



DOLLARAMA INC. MANAGEMENT'S DISCUSSION AND ANALYSIS First Quarter Ended May 1, 2022

June 8, 2022

The following management's discussion and analysis ("MD&A") dated June 8, 2022 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 1, 2022. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements for the first quarter ended May 1, 2022 and the audited annual consolidated financial statements and notes for Fiscal 2022 (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 1, 2022 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 ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Corporation manages its business on the basis of one reportable segment. The functional and reporting currency of the Corporation is the Canadian dollar.

Accounting Periods

All references to "Fiscal 2021" are to the Corporation's fiscal year ended January 31, 2021; to "Fiscal 2022" are to the Corporation's fiscal year ended January 30, 2022; and to "Fiscal 2023" are to the Corporation's fiscal year ending January 29, 2023.

The Corporation's fiscal year ends on the Sunday closest to January 31 of each year and usually has 52 weeks.

Forward-Looking Statements

This MD&A contains certain forward-looking statements about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or other future events or developments. 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 continuing adverse effects of the COVID-19 pandemic on the global economy and on the business, operations and financial condition of Dollarama and Dollarcity;
- global supply chain challenges, whether or not caused by the COVID-19 pandemic, including container shipping rates and lead times;
- the liquidity position of the Corporation;
- the refinancing of the 2.203% Fixed Rate Notes (defined hereinafter) maturing November 10, 2022;
- the potential accretive effect of the normal course issuer bid.

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 and in Latin America, 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 discussed in greater detail in the "Risks and Uncertainties" section of the Corporation's annual MD&A for Fiscal 2022, available on SEDAR at www.sedar.com and on the Corporation's website at www.dollarama.com: future increases in operating costs (including increases in statutory minimum wages and incremental costs associated with COVID-19 measures), future increases in merchandise costs (including as a result of rising raw material costs and tariff disputes), future increases in shipping and transportation costs (including as a result of freight costs and fuel price increases), inability to sustain assortment and replenishment of merchandise, increase in the cost or a disruption in the flow of imported goods (including as a result of the COVID-19 pandemic, global supply chain disruptions and the geopolitical instability triggered by the conflict between Russia and Ukraine), failure to maintain brand image and reputation, disruption of distribution infrastructure, inventory shrinkage, inability to enter into or renew, as applicable, store, warehouse and head office leases on favourable and competitive terms, inability to increase warehouse and distribution centre capacity in a timely manner, seasonality, market acceptance of private brands, failure to protect trademarks and other proprietary rights, foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, level of indebtedness and inability to generate sufficient cash to service debt, changes in creditworthiness and credit rating and the potential increase in the cost of capital, interest rate risk associated with variable rate indebtedness, competition in the retail industry, disruptive technologies, general economic conditions, departure of senior executives, failure to attract and retain quality employees, disruption in information technology systems, inability to protect systems against cyber-attacks, unsuccessful execution of the growth strategy, holding company structure, adverse weather, pandemic or epidemic outbreaks, earthquakes and other natural disasters, climate change, geopolitical events and political unrest in foreign countries, unexpected costs associated with current insurance programs, product liability claims and product recalls, litigation, regulatory and environmental compliance and shareholder activism.

These factors are not intended to represent a complete list of the factors that could affect the Corporation; 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 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 8, 2022 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.

Recent Event

Quarterly Cash Dividend

On June 8, 2022, the Corporation announced that its Board of Directors had approved a quarterly cash dividend for holders of common shares of \$0.0553 per common share. This dividend is payable on August 5, 2022 to shareholders of record at the close of business on July 8, 2022. The dividend is designated as an "eligible dividend" for Canadian tax purposes.

Overview

Our Business

As at May 1, 2022, the Corporation had 1,431 stores in Canada, including 10 net new stores opened in the first quarter of Fiscal 2023, and continues to expand its network across the country. Stores average 10,391 square feet and offer a broad assortment of consumable products, general merchandise and seasonal items, including private label and nationally branded products, all at compelling values. Merchandise is sold in individual or multiple units at select, fixed price points up to \$5.00. The introduction of new price points up to \$5.00, consistent with the Corporation's multi-price point strategy in place since 2009, was announced on March 30, 2022. The rollout will gradually take place in stores throughout the course of Fiscal 2023. Over time, this will enable the Corporation to maintain and enhance its broad product assortment and compelling value. All stores are corporately operated, providing a consistent shopping experience, and many are located in high-traffic areas in metropolitan areas, mid-sized cities and small towns.

