



DOLLARAMA INC. MANAGEMENT'S DISCUSSION AND ANALYSIS First Quarter Ended May 3, 2026

June 11, 2026

The following management's discussion and analysis ("MD&A") dated June 11, 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 first quarter ended May 3, 2026. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and notes for the first quarter ended May 3, 2026 and the 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 unaudited condensed interim consolidated financial statements for the first quarter ended May 3, 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 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.

Recent Events and Highlights

Quarterly Cash Dividend

On June 11, 2026, the Corporation announced that its board of directors approved a quarterly cash dividend for holders of common shares of \$0.1200 per common share. This dividend is payable on August 7, 2026 to shareholders of record at the close of business on July 10, 2026. The dividend is designated as an "eligible dividend" for Canadian tax purposes.

Dollarcity Dividend and Capital Call

During the quarter, the Corporation used proceeds from its 60.1% share of the dividend previously declared by CARS (as hereinafter defined) and received in the first quarter of Fiscal 2027, representing US\$75.1 million (\$102.2 million), to make 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.

Offering of Fixed Rate Note

On April 2, 2026, the Corporation issued the 3.940% Fixed Rate Notes and the 4.576% Fixed Rate Notes (each as hereinafter defined) by way of private placement in Canada in reliance upon exemptions from the prospectus requirements under applicable securities legislation. The 3.940% Fixed Rate Notes were issued at par for aggregate gross proceeds of \$375.0 million and bear interest at a fixed rate of 3.940% per annum, payable in semi-annual instalments, on July 25 and January 25 of each year until maturity on July 25, 2031. The 4.576% Fixed Rate Notes were issued at par for aggregate gross proceeds of \$375.0 million and bear interest at a fixed rate of 4.576% per annum, payable in semi-annual instalments, on April 2 and October 2 of each year until maturity on April 2, 2036. The 3.940% Fixed Rate Notes and 4.576% Fixed Rate Notes were assigned a rating of BBB+ (high), with a stable trend, by DBRS Limited.

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 May 3, 2026, the Corporation had 1,719 stores, including 28 net new stores opened during the first quarter of Fiscal 2027. 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 May 3, 2026, the Corporation operated a well-located national store network of 410 stores, including 8 net new stores and 13 renovated stores during the first quarter of Fiscal 2027. From its 410 stores, 28 are now configured with Dollarama's in-store layout and fixtures, including renovated and new stores, but will continue to operate under the legacy banner until the product assortment reflects Dollarama's value proposition. Australian stores average 7,685 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.

In Latin America, Dollarcity had a total of 752 stores as at March 31, 2026 (compared to 732 as at December 31, 2025), with 424 locations in Colombia, 121 in Guatemala, 111 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.

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 May 3, 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 First Quarter of Fiscal 2027

Compared to the first quarter of Fiscal 2026:

- Sales increased by 21.4% to \$1,846.1 million, compared to \$1,521.2 million
- Comparable store sales⁽¹⁾ in Canada increased by 5.6%, compared to 4.9% in the first quarter of the previous year
- EBITDA⁽¹⁾ increased by 17.4% to \$582.5 million, representing an EBITDA margin⁽¹⁾ of 31.6%, compared to 32.6%
- Operating income increased by 11.2% to \$432.2 million, representing an operating margin⁽¹⁾ of 23.4%, compared to 25.6%
- Net earnings increased by 10.4% to \$302.3 million, resulting in a 13.3% increase in diluted net earnings per common share to \$1.11, compared to \$0.98
- Unrealized gain of \$16.4 million relating to the derivative on our equity-accounted investment, positively impacting EBITDA margin by 90 basis points and diluted net earnings per common shares by \$0.06
- 28 net new stores opened in Canada, compared to 22 in the corresponding period of the previous year; 8 net new stores opened and 13 stores renovated in Australia, all operating under the legacy banner
- 1,962,010 common shares repurchased for cancellation for \$339.1 million

Outlook

A discussion of management's expectations as to the Corporation's outlook for the Canadian and Australian segments for Fiscal 2027 is contained in the Corporation's press release dated June 11, 2026 under the heading "Fiscal 2027 Outlook". The press release is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com.

