plant and equipment	1,258,499	1,046,390	950,994
Right-of-use assets	2,397,209	2,109,445	1,788,550
Total assets	7,558,352	6,482,592	5,263,607
Total current liabilities	1,348,179	1,014,306	677,846
Total non-current liabilities	4,754,285	4,280,028	4,204,913
Total debt ⁽¹⁾	2,625,121	2,282,679	2,264,394
Net debt ⁽¹⁾	2,293,552	2,159,994	1,950,479
Shareholders' equity	1,455,888	1,188,258	380,848

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

Selected Segmented Financial Information

For Fiscal 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 \$0.1 million (February 2, 2025 – nil) and are eliminated within the respective segments. In Fiscal 2027, the Corporation anticipates to also incur inter-segment transactions for the sale of inventory and the grant of licenses for the benefit of the Australian segment.

<i>(dollars in thousands)</i>	13-week period ended February 1, 2026			52-week period ended February 1, 2026		
	Canada ⁽¹⁾ \$	Australia \$	Total \$	Canada ⁽¹⁾ \$	Australia ⁽²⁾ \$	Total \$
Earnings Data						
Sales	1,858,273	242,991	2,101,264	6,800,927	454,827	7,255,754
Cost of sales ⁽³⁾	992,310	152,890	1,145,200	3,698,768	288,321	3,987,089
Gross profit	865,963	90,101	956,064	3,102,159	166,506	3,268,665
SG&A	268,704	55,125	323,829	980,909	112,380	1,093,289
Depreciation and amortization	98,462	19,845	118,307	380,608	48,445	429,053
Share of net earnings of equity-accounted investments	(70,476)	-	(70,476)	(191,536)	-	(191,536)
Operating income	569,273	15,131	584,404	1,932,178	5,681	1,937,859
Unrealized gain from derivative on equity-accounted investments	-	-	-	(10,348)	-	(10,348)
Net financing costs	45,025	2,899	47,924	177,967	6,053	184,020
Income taxes	140,354	3,666	144,020	454,876	(127)	454,749
Net earnings (loss)	383,894	8,566	392,460	1,309,683	(245)	1,309,438

Other Segmented Data

Comparable store sales growth ⁽⁴⁾	1.5%	- ⁽⁵⁾		4.2%	- ⁽⁵⁾	
EBITDA ⁽⁴⁾	674,429	37,113	711,542	2,349,812	58,414	2,408,226
Capital expenditures	86,043	11,315	97,358	252,648	20,133	272,781
Number of stores ⁽⁶⁾	1,691	402	2,093	1,691	402	2,093
Average store size (gross square feet) ⁽⁶⁾	10,455	7,675		10,455	7,675	

- ⁽¹⁾ The Canadian segment includes the contribution of the Corporation's equity-accounted investments in Latin America.
- ⁽²⁾ Representing results from July 22, 2025, following the closing of the TRS Transaction by the Corporation on July 21, 2025.
- ⁽³⁾ For the 13-week period ended February 1, 2026, Cost of sales included depreciation and amortization for the Canadian and Australian segments of \$6,694 and \$2,137, respectively. For the 52-week period ended February 1, 2026, Cost of sales included depreciation and amortization for the Canadian and Australian segments of \$26,678 and \$4,288, respectively.
- ⁽⁴⁾ Refer to the section entitled "Non-GAAP and Other Financial Measures" of this MD&A for the definition of these items and, where applicable, their reconciliation with the most directly comparable GAAP measure. The EBITDA for the Canadian segment and the EBITDA for the Australian segment are calculated on the same basis as the consolidated EBITDA of the Corporation. Individual amounts for each of the items included in the reconciliation of the Corporation's consolidated EBITDA to the most directly comparable GAAP measure set forth in the section entitled "Non-GAAP and Other Financial Measures" of this MD&A are presented, for each segment, in this Selected Segmented Financial Information table.
- ⁽⁵⁾ As the Corporation continues to evaluate and implement strategies to optimize operations and deploy attributes of the Dollarama business model in Australia over the coming years, the Corporation is not currently presenting Comparable store sales information for this segment.
- ⁽⁶⁾ At the end of the period.

Results of Operations

Fiscal 2026 Fourth Quarter Financial Results

The following section provides an overview of the Corporation's financial performance during the fourth quarter of Fiscal 2026 compared to the fourth quarter of Fiscal 2025.

Sales

Sales for the fourth quarter of Fiscal 2026, which was comprised of 13 weeks, increased by 11.7% to \$2,101.3 million, compared to \$1,881.3 million in the corresponding period of the prior fiscal year, which included 14 weeks. This increase was driven by a \$243.0 million sales contribution from 402 stores in Australia, growth in the total number of stores in Canada over the past 12 months (from 1,616 on February 2, 2025, to 1,691 on February 1, 2026) and Comparable store sales growth in Canada, partially offset by the impact of the 53rd week in the fourth quarter of Fiscal 2025.

Comparable store sales in Canada for the fourth quarter of Fiscal 2026 increased by 1.5%, consisting of a 1.6% decrease in the number of transactions and a 3.1% increase in average transaction size, over and above Comparable store sales growth in Canada of 4.9% for the fourth quarter of Fiscal 2025, as determined on a 13-week basis. Comparable store sales growth was primarily driven by demand for seasonal products, offset by the impact of the calendar shift and unfavourable weather conditions negatively impacting store traffic during historically strong sales weeks. For the fourth quarter of Fiscal 2026, for comparison purposes, the calendar shift resulted in the removal of one week at the beginning of the period which has historically been a strong pre-holiday sales week, and the addition of a week at the end of January which has historically presented lower sales. The fourth quarter of Fiscal 2026 also did not include four pre-Halloween shopping days which were included in the fourth quarter of Fiscal 2025. Excluding the impact of the calendar shift, Comparable stores sales would have increased by 3.5%, including a 0.5% increase in the number of transactions. As the Corporation continues to evaluate and implement strategies to optimize operations and deploy attributes of the Dollarama business model in Australia over the coming years, the Corporation is not currently presenting Comparable store sales information for this segment.

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

Gross Margin

Gross margin was \$956.1 million or 45.5% of sales in the fourth quarter of Fiscal 2026, compared to \$880.6 million or 46.8% of sales in the fourth quarter of Fiscal 2025. The variance as a percentage of sales was primarily driven by a lower gross margin in Australia, representing a negative 110-basis point impact.

SG&A

SG&A for the fourth quarter of Fiscal 2026 increased by 17.1% to \$323.8 million, compared to \$276.5 million for the fourth quarter of Fiscal 2025. SG&A for the fourth quarter of Fiscal 2026 represented 15.4% of sales, compared to 14.7% of sales for the fourth quarter of Fiscal 2025. This increase is primarily attributable to higher SG&A in Australia, representing a negative 90-basis point impact, partially offset by the positive impact of scaling in Canada.

EBITDA

EBITDA was \$711.5 million, representing an EBITDA margin of 33.9% for the fourth quarter of Fiscal 2026, compared to \$670.1 million, or an EBITDA margin of 35.6% in the fourth quarter of Fiscal 2025. EBITDA margin for the fourth quarter of Fiscal 2026 was negatively impacted by 240-basis points from the Australian segment, representing \$37.1 million.

Depreciation and Amortization

The depreciation and amortization expense increased by \$14.5 million, from \$103.8 million for the fourth quarter of Fiscal 2025 to \$118.3 million for the fourth quarter of Fiscal 2026. The increase is mainly attributable to \$19.8 million related to depreciation expenses from the Australian segment, partially offset by the change in useful life of certain property, plant and equipment in Canada to reflect the Corporation's utilization period of the underlying assets.

Share of Net Earnings of Equity-Accounted Investments

The Corporation's 60.1% share of net earnings from CARS and its 80.05% share of net earnings from ICM amounted to \$70.5 million for the period from October 1, 2025 to December 31, 2025, compared to \$58.0 million for the Corporation's 60.1% share of CARS from October 1, 2024 to December 31, 2024, representing a 21.6% year-over-year increase. Dollarcity's strong fourth quarter performance was mainly driven by a 28.3% increase in sales, primarily attributable to an increase in Comparable store sales and in total number of stores (from 632 on December 31, 2024, to 732 on December 31, 2025). This was partially offset by a slight decrease in gross margin and higher SG&A as a percentage of sales as a result of ongoing expansion activity in Mexico. The Corporation's investment in Dollarcity is accounted for as a joint arrangement using the equity method. Refer to the section entitled "Dollarcity".

Net Financing Costs

Net financing costs increased by \$3.2 million, from \$44.7 million for the fourth quarter of Fiscal 2025 to \$47.9 million for the fourth quarter of Fiscal 2026. The slight increase primarily reflects higher average debt levels resulting from the issuance of the 3.850% Fixed Rate Notes (as hereinafter defined) during the second quarter of Fiscal 2026 and a \$2.9 million impact from the Australian segment.

Income Taxes

Income taxes increased by \$21.4 million, from \$122.6 million for the fourth quarter of Fiscal 2025 to \$144.0 million for the fourth quarter of Fiscal 2026. The statutory income tax rate in Canada for the fourth quarter of Fiscal 2026 was 26.5%, unchanged from the corresponding quarter of Fiscal 2025. The Corporation's effective tax rates for the fourth quarter of Fiscal 2026 and Fiscal 2025 were 26.8% and 23.9%, respectively. The variance in the effective tax rate is mainly due to the impact of Pillar Two, which was applied following the TRS Transaction, partially offset by the Corporation's share of net earnings of its equity-accounted investment in Dollarcity.

Net Earnings

Net earnings increased by 0.4% to \$392.5 million, compared to \$391.0 million in the fourth quarter of Fiscal 2025, resulting in an increase in diluted net earnings per common share of 2.1%, to \$1.43 per diluted common share, in the fourth quarter of Fiscal 2026, including a positive \$0.03 impact per diluted common share from the Australian segment.

Fiscal 2026 Financial Results

The following section provides an overview of our financial performance during Fiscal 2026 compared to Fiscal 2025.

Sales

Sales in Fiscal 2026 increased by 13.1% to \$7,255.8 million, compared to \$6,413.1 million in Fiscal 2025. This increase was driven by a \$454.8 million sales contribution from 402 stores in Australia for the period from July 22, 2025 to February 1, 2026, growth in the total number of stores in Canada over the past 12 months (from 1,616 on February 2, 2025, to 1,691 on February 1, 2026) and Comparable store sales growth in Canada, partially offset by the impact of the 53rd week in the fourth quarter of Fiscal 2025.

Comparable store sales in Canada increased by 4.2% in Fiscal 2026, consisting of a 2.4% increase in the number of transactions and a 1.7% increase in average transaction size, over and above Comparable store sales growth of 4.6% in Fiscal 2025, determined on a 52-week basis. The increase in Comparable store sales in Fiscal 2026 was primarily driven by sustained demand for consumables and positive performance of our seasonal offering, partially offset by unfavourable weather conditions, negatively impacting store traffic during historically strong sales weeks in the fourth quarter of Fiscal 2026. As the Corporation continues to evaluate and implement strategies to optimize operations and deploy attributes of the Dollarama business model in Australia over the coming years, the Corporation is not currently presenting Comparable store sales information for this segment.

Gross Margin

Gross margin was \$3,268.7 million or 45.0% of sales in Fiscal 2026, compared to \$2,893.7 million or 45.1% of sales in Fiscal 2025. The slight decrease in Gross margin as a percentage of sales is primarily due to a lower gross margin in Australia, representing a 60-basis point negative impact, partially offset by lower logistics costs in Canada.