The Corporation's strategy is to grow sales, operating income, net earnings, earnings per share and cash flows by expanding its Canadian store network and by offering a compelling value proposition on a wide variety of merchandise to a broad base of customers. The Corporation continually strives to maintain and improve the efficiency of its operations.

The Corporation has an online store to provide additional convenience to its Canadian customers—individuals and businesses alike—who wish to buy products in large quantities that may not be available in-store. A selection of products from the broader consumable, general merchandise and seasonal offering are available for purchase through the online store by the full case only.

The Corporation also has operations in Latin America through its 50.1% equity interest in Dollarcity, a Latin American value retailer headquartered in Panama. Dollarcity offers a broad assortment of consumable products, general merchandise and seasonal items at select, fixed price points up to US\$4.00 (or the equivalent in local currency) in El Salvador, Guatemala, Colombia and Peru. As at March 31, 2022, Dollarcity had a total of 358 stores with 210 locations in Colombia, 78 in Guatemala, 60 in El Salvador, and 10 in Peru.

Key Items in the First Quarter of Fiscal 2023

Compared to the first quarter of Fiscal 2022:

- Sales increased by 12.4% to \$1,072.9 million;
- Comparable store sales⁽¹⁾ grew 7.3%, over and above 5.8% the prior year;
- EBITDA⁽¹⁾ increased by 20.9% to \$300.0 million, or 28.0% of sales, compared to 26.0% of sales;
- Operating income increased by 24.4% to \$220.0 million, or 20.5% of sales, compared to 18.5% of sales;
- Diluted net earnings per common share increased by 32.4%, to \$0.49 from \$0.37;
- A total of 10 net new stores were opened, compared to 12 net new stores; and
- A total of 1,444,803 common shares were repurchased for cancellation under the Corporation's normal course issuer bid, for a total consideration of \$107.3 million.

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

Outlook

A discussion of management's expectations as to the Corporation's outlook for Fiscal 2023 is contained in the Corporation's press release dated March 30, 2022 under the heading "Outlook". The press release is available on SEDAR at www.sedar.com and on the Corporation's website at www.dollarama.com. The outlook for Fiscal 2023 remains unchanged as at June 8, 2022.

Factors Affecting Results of Operations

Sales

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

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

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

Comparable store sales represent sales of Dollarama 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.

Since 2013, the Corporation's wholly-owned subsidiary, Dollarama International Inc. ("Dollarama International"), enters into arrangements with Dollarcity for the sale of products to consumers located outside of Canada. When the Corporation acts as the principal in these arrangements, it recognizes revenue based on the amounts billed to Dollarcity. Otherwise, the Corporation recognizes the net amount that it retains as revenue.

When the licensing and services agreement entered into in 2013 expired on February 4, 2022, Dollarama International entered into a new sourcing agreement and a new services agreement with Dollarcity, each having 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. Dollarama International continues to act as Dollarcity's primary supplier of products, either as principal or as intermediary. Changes were made to reflect the new relationship between the parties following the acquisition by Dollarama International of a 50.1% interest in Dollarcity on August 14, 2019, but the overall net economic and operational impact of these new agreements for Dollarama International remains generally unchanged.

Historically, the Corporation's highest sales results have occurred in the fourth quarter, with December representing the highest proportion of sales. Sales also generally increase ahead of other holidays and celebrations, such as Easter, St. Patrick's Day, Valentine's Day and Halloween, but the Corporation otherwise experiences limited seasonal fluctuations in sales in the normal course of business. Restrictions imposed by provincial authorities on retailers in Fiscal 2021 and Fiscal 2022 in reaction to successive waves of COVID-19 cases across the country negatively impacted in-store traffic and sales. Refer to the section of the annual MD&A for Fiscal 2022 entitled "Risks and Uncertainties" for a discussion on the risks associated with seasonality and business continuity.

Cost of Sales

Our cost of sales consists mainly of inventory purchased, the variable and non-indexed portion of store occupancy costs that are excluded from the lease liability under IFRS 16, shipping and transportation costs (which are largely variable and proportional to our sales volume) as well as warehouse and distribution centre occupancy costs. We record vendor rebates, consisting of volume purchase rebates, when it is probable that they will be received and the amounts are reasonably estimable. The rebates are recorded as a reduction of inventory purchases or, if the related inventory has been sold, as a reduction of 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 Canadian dollar, our cost of sales is affected by fluctuations in foreign currencies against the Canadian dollar. In particular, we purchase a vast majority of our imported merchandise from suppliers in China with U.S. dollars. Therefore, our 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 Canadian dollar.