⁽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.

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 equivalent 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 between Dollarama International and Dollarcity, 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:

(dollars and shares in thousands, except per share amounts)

	13-week periods ended	
	May 3, 2026	May 4, 2025
	\$	\$
Earnings Data		
Sales	1,846,089	1,521,210
Cost of sales	1,036,100	848,900
Gross profit	809,989	672,310
SG&A	304,032	233,457
Depreciation and amortization	124,950	90,381
Share of net earnings of equity-accounted investments	(51,238)	(40,312)
Operating income	432,245	388,784
Unrealized gain from derivatives on equity-accounted investments	(16,448)	(10,348)
Net financing costs	49,734	43,960
Earnings before income taxes	398,959	355,172
Income taxes	96,685	81,416
Net earnings	302,274	273,756
Basic net earnings per common share	\$1.11	\$0.99
Diluted net earnings per common share	\$1.11	\$0.98
Weighted average number of common shares outstanding:		
Basic	272,356	277,045
Diluted	273,405	278,211
Other Consolidated Data		
Year-over-year sales growth	21.4%	8.2%
Gross margin ⁽¹⁾	43.9%	44.2%
SG&A as a % of sales ⁽¹⁾	16.5%	15.3%
EBITDA ⁽¹⁾	582,506	496,171
Operating margin ⁽¹⁾	23.4%	25.6%
Capital expenditures	112,117	46,255
Declared dividends per common share	\$0.1200	\$0.1058

⁽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.

	As at	
	May 3, 2026 \$	February 1, 2026 \$
<i>(dollars in thousands)</i>		
Statement of Financial Position Data		
Cash and cash equivalents	816,816	331,569
Inventories	1,115,458	1,103,175
Total current assets	2,012,535	1,508,355
Property, plant and equipment	1,333,390	1,258,499
Right-of-use assets	2,463,275	2,397,209
Total assets	8,235,644	7,558,352
Total current liabilities	1,283,652	1,348,179
Total non-current liabilities	5,581,793	4,754,285
Total debt ⁽¹⁾	3,367,607	2,625,121
Net debt ⁽¹⁾	2,550,791	2,293,552
Shareholders' equity	1,370,199	1,455,888

⁽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 the 13-week period ended May 3, 2026, the Corporation entered into inter-segment transactions between the Canadian and Australian segments for the recharges of certain support functions for the benefit of the Australian segment. The incremental profits resulting from these inter-segment transactions amounted to \$0.2 million and are eliminated within the respective segments.

	13-week period ended May 3, 2026		
	Canada ⁽¹⁾ \$	Australia \$	Total \$
<i>(dollars in thousands)</i>			
Earnings Data			
Sales	1,653,272	192,817	1,846,089
Cost of sales ⁽²⁾	909,575	126,525	1,036,100
Gross profit	743,697	66,292	809,989
SG&A	250,361	53,671	304,032
Depreciation and amortization	100,105	24,845	124,950
Share of net earnings of equity-accounted investments	(51,238)	-	(51,238)
Operating income (loss)	444,469	(12,224)	432,245
Unrealized gain from derivative on equity-accounted investments	(16,448)	-	(16,448)
Net financing costs	45,653	4,081	49,734
Income taxes	101,671	(4,986)	96,685
Net earnings (loss)	313,593	(11,319)	302,274

(dollars in thousands)

	13-week period ended May 3, 2026		
	Canada ⁽¹⁾	Australia	Total
	\$	\$	\$
Other Segmented Data			
Comparable store sales growth ⁽³⁾	5.6%	- ⁽⁴⁾	
Gross margin ⁽³⁾	45.0%	34.4%	43.9%
SG&A as a % of sales ⁽³⁾	15.1%	27.8%	16.5%
EBITDA ⁽³⁾	567,723	14,783	582,506
Capital expenditures	87,729	24,388	112,117
Number of stores ⁽⁵⁾	1,719	410	2,129
Average store size (gross square feet) ⁽⁵⁾	10,455	7,685	

⁽¹⁾ The Canadian segment includes the contribution of the Corporation's equity-accounted investments in Latin America.