SG&A

SG&A for Fiscal 2026 increased by 17.5% to \$1,093.3 million, compared to \$930.2 million for Fiscal 2025. SG&A for Fiscal 2026 represented 15.1% of sales, compared to 14.5% of sales for Fiscal 2025. This variance is primarily attributable to higher SG&A in Australia, negatively impacting SG&A as a percentage of sales by 70 basis points, partially offset by the positive impact of scaling in Canada.

EBITDA

EBITDA was \$2,408.2 million, representing an EBITDA margin of 33.2% of sales, for Fiscal 2026, compared to \$2,121.8 million, or an EBITDA margin of 33.1% of sales, for Fiscal 2025. EBITDA margin for Fiscal 2026 was negatively impacted by 140-basis points from the Australian segment, which represented \$58.4 million. EBITDA for Fiscal 2026 also included an unrealized gain of \$10.4 million relating to the derivative on equity-accounted investment recorded in the first quarter of Fiscal 2026, reflecting the fair value adjustment of the option to purchase an additional 9.89% equity interest in CARS and a corresponding proportionate 4.945% equity interest in ICM (the "Call Option"). Excluding the impact of the unrealized gain from the derivative on equity-accounted investment, EBITDA and EBITDA margin for Fiscal 2026 would have been \$2,397.8 million and 33.0%, respectively.

Depreciation and Amortization

The depreciation and amortization expense increased by \$46.2 million, from \$382.8 million for Fiscal 2025 to \$429.1 million for Fiscal 2026. The increase is mainly attributable to \$48.4 million related to depreciation expenses from the Australian segment, partially offset by the change in useful life of certain property, plant and equipment in Canada to reflect the Corporation's utilization period of the underlying assets.

Share of Net Earnings of Equity-Accounted Investments

The Corporation's 60.1% share of net earnings from CARS and its 80.05% share of net earnings from ICM amounted to \$191.5 million for the period from January 1, 2025 to December 31, 2025, compared to \$129.9 million for the Corporation's 50.1% share of CARS' net earnings for the period from January 1, 2024 to June 10, 2024 and its 60.1% share for the period from June 11, 2024 to December 31, 2024. This 47.4% increase is primarily attributable to the continued strong operational performance of Dollarcity during the 12-month period ended December 31, 2025, compared to the same period last year, and the impact from the acquisition of an additional 10.0% equity interest in CARS on June 11, 2024. Dollarcity's strong performance during the 12-month period ended December 31, 2025 was mainly driven by a 20.2% increase in sales, supported by growth in the total number of stores (from 632 on December 31, 2024, to 732 on December 31, 2025) and the increase in gross margin as a percentage of sales from lower inbound shipping and logistics costs. This was partially offset by a slight increase in SG&A as a percentage of sales from costs associated with Dollarcity's expansion plans in Mexico. The Corporation's investment in Dollarcity is accounted for as a joint arrangement using the equity method. Refer to the section entitled "Dollarcity".

Net Financing Costs

Net financing costs increased by \$20.2 million from \$163.8 million for Fiscal 2025 to \$184.0 million for Fiscal 2026. The increase primarily reflects higher average debt levels resulting from the issuance of the 3.850% Fixed Rate Notes during the second quarter of Fiscal 2026, an increase in interest expense on lease liabilities from the Canadian segment and an impact of \$6.1 million from the Australian segment.

Income Taxes

Income taxes increased by \$76.4 million, from \$378.4 million for Fiscal 2025 to \$454.7 million for Fiscal 2026. The statutory income tax rate in Canada for Fiscal 2026 was 26.5%, unchanged from Fiscal 2025. The Corporation's effective tax rates for Fiscal 2026 and Fiscal 2025 were 25.8% and 24.5%, respectively. The variance in the effective tax rate is mainly due to the impact of Pillar Two, which was applied following the TRS Transaction, as well as a non-recurring impact of \$6.7 million related to a licensing agreement entered into with Dollarcity for the expansion of the business in Mexico, partially offset by the Corporation's share of net earnings of its equity-accounted investment in Dollarcity.

Net Earnings

Net earnings increased by 12.1% to \$1,309.4 million, compared to \$1,168.5 million for Fiscal 2025, resulting in an increase in diluted net earnings per common share of 13.7%, to \$4.73 per diluted common share, for Fiscal 2026. The Australian segment had no impact on diluted net earnings per common share.

Summary of Consolidated Quarterly Results

	Fiscal 2026				Fiscal 2025			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(dollars in thousands, except per share amounts)</i>								
Statement of Net Earnings Data	\$	\$	\$	\$	\$	\$	\$	\$
Sales	2,101,264	1,909,442	1,723,838	1,521,210	1,881,345	1,562,644	1,563,384	1,405,772
Net earnings	392,460	321,724	321,498	273,756	390,954	275,806	285,942	215,843
Net earnings per common share								
Basic	\$1.44	\$1.17	\$1.16	\$0.99	\$1.40	\$0.98	\$1.02	\$0.77
Diluted	\$1.43	\$1.17	\$1.16	\$0.98	\$1.40	\$0.98	\$1.02	\$0.77

Liquidity and Capital Resources

Cash Flows for the Fourth Quarter of Fiscal 2026

	13-week period ended	14-week period ended	Change \$
	February 1, 2026 \$	February 2, 2025 \$	
<i>(dollars in thousands)</i>			
Cash flows generated from operating activities	584,678	569,518	15,160
Cash flows used in investing activities	(97,421)	(93,738)	(3,683)
Cash flows used in financing activities	(361,209)	(636,139)	274,930
Net change in cash and cash equivalents	<u>126,048</u>	<u>(160,359)</u>	<u>286,407</u>

Cash Flows - Operating Activities

For the fourth quarter of Fiscal 2026, cash flows generated from operating activities totalled \$584.7 million, compared to \$569.5 million for the fourth quarter of Fiscal 2025. This increase is primarily attributable to an increase in non-cash adjustments, primarily attributable to the additional depreciation from the Australian segment and increase in provision related to Pillar Two, partially offset by a higher share of net earnings of equity-accounted investments.

Cash Flows - Investing Activities

For the fourth quarter of Fiscal 2026, cash flows used in investing activities totalled \$97.4 million, compared to \$93.7 million for the fourth quarter of Fiscal 2025. This variance is primarily attributable to additional capital expenditures, mainly related to the ongoing development of the Western logistics hub (the "Western Logistics Hub") and the conversion of stores in Australia, including stores fixtures, IT infrastructures and other transformational initiatives, during the fourth quarter of Fiscal 2026.

Cash Flows - Financing Activities

For the fourth quarter of Fiscal 2026, cash flows used in financing activities totalled \$361.2 million, compared to \$636.1 million for the fourth quarter of Fiscal 2025. This variance is mainly due to lower activity for the repurchase of common shares under the normal course issuer bid compared to the fourth quarter of Fiscal 2025, partially offset by an increase in net payment of lease liabilities due to the increase in the number of stores in Canada and additional net payments from stores in Australia following the completion of the TRS Transaction, as well as the settlement of the previous Australian credit facilities. Refer to the section entitled "Credit Agreement".

Cash Flows for Fiscal 2026

<i>(dollars in thousands)</i>	52-week year ended February 1, 2026 \$	53-week year ended February 2, 2025 \$	Change \$
Cash flows generated from operating activities	1,761,156	1,644,139	117,017
Cash flows used in investing activities	(403,495)	(220,719)	(182,776)
Cash flows used in financing activities	(1,148,777)	(1,614,650)	465,873
Net change in cash and cash equivalents	208,884	(191,230)	400,114

Cash Flows - Operating Activities

For Fiscal 2026, cash flows generated from operating activities totalled \$1,761.2 million, compared to \$1,644.1 million for Fiscal 2025. This increase is primarily attributable to higher net earnings, partially offset by a decrease in non-cash adjustments, mainly related to a higher share of net earnings of equity-accounted investments in Fiscal 2026 compared to Fiscal 2025.

Cash Flows - Investing Activities

For Fiscal 2026, cash flows used in investing activities totalled \$403.5 million, compared to \$220.7 million for Fiscal 2025. This variance is primarily attributable to the cash consideration paid during Fiscal 2026 for the TRS Transaction (net of the cash acquired) of \$181.8 million, capital contributions of \$50.0 million to ICM towards expansion plans in Mexico and additional capital expenditures, mainly related to the ongoing development of the Western Logistics Hub and the conversion of stores in Australia, including stores fixtures, IT infrastructures and other transformational initiatives, partially offset by \$106.6 million of distributions received from the equity-accounted investment in CARS, compared to \$27.4 million in Fiscal 2025.

Cash Flows - Financing Activities

For Fiscal 2026, cash flows used in financing activities totalled \$1,148.8 million, compared to \$1,614.7 million for Fiscal 2025. This variance is mainly due to proceeds from the issuance of the 3.850% Fixed Rate Notes of \$600.0 million and a lower number of common shares repurchased under the normal course issuer bid, partially offset by the repayment of the 5.084% Fixed Rate Note of \$250.0 million, as well as an increase in net payments of lease liabilities resulting from an increase in the number of stores in Canada and additional net payments from stores in Australia following the completion of the TRS Transaction.

Capital Expenditures

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

Capital expenditures totalled \$97.4 million for the fourth quarter of Fiscal 2026 and \$272.8 million for Fiscal 2026, compared to \$93.8 million for the fourth quarter of Fiscal 2025 and \$243.5 million for Fiscal 2025. The increase is mainly attributable to higher capital expenditures related to store acquisitions and transformations in Canada and Australia, compared to the corresponding periods in Fiscal 2025, as well as additional capital expenditures related to the ongoing development of the Western Logistics Hub.

Capital Resources

As at February 1, 2026, the Corporation had \$331.6 million of cash on hand and \$1,118.8 million available under the Credit Agreement.

The Corporation expects that its cash flows from operating activities, together with its available liquidity, will be sufficient to meet its projected cash requirements in Fiscal 2027, including to fund its planned growth and capital expenditures, service its debt, pay its contractual obligations, repurchase common shares and make dividend payments to shareholders.

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

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

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

Subject to market conditions and other factors, including available opportunities, the Corporation expects to refinance the 1.871% Fixed Rate Notes due July 8, 2026 through the issuance of new long-term notes before the maturity date. The Corporation is in good standing with rating agencies. The Corporation's expectations regarding the refinancing of the notes and its assumptions with respect to future liquidity needs and refinancing opportunities may be subject to change or not be correct. Refer to the section entitled "Risks and Uncertainties" for a discussion on the risks associated with indebtedness, liquidity and changes in creditworthiness or credit rating.

The Corporation had a positive working capital of \$173.8 million as at February 1, 2026 compared to a positive working capital of \$187.0 million as at February 2, 2025, primarily resulting from the inclusion in current liabilities of the \$375.0 million 1.871% Fixed Rate Notes maturing in the next 12 months as at February 1, 2026, compared to the inclusion of the \$250.0 million 5.084% Fixed Rate Notes as at February 2, 2025, offset by higher cash and cash equivalents balance as at February 1, 2026.

Senior Unsecured Notes

<i>(dollars in thousands)</i>	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	(7,992)	(7,092)
Accrued interest on the Fixed Rate Notes	20,837	22,330
Long-term financing arrangement	3,465	5,080
Fair value hedge – basis adjustment on interest rate swap	8,811	12,361
	2,625,121	2,282,679
Current portion (includes unamortized debt issue costs, accrued interest on the Fixed Rate Notes, long-term financing arrangements and the Fixed Rate Notes with a maturity date falling within the next 52-week period, when applicable)	(398,275)	(273,771)
	2,226,846	2,008,908

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.