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

Shipping and transportation costs, including surcharges on transportation costs, are also a significant component of our cost of sales. Firstly, inbound shipping costs are impacted by new dynamics in the ocean shipping industry triggered by the COVID-19 pandemic, which dynamics have a significant impact on shipping capacity, prevailing rates and lead times. The Corporation experienced increased pressure on container shipping costs in Fiscal 2022 and in the first quarter of Fiscal 2023. Although new contracts and rates have been negotiated with container shipping companies for Fiscal 2023, the Corporation expects continued pressures on inbound shipping costs and lead times due to volatility in the market. Also, when fuel costs increase, shipping and transportation costs increase because carriers generally pass on these increases to us.

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. Typically, store leases are signed with base terms of ten years and one or more renewal options of five years each.

We strive to maintain a sustainable gross margin, where we believe we can achieve 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 and/or fluctuations in logistics and transportation costs, among other factors. We target to refresh approximately 25% to 30% of our offering on an annual basis. However, the actual percentage was lower in Fiscal 2022 and in the first quarter of Fiscal 2023 as a result of consequential effects of the COVID pandemic, including travel restrictions, supply chain disruptions, and a general reduction in product innovation and diversification in global manufacturing.

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, and other related expenses, all of which are primarily fixed. Although our average store hourly wage rate is higher than the statutory minimum wage, a significant increase in the statutory minimum wage would significantly increase our payroll costs unless we realize offsetting productivity improvements and other store cost reductions.

Economic or Industry-Wide Factors Affecting the Corporation

The Corporation operates in the value retail industry, which is highly competitive with respect to price, store location, merchandise quality, assortment and presentation, in-stock consistency, and customer service. In addition to the competition from other dollar stores, the Corporation faces competition to an even greater extent from variety and discount stores, convenience stores and mass merchants operating in Canada, many of which operate stores in the areas where the Corporation operates, offer products substantially similar to those offered by Dollarama 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 in Canada and for the recruitment of employees.

Selected Consolidated Financial Information

The following tables set out selected financial information for the periods indicated. The selected consolidated financial information set out below as at May 1, 2022 and May 2, 2021 has been derived from the Corporation's unaudited condensed interim consolidated financial statements and related notes.

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

	13-Week Periods Ended	
	May 1, 2022	May 2, 2021
	\$	\$
Earnings Data		
Sales	1,072,884	954,246
Cost of sales	620,992	550,806
Gross profit	451,892	403,440
SG&A	160,625	158,672
Depreciation and amortization	79,972	71,402
Share of net earnings of equity-accounted investment	(8,737)	(3,403)
Operating income	220,032	176,769
Financing costs	24,355	22,146
Earnings before income taxes	195,677	154,623
Income taxes	50,175	41,049
Net earnings	145,502	113,574
Basic net earnings per common share	\$0.50	\$0.37
Diluted net earnings per common share	\$0.49	\$0.37
Weighted average number of common shares outstanding:		
Basic	292,721	309,400
Diluted	294,477	310,742
Other Data		
Year-over-year sales growth	12.4%	13.0%
Comparable store sales growth ⁽¹⁾	7.3%	5.8%
Gross margin ⁽¹⁾	42.1%	42.3%
SG&A as a % of sales ⁽¹⁾	15.0%	16.6%
EBITDA ⁽¹⁾	300,004	248,171
Operating margin ⁽¹⁾	20.5%	18.5%
Capital expenditures	31,343	30,370
Number of stores ⁽²⁾	1,431	1,368
Average store size (gross square feet) ⁽²⁾	10,391	10,336
Declared dividends per common share	\$0.0553	\$0.0503

	As at	
	May 1, 2022 \$	January 30, 2022 \$
Statement of Financial Position Data		
Cash	71,574	71,058
Inventories	646,713	590,927
Total current assets	786,760	717,367
Property, plant and equipment	766,175	761,876
Right-of-use assets	1,523,226	1,480,255
Total assets	4,194,279	4,063,562
Total current liabilities	978,900	911,891
Total non-current liabilities	3,232,508	3,217,705
Total debt ⁽¹⁾	1,947,418	1,894,309
Net debt ⁽¹⁾	1,875,844	1,823,251
Shareholders' deficit	(17,129)	(66,034)

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

⁽²⁾ At the end of the period.