⁽²⁾ For the 13-week period ended May 3, 2026, Cost of sales included depreciation and amortization for the Canadian and Australian segments of \$6,701 and \$2,162, respectively.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ At the end of the period.

Results of Operations

Fiscal 2027 First Quarter Financial Results

The following section provides an overview of the Corporation's financial performance during the first quarter of Fiscal 2027 compared to the first quarter of Fiscal 2026.

Sales

Sales for the first quarter of Fiscal 2027 increased by 21.4% to \$1,846.1 million, compared to \$1,521.2 million in the corresponding period of the prior fiscal year. This increase was driven by growth in the total number of stores in Canada over the past 12 months (from 1,638 on May 4, 2025, to 1,719 on May 3, 2026), Comparable store sales growth in Canada and a \$192.8 million sales contribution from 410 stores in Australia.

Comparable store sales in Canada for the first quarter of Fiscal 2027 increased by 5.6%, consisting of a 3.5% increase in the number of transactions and a 2.0% increase in average transaction size, over and above Comparable store sales growth in Canada of 4.9% for the first quarter of Fiscal 2026. Comparable store sales growth was primarily driven by strong demand for consumables and general merchandise.

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 \$810.0 million or 43.9% of sales in the first quarter of Fiscal 2027, compared to \$672.3 million or 44.2% of sales in the first quarter of Fiscal 2026. The variance was primarily driven by a lower gross margin in Australia, representing a negative 110-basis point impact, partially offset by lower logistics costs and the positive impact of scaling in Canada.

SG&A

SG&A for the first quarter of Fiscal 2027 increased by 30.2% to \$304.0 million, compared to \$233.5 million for the first quarter of Fiscal 2026. SG&A for the first quarter of Fiscal 2027 represented 16.5% of sales, compared to 15.3% of sales for the first quarter of Fiscal 2026. This increase is primarily attributable to higher SG&A in Australia, representing a negative 140-basis point impact, partially offset by the absence, compared to the first quarter of Fiscal 2026, of transaction costs in Canada related to the TRS Transaction.

EBITDA

EBITDA was \$582.5 million, representing an EBITDA margin of 31.6% for the first quarter of Fiscal 2027, compared to \$496.2 million, or an EBITDA margin of 32.6% in the first quarter of Fiscal 2026. EBITDA for the first quarter of Fiscal 2027 includes a contribution of \$14.8 million from the Australian segment, which negatively impacted EBITDA margin by 270 basis points. EBITDA for the first quarter of Fiscal 2027 also includes an unrealized gain of \$16.4 million relating to the derivative on equity-accounted investments, compared to an unrealized gain of \$10.4 million 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 investments for both periods (respectively \$16.4 million and \$10.4 million), EBITDA and EBITDA margin would have been \$566.1 million and 30.7%, respectively, for the first quarter of Fiscal 2027, compared to \$485.8 million and 31.9% for the corresponding period of the previous year.

Depreciation and Amortization

The depreciation and amortization expense increased by \$34.6 million, from \$90.4 million for the first quarter of Fiscal 2026 to \$125.0 million for the first quarter of Fiscal 2027. The increase is mainly attributable to additions to right-of-use assets and leasehold improvements on the opening of new stores from the Canadian segment and \$24.8 million related to depreciation expenses from the Australian segment.