<i>(dollars in thousands)</i>	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
	2,614,145	2,648,846	2,266,457	2,284,754

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 \$250.0 million, was extended from June 28, 2029 to June 27, 2030, the term of Facility B, in the amount of \$450.0 million, was extended from June 28, 2027 to June 27, 2028, the term of Facility C, in the amount of \$50.0 million, was extended from June 28, 2027 to June 27, 2028, and the term of Facility D, in the amount of \$300.0 million, was extended from June 27, 2025 to June 26, 2026 and (ii) permit drawings under the Credit 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 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\$75.0 million (\$71.1 million) 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 \$1,500.0 million. 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.

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\$700.0 million. The Corporation uses derivative financial instruments to convert the net proceeds from the issuance of USCP Notes into Canadian dollars and uses those proceeds for general corporate purposes.

The USCP Notes are direct unsecured obligations of the Corporation and rank equally and *pari passu* with all of its other unsecured and unsubordinated indebtedness. The USCP Notes are unconditionally guaranteed by Dollarama L.P. and Dollarama GP Inc., each a wholly-owned subsidiary of the Corporation. The 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.

Contractual Obligations, Off-Balance Sheet Arrangements and Commitments

The table below analyzes the Corporation's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as at February 1, 2026. Trade payable and accrued liabilities exclude liabilities that are not contractual (such as income tax liabilities created as a result of statutory requirements imposed by governments).

<i>(dollars in thousands)</i>	Less than 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Trade payable and accrued liabilities	431,764	-	-	-	431,764
Dividend payable	28,941	-	-	-	28,941
Short-term borrowings	-	-	-	-	-
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>1,461,845</u>	<u>6,697,948</u>

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

⁽²⁾ Represent employee entitlement.

As at February 1, 2026, other than letters of credit outstanding under the Credit Agreement, the Corporation had capital commitments for the acquisition of property, plant and equipment of \$82.4 million (February 2, 2025 – nil), mainly related to the construction of the Western Logistics Hub.

Financial Instruments

The Corporation uses derivative financial instruments in the management of its foreign exchange, interest rate and price risk. The Corporation documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. Derivative financial instruments designated as hedging instruments are recorded at fair value, determined using market prices and other observable inputs.

For a description of the derivative financial instruments of the Corporation, refer to Notes 3 and 17 of the Corporation's Fiscal 2026 annual audited consolidated financial statements.

Foreign Currency Risk

The Corporation uses foreign exchange forward contracts to mitigate the risk associated with fluctuations in the U.S. dollar against the functional currencies of the entities within the Canadian and Australian segments. These derivative financial instruments are also 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. Foreign exchange forward contracts are designated as hedging instruments and are recorded at fair value, determined using market prices and other observable inputs.

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

Interest Rate Risk

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

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

Price Risk

The Corporation uses equity derivatives to economically hedge a portion of the changes in market prices on the Deferred share unit 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.

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

Related Party Transactions

Property Leases

As at 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 \$257.4 million (February 2, 2025 – \$271.8 million).

During the fiscal year ended February 1, 2026, the Corporation expensed \$6.4 million (February 2, 2025 – \$6.0 million), of lease payments charged from entities related to the Corporation's Chief Executive Officer.

Dollarcity

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

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

The Corporation has also secured in connection with the Dollarcity Transaction the Call Option, providing the right 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 from Dollarcity's founding stockholders. The Corporation continues to have joint control over Dollarcity (including CARS and ICM) and accounts for its investments as joint arrangements using the equity method.

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

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

Under the sourcing agreements, Dollarcity purchases from the Corporation goods to be sold to customers in the normal course of business. 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 sales for the Canadian segment.

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 Fiscal 2026, the Corporation entered into a licensing agreement with respect to the expansion of the business in Mexico for a total amount of US\$33.0 million (\$45.0 million).

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

<i>(dollars in thousands)</i>	February 1, 2026	February 2, 2025
	\$	\$
Included in the Consolidated Statement 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:

<i>(dollars in thousands)</i>	February 1, 2026	February 2, 2025
	\$	\$
Included in the Consolidated Statement 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.

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 Corporation's audited annual consolidated financial statements for Fiscal 2026.

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 techniques 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.

Significant Standards and Interpretations

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

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

Non-GAAP and Other Financial Measures

The Corporation's audited annual consolidated financial statements and notes for Fiscal 2026 have been prepared in accordance with GAAP. However, this MD&A also refers to certain non-GAAP and other financial measures.

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

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

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

(A) Non-GAAP Financial Measures

EBITDA

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

	<u>13-week period ended</u>	<u>14-week period ended</u>	<u>52-week period ended</u>	<u>53-week period ended</u>	<u>52-week period ended</u>
<i>(dollars in thousands)</i>	<u>February 1, 2026</u>	<u>February 2, 2025</u>	<u>February 1, 2026</u>	<u>February 2, 2025</u>	<u>January 28, 2024</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net earnings	392,460	390,954	1,309,438	1,168,545	1,010,460
Add:					
Income taxes	144,020	122,621	454,749	378,351	340,419
Net financing costs	47,924	44,717	184,020	163,782	144,842
Depreciation and amortization	127,138	111,812	460,019	411,151	365,445
EBITDA	<u>711,542</u>	<u>670,104</u>	<u>2,408,226</u>	<u>2,121,829</u>	<u>1,861,166</u>
Unrealized gain from derivative on equity- accounted investments	-	-	(10,348)	-	-
EBITDA excluding unrealized gain from derivative on equity-accounted investments	<u>711,542</u>	<u>670,104</u>	<u>2,397,878</u>	<u>2,121,829</u>	<u>1,861,166</u>
 A reconciliation of EBITDA to cash flows from operating activities is included below:					
EBITDA	711,542	670,104	2,408,226	2,121,829	1,861,166
Add:					
Current income taxes	(155,947)	(132,097)	(463,583)	(388,969)	(350,656)
Share-based compensation	5,117	3,534	16,023	15,507	13,102
Unrealized gain from derivative on equity- accounted investments	-	-	(10,348)	-	-
Share of net earnings of equity-accounted investments	(70,476)	(58,034)	(191,536)	(129,905)	(75,293)
Interest received	7,192	7,914	25,562	29,414	27,580
Other	29,161	1,235	32,686	3,015	2,511
	<u>526,589</u>	<u>492,656</u>	<u>1,817,030</u>	<u>1,650,891</u>	<u>1,478,410</u>
Changes in non-cash working capital	58,089	76,862	(55,874)	(6,752)	52,544
Cash flows generated from operating activities	<u>584,678</u>	<u>569,518</u>	<u>1,761,156</u>	<u>1,644,139</u>	<u>1,530,954</u>

Total debt

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

(dollars in thousands)

	As at		
	February 1, 2026	February 2, 2025	January 28, 2024
	\$	\$	\$
Total long-term debt	2,625,121	2,282,679	2,264,394
Short-term borrowings	-	-	-
Total debt	2,625,121	2,282,679	2,264,394

Net debt

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

(dollars in thousands)

	As at		
	February 1, 2026	February 2, 2025	January 28, 2024
	\$	\$	\$
Total debt	2,625,121	2,282,679	2,264,394
Cash and cash equivalents	(331,569)	(122,685)	(313,915)
Net debt	2,293,552	2,159,994	1,950,479

Adjusted retained earnings

Adjusted retained earnings represents deficit plus the excess of (i) the price paid for all common shares repurchased under the Corporation's normal course issuer bids from inception in June 2012 through February 1, 2026 over (ii) the book value of those common shares. A reconciliation of retained earnings (deficit) to adjusted retained earnings is included below:

(dollars in thousands)

	As at		
	February 1, 2026	February 2, 2025	January 28, 2024
	\$	\$	\$
Retained earnings (Deficit)	128,858	(225,301)	(226,547)
Price paid in excess of book value of common shares repurchased under the NCIB	8,027,091	7,196,988	6,139,822
Adjusted retained earnings	8,155,949	6,971,687	5,913,275

The retained earnings (deficit) is reduced by the amount paid in excess of book value for the shares repurchased under the Corporation's normal course issuer bid, and as a result, the retained earnings (deficit) balance does not reflect poor operating performance. Management believes that buying back shares remains an effective strategy to drive shareholder value and constitutes an appropriate use of the Corporation's funds. Management also believes that adjusted retained earnings represents an additional metric that provides a better reflection of the Corporation's operating performance.

(B) Non-GAAP Ratios

Adjusted net debt to EBITDA ratio

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

(dollars in thousands)

	As at		
	February 1, 2026	February 2, 2025	January 28, 2024
	\$	\$	\$
Net debt	2,293,552	2,159,994	1,950,479
Lease liabilities	2,770,473	2,426,977	2,069,229
Unamortized debt issue costs, including \$1,300 (February 2, 2025 – \$1,219, January 28, 2024 – \$1,320) for the Credit Agreement	7,992	7,092	9,049
Fair value hedge – basis adjustment on interest rate swap	(8,811)	(12,361)	(1,983)
Adjusted net debt	5,063,206	4,581,702	4,026,774
EBITDA for the last twelve-month period	2,445,987 ⁽¹⁾	2,121,829	1,861,166
Adjusted net debt to EBITDA ratio	2.07x	2.16x	2.16x

⁽¹⁾ This amount corresponds to the EBITDA of the Corporation for the last twelve months, which was equal to \$2,408,226 and includes the results of Dollarama Australia from July 22, 2025 to February 1, 2026, plus the EBITDA of Dollarama Australia for the period between February 3, 2025 until closing of the TRS Transaction on July 21, 2025 (as calculated and reported by Dollarama Australia), which was equal to \$37,761.

EBITDA margin

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

	13-week period ended	14-week period ended	52-week period ended	53-week period ended	52-week period ended
	February 1, 2026	February 2, 2025	February 1, 2026	February 2, 2025	January 28, 2024
	\$	\$	\$	\$	\$
EBITDA	711,542	670,104	2,408,226	2,121,829	1,861,166
Sales	2,101,264	1,881,345	7,255,754	6,413,145	5,867,348
EBITDA margin	33.9%	35.6%	33.2%	33.1%	31.7%
EBITDA excluding unrealized gain from derivative on equity-accounted investments	711,542	670,104	2,397,878	2,121,829	1,861,166
Sales	2,101,264	1,881,345	7,255,754	6,413,145	5,867,348
EBITDA margin, excluding unrealized gain from derivative on equity-accounted investments	33.9%	35.6%	33.0%	33.1%	31.7%

(C) Supplementary Financial Measures

Gross margin	Represents gross profit divided by sales, expressed as a percentage of sales.
Operating margin	Represents operating income divided by sales, expressed as a percentage of sales.
SG&A as a % of sales	Represents SG&A divided by sales.
Comparable store sales	Represents sales of stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the equivalent period in the prior fiscal year, in each case, as determined on a 13-week or a 52-week basis, as applicable.
Comparable store sales growth	Represents the percentage increase or decrease, as applicable, of Comparable store sales relative to the equivalent period in the prior fiscal year. When reference is made to Comparable store sales growth excluding the impact of the calendar shift, Comparable store sales in the most recent fiscal year have been compared to the same calendar period in the prior year.