Results of Operations

Analysis of Results for the First Quarter of Fiscal 2023

The following section provides an overview of the Corporation's financial performance during the first quarter of Fiscal 2023 compared to the first quarter of Fiscal 2022.

Sales

Sales for the first quarter of Fiscal 2023 increased by 12.4% to \$1,072.9 million, compared to \$954.2 million for the first quarter of Fiscal 2022. This increase was driven by growth in the total number of stores over the past 12 months (from 1,368 stores on May 2, 2021, to 1,431 stores on May 1, 2022) and in comparable store sales.

Comparable store sales for the first quarter of Fiscal 2023 increased by 7.3%, over and above 5.8% growth in the first quarter of Fiscal 2022 and consisted of a 14.4% increase in the number of transactions and a 6.2% decrease in average transaction size, reflecting a reversal in consumer shopping patterns compared to the prior year comparable period. The increase in comparable store sales is attributable to good seasonal performance and higher sales of consumables resulting in increased customer traffic across the store network year over year, whereas the same quarter last year was marked by a ban, effective April 8, 2021 and lifted after quarter-end on June 11, 2021, on the sale of non-essential goods in Ontario, where approximately 40% of the Corporation's stores are located.

New stores, which are not yet comparable stores, reach annual sales of approximately \$2.6 million within their first two years of operation, and achieve an average capital payback period of approximately two years.

In this quarter, 76.1% of the Corporation's sales originated from products priced higher than \$1.25, compared to 74.3% in the corresponding quarter last year.

Gross Margin

Gross margin was 42.1% of sales in the first quarter of Fiscal 2023, compared to 42.3% of sales in the first quarter of Fiscal 2022. Gross margin was slightly lower this quarter due to a change in the sales mix, with stronger sales of consumables, partially offset by lower logistic costs.

SG&A

SG&A for the first quarter of Fiscal 2023 increased by only 1.2% to \$160.6 million, compared to \$158.7 million for the first quarter of Fiscal 2022. SG&A represented 15.0% of sales, compared to 16.6% of sales for the first quarter of Fiscal 2022. This improvement is primarily attributed to the fact that incremental direct costs related to COVID-19 measures for the first quarter of Fiscal 2023 were only \$1.6 million, representing 0.1% of sales, compared to \$18.3 million, representing 1.9% of sales, in the same period last year.

Depreciation and Amortization

The depreciation and amortization expense increased by \$8.6 million, from \$71.4 million for the first quarter of Fiscal 2022 to \$80.0 million for the first quarter of Fiscal 2023. The increase is mainly explained by the opening of new stores, additions to right-of-use assets, and investments in information technology projects.

Share of Net Earnings of Equity-Accounted Investment

The Corporation's 50.1% share of Dollarcity's net earnings for the period from January 1, 2022, to March 31, 2022, was \$8.7 million, compared to \$3.4 million for the same period last year, reflecting a strong financial and operational performance by Dollarcity. The Corporation's investment in Dollarcity is accounted for as a joint arrangement using the equity method.

Financing Costs

Financing costs increased by \$2.3 million, from \$22.1 million for the first quarter of Fiscal 2022 to \$24.4 million for the first quarter of Fiscal 2023, mainly due to slightly higher average borrowings.

Income Taxes

Income taxes increased by \$9.2 million, from \$41.0 million for the first quarter of Fiscal 2022 to \$50.2 million for the first quarter of Fiscal 2023. The statutory income tax rate for the first quarters of Fiscal 2023 and Fiscal 2022 was 26.5%. The Corporation's effective tax rate for the first quarters of Fiscal 2023 was 25.6%, compared to 26.5% for the first quarter of Fiscal 2022. The decrease in the effective tax rate for the first quarter of Fiscal 2023 is the result of the fact that the Corporation's share of net earnings of its equity-accounted investment in Dollarcity (which was higher for the first quarter of Fiscal 2023 than for the same period in Fiscal 2022, respectively at \$8.7 million and \$3.4 million) is computed net of taxes, already accounted for by Dollarcity.

Net Earnings

Net earnings were \$145.5 million, or \$0.49 per diluted common share, in the first quarter of Fiscal 2023, compared to \$113.6 million, or \$0.37 per diluted common share, in the first quarter of Fiscal 2022. Net earnings improved due to higher sales, and a higher equity pick-up from Dollarcity's net earnings, partially offset by a slightly lower gross margin.