Share of Net Earnings of Equity-Accounted Investments

The Corporation's share of net earnings from Dollarcity amounted to \$51.2 million for the period from January 1, 2026 to March 31, 2026. This includes a 60.1% share of net earnings from CARS representing \$55.5 million, compared to \$40.3 million in the corresponding period of the previous year, reflecting a 37.7% year-over-year increase, and a 80.05% share of net loss from ICM representing \$4.3 million. Dollarcity's first quarter performance was mainly driven by a 30.4% increase in sales, primarily attributable to an increase in Comparable store sales and total number of stores over the last twelve months (from 644 on March 31, 2025, to 752 on March 31, 2026) as well as a stable SG&A as a percentage of sales. This was partially offset by a slight decrease in gross margin related to expansion activities 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" of this MD&A.

Net Financing Costs

Net financing costs increased by \$5.8 million, from \$44.0 million for the first quarter of Fiscal 2026 to \$49.7 million for the first quarter of Fiscal 2027. The increase primarily reflects higher average debt levels from the Canadian segment following the issuance of the 3.940% and 4.576% Fixed Rate Notes during the first quarter of Fiscal 2027 and an impact of \$4.1 million from the Australian segment.

Income Taxes

Income taxes increased by \$15.3 million, from \$81.4 million for the first quarter of Fiscal 2026 to \$96.7 million for the first quarter of Fiscal 2027. The statutory income tax rate in Canada for the first quarter of Fiscal 2027 was 26.5%, unchanged from the corresponding quarter of Fiscal 2026. The Corporation's effective tax rates for the first quarter of Fiscal 2027 and Fiscal 2026 were 24.2% and 22.9%, 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 10.4% to \$302.3 million in the first quarter of Fiscal 2027, compared to \$273.8 million in the first quarter of Fiscal 2026, resulting in an increase in diluted net earnings per common share of 13.3%, to \$1.11 per diluted common share, in the first quarter of Fiscal 2027, including a negative \$0.04 impact per diluted common share from the Australian segment. Excluding the impact of the unrealized gain from the derivative on equity-accounted investments (\$0.06 per diluted common share), diluted net earnings per common share would have been \$1.05 per diluted common share.

Summary of Consolidated Quarterly Results

(dollars in thousands, except per share amounts)	Fiscal 2027	Fiscal 2026				Fiscal 2025		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Statement of Net Earnings Data	\$	\$	\$	\$	\$	\$	\$	\$
Sales	1,846,089	2,101,264	1,909,442	1,723,838	1,521,210	1,881,345	1,562,644	1,563,384
Net earnings	302,274	392,460	321,724	321,498	273,756	390,954	275,806	285,942
Net earnings per common share								
Basic	\$1.11	\$1.44	\$1.17	\$1.16	\$0.99	\$1.40	\$0.98	\$1.02
Diluted	\$1.11	\$1.43	\$1.17	\$1.16	\$0.98	\$1.40	\$0.98	\$1.02

Liquidity and Capital Resources

Cash Flows for the First Quarter of Fiscal 2027

(dollars in thousands)	13-week periods ended		Change
	May 3, 2026	May 4, 2025	
	\$	\$	\$
Cash flows generated from operating activities	382,923	315,616	67,307
Cash flows generated from (used in) investing activities	(61,301)	4,639	(65,940)
Cash flows generated from (used in) financing activities	163,625	(213,932)	377,557
Net change in cash and cash equivalents	485,247	106,323	378,924

Cash Flows - Operating Activities

For the first quarter of Fiscal 2027, cash flows generated from operating activities totalled \$382.9 million, compared to \$315.6 million for the first quarter of Fiscal 2026. This increase is mainly due to higher net earnings, as well as an increase in non-cash adjustments, primarily attributable to the additional depreciation from the Australian segment, partially offset by a higher share of net earnings of equity-accounted investments.