Forward-Looking Statements

Certain statements in this MD&A about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to; the Corporation's shareholder capital return strategy; the liquidity position of the Corporation; the intended use of the net proceeds from the issuance of the 3.850% Fixed Rate Notes; the refinancing of the 1.871% Fixed Rate Notes maturing July 8, 2026; the potential accretive effect of the normal course issuer bid; the impact of minimum wage increases on administrative and store operating expenses; Dollarcity and certain terms and conditions of the Stockholders Agreement (as such terms are hereinafter defined); the Corporation's intentions regarding the evaluation and implementation of strategies to optimize and deploy attributes of the Dollarama business model in Australia over the coming years.

Forward-looking statements are based on information currently available to management and on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment within the retail industry in Canada, Latin America and Australia, in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including the following factors which are outlined in this MD&A and discussed in greater detail in the "Risks and Uncertainties" section of this MD&A: future increases in operating costs (including increases in statutory minimum wages), future increases in merchandise costs (including as a result of rising raw material costs and tariff disputes), future increases in shipping, transportation and other logistics costs (including as a result of freight costs, fuel price increases and detention costs), increase in the cost or a disruption in the flow of imported goods (including as a result of global supply chain disruptions and the geopolitical instability triggered by the increased tensions between China and the Western countries), inability to sustain assortment and replenishment of merchandise, failure to maintain brand image and reputation, inventory shrinkage, disruption of distribution infrastructure, inability to increase warehouse, distribution centre and logistics hubs capacity in a timely manner, inability to enter into or renew, as applicable, store and warehouse leases on favourable and competitive terms, seasonality, market acceptance of private brands, failure to protect trademarks and other proprietary rights, foreign operations (including international operations in Australia and, through the Corporation's equity accounted investments in Dollarcity, in El Salvador, Guatemala, Colombia, Peru, Mexico and Panama), foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, interest rate risk associated with variable rate indebtedness, level of indebtedness and inability to generate sufficient cash to service debt, any exercise by Dollarcity's founding stockholders of their put right, changes in creditworthiness and credit rating and the potential increase in the cost of capital, increases in taxes and changes in applicable tax laws or the interpretation thereof, competition in the retail industry (including from online retailers), general economic conditions, competition from online retailers and growth of e-commerce, departure of senior executives, failure to attract and retain quality employees, disruption in information technology systems, inability to protect systems against cyber attacks, unsuccessful execution of the growth strategy (including failure to identify and develop new growth opportunities in Canada and internationally), the Corporation's inability to successfully integrate Dollarama Australia's business, any failure to realize anticipated benefits from the acquisition of Dollarama Australia, the holding company structure, adverse weather, earthquakes and other natural disasters, geopolitical events and political unrest in foreign countries, pandemic or epidemic outbreaks, unexpected costs associated with current insurance programs, regulatory environment, product liability claims and product recalls, class action lawsuits and other litigation, environmental compliance, climate change, and shareholder activism.

These factors are not intended to represent a complete list of the factors that could affect the Corporation, and its subsidiaries or Dollarcity; however, they should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Corporation's and Dollarcity's financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this MD&A are made as at March 24, 2026 and management has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

All of the forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Risks and Uncertainties

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

The key risks and uncertainties identified by the Corporation that could materially adversely affect its future business results are divided into the following categories:

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

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

Risks Related to Business Operations

Merchandise and Operating Costs

The Corporation's ability to provide quality merchandise at low price points is subject to a number of factors that are beyond its control, including merchandise costs, foreign exchange rate fluctuations, shipping costs and other logistics costs (including increases in domestic freight costs, detention costs, and carrier and driver wages), tariffs on imported goods, increases in labour costs (including any increases in minimum wage), increases in rent and occupancy costs, fuel costs and inflation, all of which may reduce profitability and have an adverse impact on cash flows. Some of these factors are discussed immediately below while others are addressed under the headings "Imports and Supply Chain" and "Foreign Exchange Risk".

Labour costs are largely outside of the Corporation's control, mostly driven by minimum wage legislation and market trends relating to similarly situated employees in each jurisdiction in which the Corporation (including through Dollarcity and Dollarama Australia) operates. In recent years, statutory minimum wage increases and other labour legislation changes have been implemented in certain of those jurisdictions, and other increases or changes are expected to be implemented in Fiscal 2027. Minimum wage adjustments that deviate from standard formula such as the formula based on the year-over-year change in the consumer price index (CPI) create unpredictability, and may contribute to upward wage pressure beyond statutory increases. Productivity improvements from various operational initiatives may not be sufficient to offset any increase in labour costs.

Inflation and adverse economic conditions in Canada, where the Corporation both buys and sells merchandise, in China and other parts of Asia, where it buys a large portion of its imported merchandise, in Latin America, where Dollarcity carries on its operations, and in Australia, where the Corporation both buys and sells merchandise, could have a negative impact on margins, profitability and cash flows.

Increases in fuel and energy costs, regulatory emission surcharges or other eco-surcharges, ocean shipping rates or domestic freight costs, could also increase transportation costs and therefore impact profitability.

If management is unable to predict and/or respond promptly to any of these or other similar events, the merchandise and operating costs of the Corporation may increase, and the Corporation's business and financial results could be materially adversely affected.

Generally, management believes that the multiple price point strategy provides some flexibility to address cost increases by allowing the Corporation to adjust the selling price on certain items. There is, however, no guarantee that the Corporation will continue to be successful in adjusting its selling prices or offsetting cost increases in a meaningful way in the future, either because it wishes to maintain the compelling value of its product offering relative to competitors or because of its capped price point structure.

Imports and Supply Chain

Following one of its key business strategies of sourcing merchandise directly from low-cost suppliers, the Corporation relies on imported goods, mainly from China but overall from over 25 different countries. Imported goods are generally less expensive than domestic goods and contribute significantly to favourable profit margins. Imported merchandise could become more expensive or unavailable, or deliveries could be subject to longer lead times, for a number of reasons, including: (a) disruptions in the flow of imported goods due to factors such as raw material shortages, labour shortages, work stoppages and strikes, suppliers going out of business, factory closures resulting from changes in the economic or regulatory landscape of the country of origin, inflation, natural disasters, unusually adverse weather, pandemic or epidemic outbreaks, political unrest in foreign countries and international conflicts; (b) further consolidation in the shipping industry, which could lead to even tighter shipping capacity and steeper rate increases; (c) economic instability and changes in international relationships or international disputes, including as a result of changes in tariffs, trade restrictions, or other regulatory or retaliatory measures imposed by domestic or foreign governments as well as evolving trade policies or other government measures affecting goods sold by the Corporation; (d) increases in the cost of purchasing or shipping foreign merchandise resulting from changes in trade relationships between one or more of the countries in which the Corporation operates or its products are manufactured or transit, and other increases in input or logistics costs, including as a result of geopolitical conflicts, inflationary pressures or other global economic conditions; (e) increases in tariffs or the elimination of existing preferential tariffs on goods originating from certain countries, including most importantly China but also other countries such as the United States, (f) restrictive changes to import quotas or other adverse protectionist trade measures and measures in retaliation thereof, and (g) changes in currency exchange rates or policies and local economic conditions, including inflation in the country of origin. The materialization or development of one or more of these factors could materially adversely affect the Corporation's business and financial results.

If imported merchandise becomes more expensive, limited or unavailable, the Corporation may not be able to transition to alternative sources in time to meet the demand. Products from alternative sources may also be of lesser quality and/or more expensive than those currently imported. A disruption in the flow of imported merchandise or an increase in the cost of those goods due to these or other factors could result in retail price increases or changes in the merchandise mix or inventory levels, all or any of which could significantly decrease sales and profits and have a material adverse impact on the Corporation's business and financial results.

Merchandise Selection and Replenishment

The Corporation's success depends in large part on its ability to continually find, select and purchase quality merchandise at attractive prices in order to expand the assortment of products and replace underperforming goods to timely respond to evolving trends in demographics and consumer preferences, expectations and needs. The Corporation typically buys product on an order-by-order basis, has very few long-term contracts for the purchase or development of merchandise or other assurances of continued product supply or guaranteed product cost and must therefore continually seek out buying opportunities from both existing suppliers and new sources. Although management believes that the Corporation has good relationships with its suppliers and that it is generally able to obtain competitive pricing and other terms, it may not be successful in maintaining a continuing and increasing supply of quality merchandise, at attractive prices or in sufficient quantity or in a timely manner. If the Corporation cannot find or purchase the necessary amount of competitively priced merchandise to maintain its compelling product offering or to replace goods that are outdated or unprofitable, its business and financial results could be materially adversely affected. In addition, if it is unable to receive merchandise from suppliers on a timely basis or at an effective cost because of interruptions in production or in shipping or other reasons that are beyond its control, the Corporation could experience merchandise shortages which could lead to lost sales or increased merchandise costs if alternative sources must be used, and its business and financial results could be materially adversely affected.

Brand Image and Reputation

The Corporation has a well recognized brand that consumers associate with compelling value.

Any failure by the Corporation to maintain product safety or quality and ethical and socially responsible operations across its supply chain or any actions taken by the Corporation's employees (with or without its blessing) could materially adversely affect the Corporation's brand image and reputation. Public concerns about the environmental impact of the Corporation's products and operations could also negatively impact consumers' perceptions of the Corporation's brand image. Any negative publicity about, or significant damage to, the Corporation's brand and reputation could have an adverse impact on customer perception and confidence, which could materially adversely affect the Corporation's business and financial results. Also, the viral nature of social media could exacerbate any negative publicity with respect to its business practices and products as customers sometimes rely on readily available information about retailers and their products and may act on such information without regard to its accuracy. Similarly, negative incidents involving other parties with whom the Corporation does business could quickly erode trust and confidence and can result in consumer boycotts, workforce unrest or walkouts, government investigations, or litigation, which, in turn, may materially adversely affect the Corporation's brand image and reputation, and its business and financial results.

Furthermore, as a large retailer with a business model based on low-cost goods globally sourced from an important number of direct and indirect vendors, the Corporation's sourcing strategy relies heavily on directly imported merchandise from overseas, mainly from China. Any unethical conduct by a supplier or any allegations of such conduct by a supplier, whether or not founded, such as unfair or illegal business practices, including production methods and labour practices such as forced labour or child labour, or violation of health and safety rules, could also materially adversely affect the Corporation's brand image and reputation, which could in turn materially adversely affect its business and financial results.

The Vendor Code of Conduct, which applies to domestic or foreign vendors that directly supply goods and/or services to Dollarama, formalizes the Corporation's expectations with respect to suppliers' business standards. In addition, the Corporation has implemented certain measures to assess vendor compliance with the Vendor Code of Conduct. However, these measures cannot guarantee that suppliers or their commercial partners will uphold and adhere to the principles outlined in the Vendor Code of Conduct or that violations of the Vendor Code of Conduct will be reported to, or discovered by, the Corporation in a timely manner. Evolving regulatory and stakeholder expectations relating to responsible sourcing and internal due diligence level may further increase compliance and monitoring requirements over time. The Corporation cannot predict how these expectations and requirements, which are constantly evolving and can often be substantially more demanding than applicable legal requirements, might develop in the future, and the Corporation therefore cannot be certain that its Vendor Code of Conduct and operations will satisfy all such expectations and requirements in the future, including those of its stakeholders. More generally, governmental and public awareness and concern about ESG matters, notably climate change, waste reduction, sustainability, responsible sourcing and procurement and human rights, could result in enhanced legal requirements or public expectations, in each case, that aim or require to expand the nature, scope and complexity of matters that the Corporation is required to control, assess, comply with or report. The Corporation's inability to meet evolving requirements and/or public expectations regarding the foregoing matters (including as it relates to its Vendor Code of Conduct) or failure by one of the Corporation's vendors to comply with the Vendor Code of Conduct or with applicable laws or regulations could materially adversely affect the Corporation's brand image and reputation, which could in turn materially adversely affect its business and financial results. In addition, any perceived gaps between commitments and performance could pose additional reputational risk. The Corporation's access to capital could also be negatively affected if financial institutions, rating agencies and/or lenders adopt more restrictive ESG policies that the Corporation may not be able to comply with.