Summary of Consolidated Quarterly Results

(dollars in thousands, except per share amounts)	Fiscal 2023	Fiscal 2022				Fiscal 2021		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Statement of Net Earnings Data	\$	\$	\$	\$	\$	\$	\$	\$
Sales	1,072,884	1,224,900	1,122,267	1,029,348	954,246	1,103,668	1,064,201	1,013,592
Net earnings	145,502	219,966	183,401	146,228	113,574	173,902	161,871	142,496
Net earnings per common share								
Basic	\$0.50	\$0.74	\$0.61	\$0.48	\$0.37	\$0.56	\$0.52	\$0.46
Diluted	\$0.49	\$0.74	\$0.61	\$0.48	\$0.37	\$0.56	\$0.52	\$0.46

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 fluctuations and expect this trend to continue. The occurrence of unusually adverse weather or an outbreak like the COVID-19 pandemic causing disruption in our business activities or operations during a peak season such as the winter holidays or around other major holidays and celebrations 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.

Liquidity and Capital Resources

Cash Flows for the First Quarter of Fiscal 2023

(dollars in thousands)	13-Week Periods Ended		Change
	May 1, 2022	May 2, 2021	
	\$	\$	\$
Cash flows from operating activities	142,780	133,983	8,797
Cash flows used in investing activities	(31,325)	(30,197)	(1,128)
Cash flows used in financing activities	(110,939)	(493,830)	382,891
Net change in cash	516	(390,044)	390,560

Cash Flows - Operating Activities

For the first quarter of Fiscal 2023, cash flows generated from operating activities totalled \$142.8 million, compared to \$134.0 million for the first quarter of Fiscal 2022. This increase is primarily attributable to higher net earnings, partially offset by a higher use of working capital for the purchase of inventory in the first quarter of Fiscal 2023 compared to the first quarter of Fiscal 2022.

Cash Flows - Investing Activities

For the first quarter of Fiscal 2023, cash flows used in investing activities totalled \$31.3 million, compared to \$30.2 million for the first quarter of Fiscal 2022. This increase is primarily attributable to slightly higher capital expenditures related to transformation projects compared to the first quarter of Fiscal 2022.

Cash Flows - Financing Activities

For the first quarter of Fiscal 2023, cash flows used in financing activities totalled \$110.9 million, compared to \$493.8 million for the first quarter of Fiscal 2022. This difference is attributable to the repayment, on February 1, 2021, of senior unsecured notes in the amount of \$300 million and also reflects lower activity under the normal course issuer bid in the first quarter of Fiscal 2023 compared to the first quarter of Fiscal 2022.

Capital Expenditures

Capital expenditures mainly relate to investments in information technology projects, transformational projects and new stores.

For the first quarter of Fiscal 2023, capital expenditures totalled \$31.3 million, compared to \$30.4 million for the same period in Fiscal 2022. The slight increase in capital expenditures is due to higher transformational capital expenditures in the first quarter of Fiscal 2023, compared to the first quarter of Fiscal 2022.

Capital Resources

The Corporation generates sufficient cash flows from operating activities to fund its planned growth, service its debt and make dividend payments to shareholders. As at May 1, 2022, the Corporation had \$71.6 million of cash on hand and \$798.9 million available under its Credit Facility, of which \$137.4 million were reserved to serve as a backstop for outstanding amounts under the US commercial paper program.

The Corporation's ability to pay the principal and interest on its debt, to refinance it, or to generate sufficient funds to pay for planned capital expenditures and investments will 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.

Barring further extraordinary circumstances arising from the COVID-19 pandemic or other factors that are beyond its control, based upon the current strength of earnings, management believes that cash flows from operating activities, together with cash on hand and credit available under the Credit Facility, will be adequate to meet future operating cash needs.

The Corporation had a negative working capital of \$192.1 million as at May 1, 2022, compared to a negative working capital of \$194.5 million as at January 30, 2022 as a result of the inclusion in current liabilities of the Senior Unsecured Notes due in the next twelve months. The Corporation expects to refinance the 2.203% Fixed Rate Notes due November 10, 2022 through the issuance of new long-term notes before the maturity date. The Corporation is in good standing with rating agencies.