Cash Flows - Investing Activities

For the first quarter of Fiscal 2027, cash flows used in investing activities totalled \$61.3 million, compared to \$4.6 million of cash flows generated from investing activities for the first quarter of Fiscal 2026. This variance is primarily attributable to the third capital contribution of \$51.7 million to ICM towards expansion plans in Mexico, 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, partially offset by distributions received of \$102.2 million in the first quarter of Fiscal 2027 from the Corporation's equity-accounted investment in CARS, compared to \$54.6 million in the first quarter of Fiscal 2026.

Cash Flows - Financing Activities

For the first quarter of Fiscal 2027, cash flows generated from financing activities totalled \$163.6 million, compared to \$213.9 million used in financing activities for the first quarter of Fiscal 2026. This variance is mainly due to proceeds from the issuance of the 3.940% Fixed Rate Note and the 4.576% Fixed Rate Note representing \$750.0 million, partially offset by higher number of common shares repurchased under the normal course issuer bid, as well as an increase in net payments of lease liabilities due to the increase in 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.

For the first quarter of Fiscal 2027, capital expenditures increased to \$112.1 million, compared to \$46.3 million for the first quarter of Fiscal 2026. The increase is mainly attributable to higher capital expenditures related to store acquisitions and transformations and the ongoing development of the Western Logistics Hub in Canada, as well as capital expenditures from the Australian segment.

Capital Resources

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" of this MD&A for additional details on the Dollarcity Transaction.

On April 2, 2026, the Corporation issued the 3.940% Fixed Rate Notes and the 4.576% Fixed Rate Notes by way of private placement in Canada in reliance upon exemptions from the prospectus requirements under applicable securities legislation. The 3.940% Fixed Rate Notes were issued at par for aggregate gross proceeds of \$375.0 million and bear interest at a fixed rate of 3.940% per annum, payable in semi-annual instalments, on July 25 and January 25 of each year until maturity on July 25, 2031. The 4.576% Fixed Rate Notes were issued at par for aggregate gross proceeds of \$375.0 million and bear interest at a fixed rate of 4.576% per annum, payable in semi-annual instalments, on April 2 and October 2 of each year until maturity on April 2, 2036. The 3.940% Fixed Rate Notes and the 4.576% Fixed Rate Notes were assigned a rating of BBB+ (high), with a stable trend, by DBRS Limited.

The Corporation intends to use the net proceeds of the offering to repay the \$375.0 million aggregate principal amount of the Corporation's outstanding 1.871% Fixed Rate Notes due July 8, 2026 which will be repaid in full at maturity, to fund capital expenditure initiatives and for general corporate purposes. The Corporation is in good standing with rating agencies. The Corporation's expectations regarding its intended use of proceed 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" of this MD&A 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 \$728.9 million as at May 3, 2026, compared to a positive working capital of \$296.7 million as at May 4, 2025 as a result of a higher cash and cash equivalents balance.

Senior Unsecured Notes

(dollars in thousands)

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

	May 3, 2026 \$	February 1, 2026 \$
Senior unsecured fixed rate notes (the "Fixed Rate Notes") bearing interest at:		
Fixed annual rate of 4.576% payable in equal semi-annual instalments, maturing April 2, 2036 (the "4.576% Fixed Rate Notes")	375,000	-
Fixed annual rate of 3.940% payable in equal semi-annual instalments, maturing July 25, 2031 (the "3.940% Fixed Rate Notes")	375,000	-
Fixed annual rate of 3.850% payable in equal semi-annual instalments, maturing December 16, 2030 (the "3.850% Fixed Rate Notes")	600,000	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
Unamortized debt issue costs, including \$1,156 (February 1, 2026 – \$1,300) for the Credit Agreement	(11,069)	(7,992)
Accrued interest on the Fixed Rate Notes	19,723	20,837
Long-term financing arrangement	3,507	3,465
Fair value hedge – basis adjustment on interest rate swap	5,446	8,811
	3,367,607	2,625,121
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)	(396,970)	(398,275)
	2,970,637	2,226,846

The table below provides the carrying values and fair values of the Fixed Rate Notes as at May 3, 2026 and February 1, 2026. The fair values of the Fixed Rate Notes were determined as a level 2 in the fair value hierarchy.