Additionally, the Corporation has set a number of specific ESG targets for key ESG initiatives, which are subject to ongoing disclosure by the Corporation. Achievement of these targets is subject to several risks and uncertainties, and there can be no certainty that the Corporation will achieve these targets within the stated timeframe, or that achieving any of these targets will meet all of the expectations of its stakeholders or applicable legal requirements. Also, the implementation of these objectives may expose it to certain additional heightened financial and operational risks, and is expected to require additional costs, which may be higher than anticipated. If the Corporation is unable to achieve its ESG targets or satisfy the expectations of its stakeholders, its reputation could be adversely affected.

Inventory Shrinkage

The Corporation is subject to the risk of inventory loss and administrative or operator errors, including mislabelling, as well as damage, theft and fraud. The Corporation experiences inventory shrinkage in the normal course of its business, and cannot ensure that incidences of inventory loss and theft will not increase in the future or that measures taken or

initiatives implemented (such as investments in technology and personnel) will effectively address inventory shrinkage. In recent years, retailers across North America have experienced higher retail theft. Although some level of inventory shrinkage is an unavoidable cost of doing business, if the Corporation were to experience higher rates of inventory shrinkage or were required to incur increased costs to control such shrinkage, its business and financial results could be materially adversely affected. Higher shrink levels may also necessitate adjustment to store operations, including security or staffing practices.

Distribution and Warehousing Network

The Corporation must constantly replenish depleted inventory through deliveries of merchandise from suppliers to its warehouses, distribution centre, logistics hubs and directly to stores by various means of transportation, including shipments by sea, train and truck. Also, as a result of its reliance on third-party carriers, the Corporation is subject to carrier disruptions and increased costs due to factors beyond its control. As with all companies that are dependent on air, road, rail, port and other transportation methods for distribution purposes, strikes of certain operational groups of such transportation workers can disrupt the Corporation's distribution network. Disruptions in the distribution network or the national and international transportation infrastructure, as a result of strikes or otherwise, could lead to delays or interruptions of service which, in turn, could materially adversely affect the Corporation's business and financial results.

Towards the end of Fiscal 2025, to accommodate the Corporation's current growth plan, the Corporation acquired land in the Calgary, Alberta region, where it is building the Western Logistics Hub. Management relied on a number of assumptions to evaluate its anticipated needs of additional warehousing and distribution centre capacity in the foreseeable future, which the Western Logistics Hub is intended to fulfill once built, as well as the anticipated cost, benefits and construction timeline of the Western Logistics Hub. Such assumptions may be influenced by various market conditions, supply shortages, construction delays, technical and technological challenges, and other factors outside of the Corporation's control. There can be no assurance that all of such assumptions will prove to be correct. If any of the Corporation's assumptions is inaccurate, the costs, benefits and construction timeline of the Western Logistics Hub could be negatively impacted and the Corporation may not be able to satisfy its anticipated needs of additional warehousing and distribution centre capacity, in time or at all, which, in turn, could materially adversely affect the Corporation's business and financial results.

Until the Western Logistics Hub becomes operational, the Corporation relies on a single distribution centre located in the Town of Mount Royal (Quebec), any disruption at that facility, for example as a result of adverse weather events, natural disasters, epidemic or pandemic outbreaks, power outage or labour disputes, would materially impact the flow of goods to stores and, in turn, could potentially impact sales and the Corporation's financial results.

Real Estate

The Corporation's strategy with respect to real estate is generally to lease, and not to own the stores that it operates. As a result, except for a limited number of stores, all of the Corporation's stores are leased. Moreover, the Corporation leases its head office and five of its warehouses. Unless the terms of the Corporation's leases are extended, the properties, together with any improvements that were made, will revert to the property owners upon expiration of the lease terms. As the terms of those leases expire, the Corporation may not be able to renew leases or promptly find alternative locations that meet its needs on favourable terms, or at all. Also, breaching the terms of a lease may result in the Corporation incurring substantial penalties, including, among others, paying all amounts due to the landlord for the balance of the lease term. In the event that one or more of the foregoing risks materialize, the Corporation's business and financial results could be materially adversely affected.

Seasonality

Historically, the Corporation's highest sales have occurred in the fourth quarter, during the Canadian winter holidays selling season. Sales also generally increase ahead of other holidays and celebrations and during the Canadian summer season. Failure to adequately prepare for the demand during peak seasons and holidays and the timing of certain holidays and of new store openings could have material adverse effects on the Corporation's business and financial results. In addition, the occurrence of unusually adverse weather, natural disasters, geopolitical events, pandemic or epidemic outbreaks or any other event beyond the Corporation's control and causing any disruption in its business activities or operations during a peak season could have an adverse effect on the distribution network and on store traffic, which could materially adversely affect its business and financial results.

Private Brands

The Corporation carries a substantial number of private brand items. Management believes that the Corporation's success in maintaining broad market acceptance of private brands depends on many factors, including pricing, quality, customer perception and timely development and introduction of new products. If the Corporation does not achieve or maintain expected sales for private brands, if it fails to successfully protect its proprietary rights in those brands or avoid claims related to the proprietary rights of third parties, or if it is faced with product liability claims and product recalls on these private brand offerings, its reputation, business and financial results could be materially adversely affected.

Intellectual Property

Management believes that trademarks and other proprietary rights are important to the Corporation's success and competitive position. Accordingly, the Corporation seeks to protect its trademarks and proprietary rights as it deems appropriate in relevant jurisdictions. However, monitoring the unauthorized use of one's intellectual property is difficult, and violations may not always become immediately known. Furthermore, the steps generally taken to address such violations, including sending demand letters and taking actions against third parties, generate costs and may still be inadequate to prevent imitation of products and concepts by others or to prevent others from claiming violations of their trademarks and proprietary rights by the Corporation. In addition, the Corporation's intellectual property rights may not have the value that management believes they have. If the Corporation is unsuccessful in protecting its intellectual property rights or identifying or adequately reacting to any intellectual property infringement relating to the products that it distributes, or if another party prevails in litigation against it relating to its intellectual property rights or those of others, the value of the brand could be diminished, causing customer confusion and materially adversely affecting the Corporation's business and financial results. In addition, the Corporation may incur significant costs if it is required to change certain aspects of its branding and business operations.

International Operations

The Corporation has international operations in Australia and, through its equity accounted investments in Dollarcity, in El Salvador, Guatemala, Colombia, Peru, Mexico and Panama (where Dollarcity is headquartered). As an importer, the Corporation's products are sourced, manufactured and transported across multiple jurisdictions at any given time.

Moreover, the Corporation's operations outside of Canada are exposed to risks inherent in foreign operations. These risks, which can vary substantially by market and jurisdiction, are described in many of the risk factors discussed in this section and elsewhere in this MD&A and also include the following:

- the adoption of laws, regulations and policies aimed at managing national economic conditions, such as increases in taxes, austerity measures that impact consumer spending, monetary policies that may impact inflation rates and currency fluctuations;
- the imposition of import tariffs, restrictions or controls;
- compliance with a wide variety of local, national and international laws, regulations and policies (which can be conflicting between jurisdictions), together with potential adverse or significant changes in laws and regulatory framework and practices and the burdens and costs of compliance associated with it;
- changes in laws and policies that govern foreign investment and trade in the countries in which the Corporation, directly or indirectly, operates;
- breaches or violations of Canadian and other foreign anti-corruption and anti-bribery laws, including by the Corporation's employees, suppliers, contractors, agents or representatives;
- risks and costs associated with political and economic instability, corruption and social unrest in the countries in which the Corporation, directly or indirectly, operates;
- risks of operating in developing or emerging markets in which there are significant uncertainties regarding the interpretation, application and enforceability of laws and regulations and the enforceability of contract rights and intellectual property rights; and
- risks arising from the significant and rapid fluctuations in currency exchange markets, and the impact of any decisions and positions taken to hedge such volatility.

The potential impact of these factors on the Corporation's business and financial results may increase in importance as the Corporation expands its store network outside of Canada, and could adversely affect the Corporation's growth strategy which, in turn, could adversely affect its business and financial results.

In addition, Dollarcity and Dollarama Australia are also generally subject to, in the same manner or to a different extent, most of the risks described in this "Risks and Uncertainties" section with respect to the Corporation, including those relating to business operations, technology, financial, strategy and corporate structure, market, business continuity, human resources and legal and regulatory.

Financial Risks

Foreign Exchange Risk

The Corporation's results of operations are impacted by foreign exchange rate fluctuations. The Corporation purchases a majority of its merchandise from overseas suppliers using U.S. dollars while its sales are in other currencies. If the Chinese renminbi appreciates against the U.S. dollar, the cost of merchandise purchased in China is likely to increase. Similarly, and to an even greater extent, when the U.S. dollar appreciates against the Canadian dollar and/or the Australian dollar, it has a negative impact on margins, profitability and cash flows. The Corporation's results of operations can also be impacted by foreign exchange rate fluctuations in the currencies of the countries in which Dollarcity operate.

The Corporation uses foreign exchange forward contracts to mitigate the foreign currency risk associated with the vast majority of forecasted U.S. dollar merchandise purchases, as well as the hedges of U.S. dollar borrowings converted into Canadian dollar borrowings under the U.S. Commercial Paper Program. However, hedging arrangements may have the effect of limiting the total returns to the Corporation if purchases at hedged rates result in lower margins than otherwise earned if purchases had been made at spot rates.

Indebtedness

As at February 1, 2026, the outstanding principal on the Corporation's long-term debt amounted to \$2,600.0 million and no amount was outstanding under the U.S. Commercial Paper Program. The Corporation's level of indebtedness, which may vary from time to time based on the Corporation's operations and other events, could have a variety of consequences on the Corporation's business and operations, including the following:

- a portion of cash flows from operations dedicated to the payment of interest on the indebtedness and other financial obligations will not be available for other purposes, including funding the operations and capital expenditures and future business opportunities;
- the Corporation's ability to obtain additional financing or even, under certain circumstances, to refinance its current indebtedness, for working capital and general corporate purposes may be limited;
- the Corporation's ability to engage in specified types of transactions or in planning for, or reacting to, changes in the business and in the industry in general may be limited; and
- the Corporation may be more vulnerable to a downturn in general economic conditions and adverse industry conditions.

Depending on the circumstances and the relative impact of the foregoing consequences, the level of indebtedness of the Corporation could materially adversely affect the Corporation's business and financial results.

Furthermore, the Credit Agreement and the trust indenture governing the Fixed Rate Notes contain restrictive covenants that, subject to certain exceptions, limit the ability of the Credit Parties, to, among other things, incur, assume, or permit to exist additional secured indebtedness or guarantees. The Credit Agreement also requires the Corporation to comply, on a consolidated basis, with a minimum interest coverage ratio test and a maximum lease-adjusted leverage ratio test, which ratios are tested on the last day of each fiscal quarter. This may prevent the Corporation from pursuing certain business opportunities.

Interest Rates

Although a significant portion of the Corporation's indebtedness bears interest at fixed annual rates, the Corporation remains exposed from time to time to interest rate risk and fluctuations, notably under the Credit Agreement, the U.S. Commercial Paper Program, interest rate swap contracts and indirectly under certain leases. If interest rates increase, debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and net income and cash flows would decrease, which could materially adversely affect the Corporation's business and financial results.