The Corporation's assumptions with respect to future liquidity needs and refinancing opportunities may not be correct. Refer to the section of the annual MD&A for Fiscal 2022 entitled "Risks and Uncertainties" for a discussion on the risks associated with indebtedness, liquidity and changes in creditworthiness or credit rating.

Senior Unsecured Notes

Long-term debt outstanding consists of the following as at:	May 1, 2022	January 30, 2022
	\$	\$
Senior unsecured notes bearing interest at:		
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 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 3.55% payable in equal semi-annual instalments, maturing November 6, 2023 (the "3.55% Fixed Rate Notes")	500,000	500,000
Fixed annual rate of 2.203% payable in equal semi-annual instalments, maturing November 10, 2022 (the "2.203% Fixed Rate Notes", and collectively with the 2.443% Fixed Rate Notes, the 1.505% Fixed Rate Notes, the 1.871% Fixed Rate Notes, and the 3.55% Fixed Rate Notes, the "Senior Unsecured Notes")	250,000	250,000
Less: Unamortized debt issue costs	(7,453)	(8,009)
Accrued interest on the Senior Unsecured Notes	16,506	7,850
Fair value hedge - basis adjustment on interest rate swap	(6,475)	(2,927)
	<u>1,802,578</u>	<u>1,796,914</u>
Current portion (includes unamortized debt issue costs, accrued interest on the Senior Unsecured Notes, and the Senior Unsecured Notes with a maturity date falling within the next 52-week period)	<u>(266,387)</u>	<u>(257,674)</u>
	<u>1,536,191</u>	<u>1,539,240</u>

The table below provides the carrying values and fair values of the Senior Unsecured Notes as at May 1, 2022 and January 30, 2022. The fair values of the Senior Unsecured Notes were determined as a level 2 in the fair value hierarchy.

	<u>May 1, 2022</u>		<u>January 30, 2022</u>	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Fixed Rate Notes				
2.443% Fixed Rate Notes	376,138	328,725	373,809	361,913
1.505% Fixed Rate Notes	299,203	261,240	300,277	280,650
1.871% Fixed Rate Notes	375,773	343,275	373,948	363,675
3.55% Fixed Rate Notes	506,998	499,800	502,387	512,950
2.203% Fixed Rate Notes	252,480	249,800	251,052	251,600
	<u>1,810,592</u>	<u>1,682,840</u>	<u>1,801,473</u>	<u>1,770,788</u>

Credit Agreement

On July 6, 2021, the Corporation and the lenders entered into a fourth amending agreement to the Third Amended and Restated Credit Agreement (the "TARCA") in order to, among other things, extend (i) the term of Facility A in the amount of \$250.0 million from September 27, 2024 to July 6, 2026, (ii) the term of Facility B, in the amount of \$200.0 million, from September 29, 2023 to July 5, 2024, (iii) the term of Facility C, in the amount of \$50.0 million, from September 29, 2023 to July 5, 2024, and (iv) the term of Facility D, in the amount of \$300.0 million, from September 20, 2021 to July 6, 2022 (collectively, the "Credit Facility").

Under the TARCA, the Corporation may, under certain circumstances and subject to receipt of additional commitments from existing lenders or other eligible institutions, request increases to committed facilities up to an aggregate amount, together with all then-existing commitments, of \$1,500.0 million.

The TARCA 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 or U.S. dollars.

The Credit Facility remains guaranteed by Dollarama L.P. and Dollarama GP Inc. (collectively, with the Corporation, the "Credit Parties"). The TARCA 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 TARCA also limits the ability of the Corporation 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 1, 2022 and January 30, 2022, no amount was outstanding under the Credit Facility. As at May 1, 2022, there were letters of credit issued for the purchase of inventories which amounted to \$1.1 million (January 30, 2022 – \$1.3 million) and the Corporation was in compliance with all of its financial covenants.

Short-Term Borrowings

Under the terms of the US commercial paper program, the Corporation may issue, from time to time, unsecured commercial paper notes with maturities not in excess of 397 days from the date of issue (the "USCP Notes"). The aggregate principal amount of USCP Notes outstanding at any one time under the US commercial paper program may not exceed US\$500.0 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 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.

As at May 1, 2022, the amount outstanding under the US commercial paper program was US\$106.9 million (\$137.4 million) (January 30, 2022 – US\$70.0 million (\$89.4 million)).