	May 3, 2026		February 1, 2026	
(dollars in thousands)	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Fixed Rate Notes				
4.576% Fixed Rate Notes	374,406	376,174	-	-
3.940% Fixed Rate Notes	374,572	375,236	-	-
3.850% Fixed Rate Notes	606,112	600,684	600,319	607,116
5.165% Fixed Rate Notes	449,232	472,685	454,823	478,751
2.443% Fixed Rate Notes	376,921	362,944	374,860	365,606
5.533% Fixed Rate Notes	501,206	522,005	507,544	528,830
1.505% Fixed Rate Notes	300,187	293,886	301,257	294,495
1.871% Fixed Rate Notes	377,174	374,483	375,342	374,048
	3,359,810	3,378,097	2,614,145	2,648,846

Credit Agreement

On December 22, 2025, the Corporation and Dollarama Australia entered into a Fifth Amended and Restated Credit Agreement (the "Credit Agreement") with the lenders parties thereto in order to, among other things (i) include a new Facility E, maturing on December 22, 2026, in the amount of A\$75.0 million (\$73.4 million) and (ii) add Dollarama Australia as a borrower for the purposes of Facility E. Facility A of the Credit Agreement, in the amount of \$250.0 million, matures on June 27, 2030, Facility B, in the amount of \$450.0 million, as well as Facility C, in the amount of \$50.0 million, matures on June 27, 2028, and Facility D, in the amount of \$300.0 million, matures on June 26, 2026.

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 May 3, 2026 and February 1, 2026, no amount was outstanding under the Credit Agreement and \$1,120.8 million (February 1, 2026 – \$1,118.8 million) was available under the Credit Agreement, including letters of credit issued for the purchase of inventories which amounted to \$2.5 million (February 1, 2026 – \$2.3 million). As at May 3, 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 May 3, 2026 and February 1, 2026, 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 May 3, 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	422,334	-	-	-	422,334
Dividend payable	32,624	-	-	-	32,624
Lease liabilities ⁽¹⁾	117,513	347,650	1,455,277	1,469,414	3,389,584
Non-current provisions and other liabilities ⁽²⁾	-	-	269	1,225	1,494
Long-term financing arrangements	-	1,864	1,863	-	3,727
Principal repayment on:					
4.576% Fixed Rate Notes	-	-	-	375,000	375,000
3.940% Fixed Rate Notes	-	-	-	375,000	375,000
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:					
4.576% Fixed Rate Notes	-	17,160	68,640	85,800	171,600
3.940% Fixed Rate Notes	4,615	7,388	59,100	7,387	78,490
3.850% Fixed Rate Notes	11,550	11,550	92,400	-	115,500
5.165% Fixed Rate Notes	-	23,243	69,727	-	92,970
2.443% Fixed Rate Notes	4,581	4,581	22,903	-	32,065
5.533% Fixed Rate Notes	-	27,665	41,498	-	69,163
1.505% Fixed Rate Notes	-	4,515	2,258	-	6,773
1.871% Fixed Rate Notes	3,508	-	-	-	3,508
	<u>971,725</u>	<u>445,616</u>	<u>4,038,935</u>	<u>2,313,556</u>	<u>7,769,832</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 May 3, 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 \$101.8 million (February 1, 2026 – \$82.4 million), 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 risks. The Corporation documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. Derivative financial instruments designated as hedging instruments are recorded at fair value, determined using market prices and other observable inputs.

For a description of the derivative financial instruments of the Corporation, refer to Note 13 of the Corporation's unaudited condensed interim consolidated financial statements for first quarter ended May 3, 2026 and 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, and change in fair value is recorded as part of general, administrative and store operating expenses in the interim consolidated statements of net earnings and comprehensive income.