Liquidity

A portion of cash flows from operations is dedicated to the payment of interest on the Corporation's indebtedness and other financial obligations. The Corporation's ability to service its debt and other financial obligations depends on its financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond its control, including fluctuations in interest rates, market liquidity conditions, increased operating costs, and industry trends. If cash flows and capital resources are insufficient to meet debt service obligations, the Corporation may be forced to reduce the scope of, or delay, capital expenditures, new store openings and future business opportunities, modify its capital allocation strategy, sell assets, seek additional capital, or restructure or refinance its indebtedness.

Dollarcity's founding stockholders have a 39.9% and 19.95% equity interest in CARS and ICM, respectively. Under the terms of the Stockholders Agreement entered into among Dollarama International and Dollarcity's founding stockholders, Dollarcity's founding stockholders have a put right pursuant to which they can require, in certain circumstances, that Dollarama International purchase shares of CARS, and the corresponding proportionate interests in ICM, held by them at fair market value. This right may be exercised in the ordinary course by Dollarcity's founding stockholders during specified periods, subject to certain transaction size thresholds, required ownership thresholds and freeze and notice periods, among other conditions and restrictions. The put right may also be exercised upon the occurrence of certain extraordinary events, including a change in control of the Corporation and a sale of Dollarcity. The Stockholders Agreement also includes drag-along and tag-along rights in respect of CARS and ICM. The Corporation cannot predict whether the put right will be exercised or, if exercised, when and to what extent it will be exercised (provided that, subject to limited exceptions, the put right can, prior to February 4, 2027, be exercised for up to 14.9% of all shares of CARS outstanding and the corresponding proportionate interests in ICM). Under the terms of the Stockholders Agreement, the Corporation also has an option to acquire, at any time on or before December 31, 2027, an additional 9.89% equity interest in CARS and a corresponding 4.945% equity interest in ICM. In the event of any exercise of the put or the call option, the consideration payable by the Corporation may, depending on various factors, including those discussed above, be paid using cash on hand or financed in full or in part and, depending on the circumstances, may temporarily impact the Corporation's liquidity and its capital allocation strategy. Refer to the section entitled "Liquidity and Capital Resources".

Changes in Creditworthiness or Credit Rating

Changes in the perceived creditworthiness of the Corporation and in the credit rating of the Fixed Rate Notes or the USCP Notes may affect not only the market value and the liquidity of those notes but also the cost at which the Corporation can access capital or credit markets, public or private. The Corporation received credit ratings in connection with the issuance of each series of Fixed Rate Notes and the launch of the U.S. Commercial Paper Program. Credit ratings are generally evaluated and determined by independent third parties and may be impacted by events outside of the Corporation's control as well as any other significant decisions made by it or imposed upon it, including the entering into of any transaction. Credit rating agencies perform independent analysis when assigning credit ratings and such analysis includes a number of criteria, including various financial tests, business composition and market and operational risks. Those criteria are continually reviewed by credit rating agencies and are therefore subject to change from time to time. There is no assurance that any credit rating assigned to the Fixed Rate Notes or the USCP Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. Any actual or anticipated lowering or withdrawal of a credit rating could have a material adverse effect not only on the market value of those notes but also on the market perceptions of the Corporation in general or its business and financial results.

Income Taxes

The Corporation's income tax provisions and income tax assets and liabilities are based on interpretations of applicable tax laws, including income tax treaties between the countries in which the Corporation operates (including Canada, Australia and, through Dollarcity, countries in Latin America) as well as underlying rules and regulations with respect to transfer pricing. These interpretations involve judgments and estimates and may be challenged through government taxation audits that the Corporation is regularly subject to. New information may become available that causes the Corporation to change its judgment regarding the adequacy of existing income tax assets and liabilities; such changes could impact net earnings in the period that such a determination is made.

In addition, as the Corporation expands its global operations, it becomes subject to new tax requirements, including Pillar Two, across multiple jurisdictions, which have resulted and may result in additional taxes and increase the complexity of the Corporation's tax calculations, compliance requirement and reporting obligations.

Market Risks

Retail Competition

The Corporation operates in the value retail industry, which is highly competitive with respect to, among other things, price, store location, merchandise quality, assortment and presentation, in-stock consistency, and customer service. This competitive environment could materially adversely affect the Corporation's business and financial results due to the lower prices, and thus lower margins, that could be required to maintain its competitive position. Companies operating in the value retail industry have limited ability to increase prices in response to increased costs. This limitation combined with the impact of the current inflationary environment on costs may also affect margins and financial performance.

The Corporation competes for customers, employees, store sites, products and services and in other important aspects of its business with many other local, regional and national retailers, including multi-price dollar stores, variety and discount stores and mass merchants. These retailers compete in a variety of ways, including aggressive promotional activities, merchandise selection and availability, services offered to customers, location, store hours, in-store amenities and price.

Given the lack of significant economic barriers for other companies to open dollar stores or develop dollar store concepts within their existing retail operations, competition may also increase as a result of new value retailers entering the markets in which the Corporation operates. E-commerce and rapid-delivery platforms also continue to influence consumer expectations regarding convenience and availability, even in categories traditionally served through physical stores. Additionally, ongoing advancements in digital technologies and automated comparison tools further intensify price competition. If the Corporation fails to respond effectively to competitive pressures and changes in the retail markets, its business and financial results could be materially adversely affected.

Economic Conditions

Adverse global, Canadian or, where applicable, local economic conditions affecting disposable consumer income, discretionary spending, consumer stability and confidence, employment levels, consumer debt levels, credit availability, business conditions, international trades, import costs, fuel and energy costs, rent, inflation, interest rates and tax rates could materially adversely affect the Corporation's business and financial results by reducing consumer spending or causing customers to shift their spending to other products the Corporation either does not sell or does not sell as profitably, which could translate into decreased sales volumes, slower inventory turnover and lower gross margin for the Corporation. Also, sudden or prolonged adverse economic conditions could, including if such conditions result in decreased sales volumes or margins or otherwise, result in the Corporation reducing the scope of, or delay, capital expenditures, new store openings and future business opportunities or revisiting its capital allocation strategy. In addition, similar adverse economic conditions could materially adversely affect the Corporation, its suppliers or other business partners by reducing access to liquid funds or credit, increasing the cost of credit, limiting the ability to manage interest rate risk, increasing the risk of insolvency or bankruptcy of suppliers, landlords or financial counterparties, increasing the cost of goods (including as a result of rising raw material, shipping or importing costs), and other impacts which cannot be fully anticipated.

E-Commerce

While the Corporation has an indirect online presence through its partnerships with third-party online delivery platforms, the Corporation faces competition from online retailers, especially as an increasing number of consumers shop online. Aggressive growth of e-commerce competitors and changing consumer habits could have a material adverse impact on the Corporation's business and financial results.

Human Resources Risks

Reliance on Key Personnel

The Corporation's senior executives have extensive experience in the industry and with the business, suppliers, products and customers. The loss of management knowledge, expertise and technical proficiency as a result of the loss of one or more members of the core management team, could result in a diversion of management resources or a temporary executive gap, and negatively affect the Corporation's ability to develop and pursue business strategies, which could materially adversely affect its business and financial results. In addition, the expertise pertaining to purchasing and import management, especially as it relates to the value retail industry, is rare and the loss of key executives leading those functions could have a material adverse effect on the Corporation's ability to continue to offer a compelling product offering to its customers, which in turn could materially adversely affect its business and financial results.

As the Corporation's activities continue to grow, it must also continue to hire additional highly qualified individuals at the corporate level, including key procurement, replenishment, project management, IT, finance, legal, and technical personnel, and to manage its growing network of stores across its markets of operation. There can be no assurance that the Corporation will be able to attract or retain such qualified personnel in the future, which would adversely affect its business and financial results.

Recruitment, Retention and Management of Quality Employees

Future growth and performance depend, among other things, on the Corporation's ability to attract, retain and motivate quality employees, many of whom are in positions with historically high rates of turnover. The Corporation's ability to meet its labour needs, while controlling labour costs, is subject to many external factors, including the competition for and availability of quality personnel in a given market, unemployment levels within those markets, prevailing wage rates, minimum wage and immigration laws, changing demographics, health and other insurance costs and changes in employment and labour legislation (including changes in the process for employees to join a union) or other workplace regulation (including changes in entitlement programs such as health insurance and paid leave programs). More specifically, in the event of a labour shortage affecting the Corporation's warehouse and distribution centre staffing needs, the Corporation could experience difficulty delivering its products to stores in a timely manner and could be forced to increase wages and benefits in order to attract and retain workers, which would result in higher operating costs and reduced profitability.

In addition, the Corporation must be able to successfully manage personnel throughout its vast, geographically dispersed network of stores. Any failure to successfully manage store personnel could make it difficult for the Corporation to adequately maintain stores or service customers, which, in turn, could have a material adverse effect on the Corporation's business and financial results.

The Corporation's employees in Canada are not unionized. In Australia, where a significant portion of the workforce is unionized, there can be no assurance that the current collective bargaining agreement set to expire on June 30, 2026, will be renewed on terms consistent with the Corporation's expectations. In addition, should any new portion of the Corporation's employee base attempt to unionize, the successful negotiation of a collective bargaining agreement cannot be assured. Whether as a result of such unionization or material changes to Dollarama Australia's collective bargaining agreement terms, the Corporation may be required to make targeted adjustments to its business model. Protracted and extensive work stoppages or labour disruptions resulting from any portion of the Corporation's employee base becoming subject to a collective bargaining agreement, the renegotiation of Dollarama Australia's current collective bargaining agreement or otherwise, could materially adversely affect the Corporation's business and financial results.

Technology Risks

Information Technology Systems

The Corporation depends on its information technology systems for the efficient functioning of its business, including financial reporting and accounting, purchasing, inventory management and replenishment, labour forecasting and scheduling, payroll processing, data storage, customer transactions processing and store communications. Enterprise-wide software solutions enable management to efficiently conduct operations, and gather, analyze and assess information across all business functions and geographic locations.

Management believes that the Corporation's information technology architecture is resilient, relying on redundant material components to prevent material failures, redundant telecommunication links to prevent communication failures and a synchronous disaster recovery site to provide service continuity in the event of a server room disaster. However, systems may be subject to damage or interruption resulting from power outages, computer, software and telecommunication failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security incidents and breaches, cyber-attacks, catastrophic events, usage errors by employees or contractors, civil or political unrest, or armed hostilities. The Corporation regularly incurs costs associated with the maintenance of its information technology systems in an effort to protect them against failures or attacks. Costs can increase significantly in the presence of actual or anticipated attacks, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. Difficulties with the hardware and software platform or with keeping pace with its growing IT capacity requirements may require the Corporation to incur substantial costs to repair or replace it, could result in a loss of critical data or could disrupt operations, including the Corporation's ability to timely ship and track product orders, forecast inventory requirements, manage the supply chain, process customer transactions and otherwise adequately service customers, which, in each case, could have a material adverse effect on the Corporation's business and financial results. Prolonged disruptions to information technology systems may reduce the efficiency of the Corporation's operations, which could materially adversely affect its business, reputation and financial results.

The Corporation increasingly relies on cloud-based platforms and third-party technology providers and sometimes requires granting access to its network to third parties. Any breach, service interruption or reduction in functionality by such providers could disrupt the Corporation's operations, which could materially affect its business and financial results.

The Corporation incorporates and expects to continue to incorporate artificial intelligence (AI) technologies into its business and operations from time to time. However, there can be no assurance that investments made in these technologies and related processes and tools will provide a valuable return, if any. Moreover, the effective use of AI often requires large volumes of data which is sometimes provided to third parties in doing so. Any breach or misuse of this data could lead to significant legal and reputational consequences which could adversely affect the Corporation's business and financial results. Furthermore, given the evolving environment with regards to AI, factors such as government regulations, contractual obligations, public perception and market demand can change rapidly, potentially leading to additional risks and costs for the Corporation.

Cybersecurity, Privacy and Data Breaches

Information security risks have increased in recent years due to the proliferation of new technologies, including artificial intelligence and the growing sophistication of perpetrators of cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events. They can be orchestrated by malevolent actors within or outside an organisation or can be the result of human error. Cyber-threats in particular vary in technique and sources, are persistent, and are increasingly more frequent, targeted and difficult to detect and prevent. The current geopolitical instability and the Corporation's growing international presence both exacerbate these threats, which might lead to increased risk, volume and frequency of cybersecurity incidents.

Cyber-attacks and security breaches could include unauthorized attempts to access, disable, improperly modify or degrade the Corporation's or its third-party service providers' information technology systems, networks and websites, the introduction of computer viruses and other malicious codes, and fraudulent "phishing" emails that seek to misappropriate data and information or install ransomware or malware onto users' computers. They could result in important remediation costs, increased cyber security costs, lost revenues due to a disruption of activities, litigation and reputational harm affecting customer and investor confidence. An investigation into a cybersecurity incident could also take a significant amount of time and resources to complete. Cyber-attacks and security breaches could therefore materially adversely affect the Corporation's business and financial results.

The Corporation is subject to various privacy laws and regulations across multiple jurisdictions. While at the store level, the Corporation does not store customer data on its systems, such as card numbers and other customer personally identifiable information, the Corporation stores personally identifiable information of its customers through its customer service platform. The Corporation also collects and processes personal information relating to its employees. The Corporation has a Privacy Policy which governs the Corporation's collection and treatment of personal information. Both personal information about customers and employees can, from time to time, be disclosed to third-party service providers involved in the business of the Corporation. Moreover, during the ordinary course of its business, the Corporation collects and maintains proprietary and confidential information related to its business and affairs, including its suppliers and employees. The Corporation stores and processes such internal data both at onsite facilities and at third-party owned facilities. Any fraudulent, malicious or accidental breach of data security could result in unintentional disclosure of, or unauthorized access to, customers, suppliers, employees or other confidential or sensitive data or information, which could potentially result in additional costs to the Corporation to enhance security or to respond to occurrences, violations of privacy or other laws or regulations, penalties or litigation. The use of third-party hosted solutions and vendors may also increase exposure to cyber incidents originating outside of the Corporation's systems. In addition, media or other reports of perceived security vulnerabilities of the Corporation's systems, even if no breach has been attempted or has occurred, could also adversely impact the Corporation's brand and reputation, attract investigations by government bodies and materially impact its business and financial results.

The Corporation has dedicated resources and utilizes third-party technology products and services to help protect the Corporation's information technology systems and infrastructure as well as its proprietary and confidential information against security breaches and cyber incidents. Given the unforeseeability of these events and, increased remediation costs, such measures may not be adequate or effective to prevent or identify or mitigate attacks by hackers or breaches caused by employee error, malfeasance or other disruptions, which could cause damage in excess of any available insurance, and could materially adversely affect its business and financial results. As well, given the integration of the Corporation's systems with those of many third-party service providers, a cyber-incident suffered by them may also affect the Corporation.

Strategy and Corporate Structure Risks

Growth Strategy

The Corporation's ability to successfully execute its growth strategy, including as it relates to identifying and developing new growth opportunities in Canada and internationally, will depend largely on its ability to successfully open and operate new stores, which, in turn, will depend on a number of operational, financial, and economic factors, including whether it can:

- locate, lease, build out, and open stores in suitable locations on a timely basis and on favourable economic terms;

- hire, train, and retain an increasing number of quality employees at competitive rates of compensation and maintain the corporate culture across the workforce;
- supply an increasing number of stores with the proper mix and volume of merchandise;
- expand within the markets of Canada, including Ontario, Quebec and the Maritimes, where it is already well established and where new stores may divert sales away from existing stores;
- expand, both directly and through Dollarcity, into new geographic markets, including where it has no or a limited presence including Mexico;
- procure efficient logistics and transportation services for those new markets;
- successfully compete against local and online competitors; and
- build, expand and upgrade warehousing and distribution facilities as well as store support systems in an efficient, timely and economical manner.

Any failure by the Corporation to achieve these goals could materially adversely affect its ability to continue to grow. In addition, the Corporation's expansion plan assumes that new stores will average comparable results to existing stores and, therefore, if new stores fail to do so, the Corporation's business and financial results could be materially adversely affected.

Through its equity accounted investment in Dollarcity, the Corporation has a growth platform in Latin America. Dollarcity, which is headquartered in Panama, currently operates stores in El Salvador, Guatemala, Colombia, Peru and Mexico. The Corporation's ability to further develop this growth platform depends largely on the ability of Dollarcity to successfully expand its store network within such territories and the other territories mutually agreed upon between the parties (comprised of Honduras, Costa Rica, Nicaragua, Panama and Ecuador), which, in turn, depends on a number of operational and financial factors similar to those that the Corporation has to contend with in Canada and Australia, in addition to economic, social and geopolitical factors arising specifically in the countries where Dollarcity operates and the legal environment governing its Latin American operations.

As per the terms of the Stockholders Agreement entered into among Dollarama International and Dollarcity's founding stockholders, who have a 39.9% and 19.95% equity interests in CARS and ICM, respectively, while the Corporation has a majority interest in Dollarcity, certain strategic and operational decisions are 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, executive officer appointments and remuneration, approval of annual budget and business plan, and any entry into a new country. Dollarcity's founding stockholders may in the future have interests that are different from the Corporation's interests, which may result in conflicting views as to the conduct of the business of Dollarcity. In the event of a disagreement regarding the resolution of any particular issue, or regarding the management or conduct of the business of Dollarcity, the Corporation may not be able to resolve such disagreement in its favor and such disagreement could have a material adverse effect on the business and financial results of Dollarcity in general which could, in turn, materially adversely affect the Corporation's business and financial results. As a result, Dollarcity's success will also depend on the ability of Dollarcity's stockholders to reach agreements with respect to the strategic direction of Dollarcity and other important aspects of the Dollarcity business in the future.

The Corporation completed the acquisition of The Reject Shop in Australia in Fiscal 2026. Realization of the anticipated benefits of the acquisition will depend, in part, on the Corporation's ability to successfully integrate Dollarama Australia's business, including the requirement to devote management attention and resources to integrating business practices and support functions. In addition, the Corporation continues to evaluate opportunities and implement strategies to optimize its operations in Australia and further align its operations with the Corporation's business model. These anticipated benefits of the acquisition and the evaluation of the aforementioned initiatives rely on several assumptions from management, including assumptions related to Australian demographic trends, economic conditions, consumer demand for the Corporation's business model, and the model's replicability in Australia. Should any of these assumptions prove inaccurate, Dollarama Australia's performance and projected growth could be materially affected. Therefore, there can be no assurance that the integration efforts and ongoing optimization and alignment initiatives will achieve their intended results nor that the Corporation will realize the benefits it expects to realize from the acquisition of Dollarama Australia which, in each case, could materially adversely affect the Corporation's business and financial results.

As the Corporation expands its footprint, the coordination of merchandising, supply chain, and technology platforms across multiple markets may increase operational complexity and execution risk. Expansion into new jurisdictions, such as Australia and Mexico, may also require adaptation to different regulatory, consumer and operating environments, and the deployment of material initiatives in these markets may also require additional management attention and resources, with anticipated benefits potentially taking longer than expected to realize, or not being realized at all. To the extent that any of the foregoing risks materialize, or that the Corporation's growth strategy requires more investments or resources than anticipated, including in circumstances where general economic, financial or political conditions deteriorate, the Corporation may adjust its growth or capital allocation strategy.

Corporate Structure

Dollarama Inc. is a holding company and a substantial portion of its assets are the equity interests in its subsidiaries. As a result, the Corporation is subject to the risks attributable to Dollarama Inc.'s subsidiaries. As a holding company, Dollarama Inc. conducts substantially all of its business through its subsidiaries, which generate substantially all of Dollarama Inc.'s revenues. Consequently, Dollarama Inc.'s cash flows, and its ability to meet financial obligations and to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to Dollarama Inc. The ability of these entities to pay dividends and other distributions will depend on their operating results and may potentially be constrained by various contractual restrictions, including, in the case of CARS and ICM, certain conditions or approval rights under the Stockholders Agreement entered into among Dollarama International and Dollarcity's founding stockholders. Dollarama Inc.'s subsidiaries are distinct legal entities and have no obligation to make funds available to Dollarama Inc. or any of its creditors, except in certain circumstances and subject to certain terms and conditions in the case of a subsidiary that is a guarantor of Dollarama Inc.'s obligations. In the event of a bankruptcy liquidation of any of its subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Dollarama Inc.

Business Continuity Risks

Adverse Weather, Natural Disasters, Climate Change, Geopolitical Events, Wars and Acts of Terrorism, Pandemic and Epidemic Outbreaks

The occurrence, in regions into which the Corporation (including through Dollarcity and Dollarama Australia) and/or its suppliers operate, of one or more natural disasters such as earthquakes and hurricanes, unusually adverse weather exacerbated by global climate change or otherwise, pandemic or epidemic outbreaks, prolonged IT system failures, national trade policies, boycotts and geopolitical events, such as civil unrest, war, violence, or disruptive global political events (for example, the increased tensions between China and the Western countries, the ongoing international conflicts in the Middle East or political instability in countries where Dollarcity operates or, to a different extent, in neighbor countries such as Venezuela), and acts of terrorism, or similar disruptions could materially adversely affect the Corporation's business and financial results. Furthermore, the impact of any such events on its business and financial results could be exacerbated if they occur during a period of the year when sales generally increase, such as the Canadian winter holidays season or any other major holidays and celebrations.

These events could result in physical damage to, or the complete loss of, one or more of the Corporation's or Dollarcity's properties, increases in fuel or other energy prices, disruption to information systems, the temporary or long-term disruption in the supply of products from some local and overseas suppliers, the temporary disruption in the transportation of goods from overseas, delays in the delivery of goods to warehouses, distribution centres or stores, the temporary or permanent closure of one or more warehouses or distribution centre or of one or more stores, the temporary reduction in the availability of products in stores, delays in opening new stores, a temporary workforce unavailability in a market or a surge in unemployment, the temporary reduction of store traffic, significant disruption in everyday life and consumer spending habits in the markets in which the Corporation operates and/or the loss of sales. These factors could materially adversely affect the Corporation's business and financial results, for a short or long period, and there is no assurance that business will resume and reach historical levels after any such event.

Insurance

The Corporation's insurance coverage reflects deductibles, self-insured retentions, limits of liability and similar provisions that management believes are reasonable based on the nature and size of the Corporation's operations. However, there are types of losses against which the Corporation cannot be insured or which management chose not

to insure, in some cases because it believes it is not economically reasonable to do so, such as losses due to acts of war, nuclear disaster, pandemic, epidemic, reputational risks, supply chain issues, certain cyber risks, product recalls, employee turnover, strikes and some natural disasters. If the Corporation incurs these losses and they are material, its business and financial results could be materially adversely affected. In addition, certain material events may result in sizable losses for the insurance industry and materially adversely affect the availability of adequate insurance coverage or result in excessive premium increases. To offset negative insurance market trends, the Corporation may elect to increase its level of self-insurance, accept higher deductibles or reduce the amount of coverage in response to these market changes. Although it continues to maintain property insurance for catastrophic events, the Corporation is effectively self-insured for property losses up to the amount of its deductibles. If it experiences a greater number of these losses than anticipated, the Corporation's business and financial results could be materially adversely affected.