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 May 3, 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 May 3, 2026, the outstanding balance of lease liabilities owed to entities related to the Corporation's Chief Executive Officer totalled \$255.6 million (February 1, 2026 – \$257.4 million).

During the 13-week period ended May 3, 2026, the Corporation expensed \$1.7 million (13-week period ended May 4, 2025 – \$1.7 million), of lease payments charged from entities related to the Corporation's Chief Executive Officer.

Dollarcity

As at May 3, 2026, Dollarama International, a wholly-owned subsidiary of the Corporation, held a 60.1% equity interest in CARS and a 80.05% equity interest in ICM. The relationship between Dollarama International and Dollarcity's founding stockholders is governed by a stockholders agreement (as amended from time to time, the "Stockholders Agreement"), and includes, among other things, the governance terms applicable to CARS, ICM and their respective operations.

Under the terms of the Stockholders Agreement, the Corporation 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 from Dollarcity's founding stockholders. Dollarcity's founding stockholders also 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" of this MD&A.

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.

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

	As at	
	May 3, 2026	February 1, 2026
	\$	\$
<i>(dollars in thousands)</i>		
Included in the Consolidated Statement of Financial Position		
Accounts receivable	11,115	26,471
Accounts payable and accrued liabilities	1,796	10,862

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

	13-week periods ended	
	May 3, 2026	May 4, 2025
	\$	\$
<i>(dollars in thousands)</i>		
Included in the Consolidated Statement of Net Earnings and Comprehensive Income		
Sales ⁽¹⁾	2,383	5,769

⁽¹⁾ Includes the net consideration received for sales in which the Corporation acts as an intermediary, as well as gross proceeds generated from sales shipped directly from the Corporation's warehouses.

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions using judgment that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses during the reporting period. Estimates and other judgments are continually evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. The Corporation's unaudited condensed interim consolidated financial statements have been prepared using the critical accounting estimates and judgments as outlined in Note 5 to the Fiscal 2026 audited consolidated financial statements.

Significant Standards and Interpretations

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

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

Non-GAAP and Other Financial Measures

The Corporation's unaudited condensed interim consolidated financial statements and notes for the first quarter of Fiscal 2027 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 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:

	13-week periods ended	
	May 3, 2026 \$	May 4, 2025 \$
(dollars in thousands)		
Net earnings	302,274	273,756
Add:		
Income taxes	96,685	81,416
Net financing costs	49,734	43,960
Depreciation and amortization	133,813	97,039
EBITDA	582,506	496,171
Unrealized gain from derivative on equity-accounted investments	(16,448)	(10,348)
EBITDA excluding unrealized gain from derivative on equity-accounted investments	566,058	485,823

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

EBITDA	582,506	496,171
Add:		
Current income taxes	(89,991)	(73,807)
Share-based compensation	3,931	3,448
Unrealized gain from derivative on equity-accounted investments	(16,448)	(10,348)
Share of net earnings of equity-accounted investments	(51,238)	(40,312)
Interest received	7,846	4,187
Other	3,247	1,032
	439,853	380,371
Changes in non-cash working capital	(56,930)	(64,755)
Cash flows generated from operating activities	382,923	315,616

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. 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	
	May 3, 2026	February 1, 2026
	\$	\$
Total long-term debt	3,367,607	2,625,121
Short-term borrowings	-	-
Total debt	3,367,607	2,625,121

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	
	May 3, 2026	February 1, 2026
	\$	\$
Total debt	3,367,607	2,625,121
Cash and cash equivalents	(816,816)	(331,569)
Net debt	2,550,791	2,293,552

Adjusted retained earnings

Adjusted retained earnings represents retained earnings 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 May 3, 2026 over (ii) the book value of those common shares. A reconciliation of retained earnings to adjusted retained earnings is included below:

(dollars in thousands)

	As at	
	May 3, 2026	February 1, 2026
	\$	\$
Retained earnings	53,463	128,858
Price paid in excess of book value of common shares repurchased under the NCIB	8,363,462	8,027,091
Adjusted retained earnings	8,416,925	8,155,949