Legal and Regulatory Risks

Regulatory Environment

The Corporation is subject to many laws and regulations, including laws and regulations related to, among other things, permits and licences, merchandise quality, product labelling, product safety, consumer protection, employment and labour matters, health and safety, supply chain transparency, intellectual property, data privacy and security, environmental levies, trade and customs, publicly traded securities, anti-trust and competition, bribery, corruption, accounting standards and climate change. Compliance with existing laws and regulations often involves subjective assumptions, estimates, interpretations and/or judgments. Regulatory requirements in several of these areas continue to evolve, including enhanced disclosure, due diligence and reporting requirements that may increase compliance complexity and related costs, all of which could materially adversely affect the Corporation's business and financial results. Changes to enforcement practices or the introduction of new compliance frameworks may require updates to internal processes, systems or training programs. In addition, untimely compliance or non compliance with any laws and regulations could trigger litigation or governmental enforcement action, or require the payment of any fines or penalties, and harm the Corporation's reputation, which could materially adversely affect the Corporation's business and financial results.

The Corporation and its representatives are also subject to anti-corruption and anti-bribery laws that prohibit improper payments directly or indirectly to government officials, authorities, or persons defined in those anti-corruption and anti-bribery laws, in order to obtain business or other improper advantages in the conduct of business. Failure by the Corporation or any of its employees, subcontractors, suppliers, agents, and/or representatives to comply with anti-corruption and anti-bribery laws could result in criminal, civil and administrative legal sanctions and negative publicity, and could materially adversely affect the Corporation's business and financial results as well as its brand image and reputation.

Product Liability Claims and Product Recalls

The Corporation imports and sells products manufactured by unaffiliated third parties, including shelf-stable food products for human consumption. To the extent that manufacturers do not adhere to product safety requirements or quality control standards, the Corporation may not be able to identify the deficiency before merchandise is shipped to stores and sold to customers. As a result, the products sold by the Corporation may expose it to product liability claims relating to personal injury, death or property damage, and may require the Corporation to take actions or act as a defendant in a litigation. In addition, if suppliers are unable or unwilling to recall products failing to meet quality standards, the Corporation may be required to remove merchandise from the shelves or recall those products at a substantial cost. Product liability claims and product recalls may affect customers' perception of the business or the brand and harm the Corporation's reputation, which may materially adversely affect its business and financial results. Although the Corporation maintains liability insurance to mitigate potential claims, it cannot be certain that coverage will be adequate or sufficient to cover for liabilities actually incurred or that insurance will continue to be available on economically reasonable terms or at all.

Litigation

The Corporation's business and activities are subject to the risk of litigation by employees, customers, consumers, product suppliers, service providers, other business partners, competitors, shareholders, government agencies, or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation or enforcement actions, including, in the case of administrative proceedings, as a result of reviews by taxation authorities.

The outcome of litigation, particularly class action lawsuits, regulatory actions and intellectual property claims, is difficult to assess or quantify. Claimants in these types of lawsuits or claims may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to these lawsuits or claims may remain unknown for substantial periods of time. In addition, certain of these lawsuits or claims, if decided adversely to the Corporation or settled by it, may result in liability material to its financial statements as a whole or may negatively affect operating results if changes to business operations are required. In addition, in connection with its business activities, the Corporation is subject to reviews by taxation authorities. There is no assurance that any such reviews will not result in taxation authorities challenging any of its tax filings.

The cost to defend or settle litigation may be significant. There also may be adverse publicity associated with litigation, including without limitation litigation related to product safety, which could negatively affect customer perception of the business or the brand, regardless of whether the allegations are valid or whether the Corporation is ultimately found liable. As a result, litigation could materially adversely affect the Corporation's reputation, business and financial results.

Environmental Compliance

Under various federal, provincial, and local environmental laws and regulations, current or previous owners or occupants of property may become liable for the costs of investigating, removing and monitoring any hazardous substances found on the property. These laws and regulations often impose liability without regard to fault.

Certain of the facilities that the Corporation occupies have been in operation for many years and, over such time, the Corporation and the prior owners or occupants of such properties may have generated and disposed of materials, which are or may be considered hazardous. Accordingly, it is possible that environmental liabilities may arise in the future as a result of any generation and disposal of such hazardous materials. Although it has not been notified of, and management is not aware of, any current material environmental liability, claim, or non-compliance, the Corporation could incur costs in the future related to its properties in order to comply with, or address any violations under, environmental laws and regulations.

In the ordinary course of business, the Corporation sometimes uses, stores, handles or disposes of household products and cleaning supplies that are classified as hazardous materials under various environmental laws and regulations. Also, products sold by the Corporation may be subject to environmental regulations prohibiting or restricting the use of certain toxic substances in the manufacturing process.

In addition, the Corporation is increasingly subject to evolving environmental reporting obligations and extended producer responsibility (EPR) regimes across Canadian jurisdictions. These include expanded provincial EPR programs that may shift financial and operational responsibility for end-of-life management of packaging and certain products to producers or importers, as applicable. Compliance with these regimes may require the Corporation to adapt aspects of its business model, including packaging design, material selection, data-tracking systems, and supply-chain reporting processes, and may involve increased administrative costs, the need for third-party verification of reported data, or penalties for inaccurate or late reporting.

The Corporation cannot predict the environmental laws or regulations that may be enacted in the future or how existing or future laws and regulations will be administered or interpreted. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of the regulatory agencies or stricter interpretations of existing laws and regulations, may require additional expenditures or impose fines or penalties, which could vary substantially from those currently anticipated and could materially adversely affect the Corporation's business and financial results.

Climate Change

Climate change is an international concern that is receiving increasing attention worldwide. The Corporation recognizes that physical risks (such as extreme weather conditions, drought, and rising sea levels) resulting from climate change, either event-driven or longer-term shifts in climate patterns, as well as transition risks (such as regulatory or technology changes), may have operational, financial and reputational impacts on its business and activities and throughout its logistics and supply chain. These events and their effects on the Corporation's business and activities may have a material adverse effect on its business, financial results and reputation.

Governments have established a number of policy measures in response to concerns relating to climate change. While the impact of all these measures cannot be fully quantified at this time, the likely effect will be to increase costs for fuels, electricity and transportation; restrict industrial emission levels; impose added costs for emissions in excess of permitted levels; and increase costs for monitoring and reporting. Compliance with these initiatives could require the Corporation to make significant system or operating changes or require it to make significant expenditures or incur substantial costs, all of which could materially adversely affect its business and financial results.

Public awareness and concern regarding global climate change may result in new or more stringent legislative and/or regulatory requirements to tax, reduce or report greenhouse gas (GHG) emissions or mitigate their effects. GHG regulations could require the Corporation to purchase allowances to offset the Corporation's own emissions or result in an overall increase in merchandise or operating costs or reduce customer demand for its products, any of which could materially adversely affect the Corporation's business and financial results.

Shareholder Activism

In recent years, publicly-traded companies have increasingly been subject to actions, demands or grievances from activist shareholders, including short sellers, relating to environmental or social issues, corporate governance, executive compensation practices, fiduciary duties of directors and officers, and strategic direction and operations, among other matters. Responding to these demands may be costly and time-consuming and may disrupt business operations, divert management and employee attention, or present other legal and business challenges that could materially adversely affect the Corporation's business and financial results. Moreover, such investor activism could result in uncertainty of the direction of the Corporation, harm the business, hinder execution of the business strategy and initiatives and create adverse volatility in the market price and trading volume of the Corporation's shares.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Corporation are responsible for establishing and maintaining the Corporation's disclosure controls and procedures, including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public release. The CEO and the CFO evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings. They concluded that, as at February 1, 2026, the Corporation's design and operation of its disclosure controls and procedures was effective in providing reasonable assurance that material information regarding this MD&A, the consolidated financial statements and other disclosures was made known to them on a timely basis.

Management has limited the scope of the design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of Dollarama Australia. Refer to the Section "Selected Segmented Financial Information" of this MD&A. The scope limitation is in accordance with Section 3.3 of Regulation 52-109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings, which allows an issuer to limit design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of a business acquired not more than 365 days before the end of the financial period to which the certificate relates. For summary financial information about Dollarama Australia, please refer to the results of the Australian segment presented under the column "Australia" of the section entitled "Selected Segmented Financial Information" of this MD&A and Note 21 of the Corporation's audited annual consolidated financial statements for the year ended February 1, 2026.

Management has developed a system for internal controls over financial reporting in order to provide reasonable assurance about the reliability of the financial information published and the preparation of the financial statements in accordance with GAAP. Furthermore, internal controls over financial reporting design provides reasonable assurance that the Corporation's financial information is reliable and that its financial statements have been prepared, for the purpose of publishing information, in accordance with GAAP. The CEO and the CFO are responsible for developing internal controls over financial reporting or the supervision of their development.

As at February 1, 2026, the CEO and the CFO evaluated the effectiveness of both disclosure controls and procedures and internal control over financial reporting. Based on these evaluations, the CEO and the CFO concluded that disclosure controls and procedures and internal control over financial reporting were effective as at February 1, 2026.

In making the evaluation of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the 2013 *Internal Control - Integrated Framework* (commonly referred to as the 2013 COSO Framework).

There were no changes in internal control over financial reporting that occurred during the period beginning on February 2, 2025 and ended on February 1, 2026 that have materially affected, or are reasonably likely to materially affect internal control over financial reporting.

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.

The payment of each quarterly dividend remains subject to the declaration of that dividend by the board of directors. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date are subject to the discretion of the board of directors. Refer to the section of this MD&A entitled "Risks and Uncertainties" for a discussion on the risks associated with the Corporation's capital allocation strategy and the declaration and payment of dividends.

Normal Course Issuer Bid

On July 3, 2025, the Corporation announced the renewal of its 2025-2026 NCIB and the approval from the TSX to repurchase up to 13,865,588 of its common shares, representing 5.0% of the issued and outstanding common shares of the Corporation as at June 30, 2025, during the 12-month period from July 7, 2025 to July 6, 2026. All common shares purchased pursuant to the normal course issuer bid will either be cancelled or placed in trust to facilitate the holding and administering of common shares that may be purchased by the Corporation to hedge its exposure in respect of grants made under its performance share unit plan, including to settle the Corporation's obligations under such plan.

During the fourth quarter of Fiscal 2026, 888,309 common shares were repurchased for cancellation under the 2025-2026 NCIB for a total cash consideration of \$174.8 million, representing a weighted average price of \$196.79 per share, excluding the applicable tax on share repurchases.

During Fiscal 2026, 4,426,267 common shares were repurchased for cancellation under the 2025-2026 NCIB and the normal course issuer bid previously in effect, for a total cash consideration of \$834.2 million, representing a weighted average price of \$188.47 per share, excluding the applicable tax on share repurchases.

Share Information

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

On March 24, 2026, there were 272,929,382 common shares issued and outstanding, including 198,622 shares repurchased and held in trust as treasury shares. In addition, there were 1,741,059 options, each exercisable for one common share, issued and outstanding as at March 24, 2026. Assuming exercise of all outstanding options, there would have been 274,670,441 common shares issued and outstanding on a fully diluted basis as at March 24, 2026.

Additional Information

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