The retained earnings 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 balance does not reflect the Corporation's 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	
	May 3, 2026	February 1, 2026
	\$	\$
Net debt	2,550,791	2,293,552
Lease liabilities	2,814,677	2,770,473
Unamortized debt issue costs, including \$1,156 (February 1, 2026 – \$1,300) for the Credit Agreement	11,069	7,992
Fair value hedge – basis adjustment on interest rate swap	(5,446)	(8,811)
Adjusted net debt	5,371,091	5,063,206
EBITDA for the last twelve-month period ⁽¹⁾	2,509,100	2,445,987
Adjusted net debt to EBITDA ratio	2.14x	2.07x

⁽¹⁾ For the period ended May 3, 2026, this amount corresponds to the EBITDA of the Corporation for the last twelve months, which was equal to \$2,494,561 and includes the results of Dollarama Australia from July 22, 2025 to May 3, 2026, plus the EBITDA of Dollarama Australia for the period between May 5, 2025 until closing of the TRS Transaction on July 21, 2025 (as calculated and reported by Dollarama Australia), which was equal to \$14,539.

For the period ended February 1, 2026, 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:

(dollars in thousands)

	13-week periods ended	
	May 3, 2026	May 4, 2025
	\$	\$
EBITDA	582,506	496,171
Sales	1,846,089	1,521,210
EBITDA margin	31.6%	32.6%
EBITDA excluding unrealized gain from derivative on equity-accounted investments	566,058	485,823
Sales	1,846,089	1,521,210
EBITDA margin, excluding unrealized gain from derivative on equity-accounted investments	30.7%	31.9%

(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.
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.

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 lease rates; the Corporation's capital allocation strategy; the liquidity position of the Corporation; the intended use of the net proceeds from the issuance of the 3.940% Fixed Rate Notes and the 4.576% Fixed Rate Notes; the potential accretive effect of the normal course issuer bid; the impact of minimum wage increases on administrative and store operating expenses; Dollarcity and certain terms and conditions of the Stockholders Agreement ; 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 the Corporation's annual MD&A for Fiscal 2026, available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com: future increases in operating costs (including increases in statutory minimum wages), future increases in merchandise costs (including as a result of rising raw material costs and tariff disputes), future increases in shipping, transportation and other logistics costs (including as a result of freight costs, fuel price increases and detention costs), increase in the cost or a disruption in the flow of imported goods (including as a result of global supply chain disruptions and the geopolitical instability triggered by the increased tensions between China and the Western countries), 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 June 11, 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 described in the Corporation's annual MD&A for Fiscal 2026 (which is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com) and are divided into the following categories:

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

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the period beginning on February 2, 2026 and ended on May 3, 2026 that have materially affected, or are reasonably likely to materially affect internal control over financial reporting.

Management has limited the scope of the design of disclosure controls and procedures and internal controls over financial reporting to exclude the controls, policies and procedures of Dollarama Australia. 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 17 of the Corporation's unaudited condensed interim consolidated financial statements for the first quarter ended May 3, 2026.

Dividend

On June 11, 2026, the Corporation announced that its board of directors approved a quarterly cash dividend for holders of common shares of \$0.1200 per common share. This dividend is payable on August 7, 2026 to shareholders of record at the close of business on July 10, 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.

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 first quarter of Fiscal 2027, 1,962,010 common shares were repurchased for cancellation under the 2025-2026 NCIB for a total cash consideration of \$339.1 million, representing a weighted average price of \$172.83 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 June 11, 2026, there were 270,977,761 common shares issued and outstanding, including 198,622 shares repurchased and held in trust as treasury shares. In addition, there were 1,896,157 options, each exercisable for one common share, issued and outstanding as at June 11, 2026. Assuming exercise of all outstanding options, there would have been 272,873,918 common shares issued and outstanding on a fully diluted basis as at June 11, 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".