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 1, 2022. 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	247,832	-	-	-	247,832
Dividend payable	16,206	-	-	-	16,206
Lease liabilities ⁽¹⁾	54,814	194,110	898,613	872,431	2,019,968
Principal repayment on:					
2.443% Fixed Rate Notes	-	-	-	375,000	375,000
1.505% Fixed Rate Notes	-	-	-	300,000	300,000
1.871% Fixed Rate Notes	-	-	375,000	-	375,000
3.55% Fixed Rate Notes	-	-	500,000	-	500,000
2.203% Fixed Rate Notes	-	250,000	-	-	250,000
USCP Notes	(137,387)	-	-	-	(137,387)
Interest payments on:					
2.443% Fixed Rate Notes	4,581	4,581	36,645	22,903	68,710
1.505% Fixed Rate Notes	-	4,515	18,060	2,257	24,832
1.871% Fixed Rate Notes	3,508	3,508	24,557	-	31,573
3.55% Fixed Rate Notes	8,875	8,875	17,750	-	35,500
2.203% Fixed Rate Notes	2,754	2,753	-	-	5,507
	<u>201,183</u>	<u>468,342</u>	<u>1,870,625</u>	<u>1,572,591</u>	<u>4,112,741</u>

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

The following table summarizes the Corporation's off-balance sheet arrangements, letters of credit, and commitments as at May 1, 2022.

<i>(dollars in thousands)</i>	Less than 3 months	3 months to 1 year	1-5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Letters of credit	616	344	144	-	1,104

Other than letters of credit, the Corporation has no other off-balance sheet arrangements or commitments.

Financial Instruments

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

For a description of the derivative financial instruments of the Corporation, refer to Note 9 of the Corporation's unaudited condensed interim consolidated financial statements for first quarter ended May 1, 2022 and to Note 3 and Note 14 of the Corporation's Fiscal 2022 annual audited consolidated financial statements.

Foreign Currency Risk Exposure

The Corporation uses foreign exchange forward contracts and zero cost collar contracts to mitigate the risk associated with fluctuations in the U.S. dollar against the Canadian dollar. These derivative financial instruments are used for risk management purposes and are designated as hedges of future forecasted purchases of merchandise or hedges of U.S. dollar borrowings converted into Canadian dollar borrowings under the US commercial paper program. Foreign exchange forward contracts and zero cost collar 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 Canadian dollar, 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 Exposure

The Corporation uses interest rate swap contracts to mitigate the risk associated with changes in the fair value of the issued 3.55% Fixed Rates Notes maturing November 6, 2023 due to changes in interest rates. These derivative financial instruments are used for risk management purposes and are designated as fair value hedges. Under these interest rates swaps, the Corporation receives a fixed rate of interest and pays interest at a variable rate on the notional amount. These derivatives are designated as hedging instruments and are recorded on the consolidated statement of financial position at fair value.

The Corporation also uses bond forward contracts in advance of the refinancing of the 2.203% Fixed Rate Notes due November 10, 2022 through the issuance of new long-term notes before the maturity date. These derivatives are designated as hedging instruments and are recorded on the consolidated statement of financial position at fair value. The gain or loss related to the effective portion of the change in fair value of the derivatives is recorded to other comprehensive income and will be reclassified to net earnings over the same period as the hedged interest payments are recorded in earnings. The hedged risk is defined as the variability in cash flows associated with coupons paid on the debt to be issued attributable to movements in the CAD benchmark rate. The CAD benchmark rate consists of the interpolated yield of Government of Canada bond curve with a term corresponding to the expected debt. Cash flows related to the expected bond's credit spread over the CAD benchmark are not designated as part of the hedging relationship.

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

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

Related Party Transactions

Property Leases

As at May 1, 2022, the Corporation leased 19 stores, five warehouses and its head office from entities controlled by the Rossy family 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 1, 2022, the outstanding balance of lease liabilities owed to entities controlled by the Rossy family totalled \$31.1 million (January 30, 2022 – \$34.7 million).

Rental expenses charged by entities controlled by the Rossy family but not included in lease liabilities totalled \$2.1 million for the first quarter ended May 1, 2022 (May 2, 2021 – \$1.8 million).

Dollarcity

As at May 1, 2022, the account receivable from Dollarcity for the goods sold and services provided under the sourcing agreement and services agreement, both entered into on February 4, 2022, totalled \$26.2 million (January 30, 2022 – \$16.0 million under the 2013 licensing and services agreement), which amount is partly guaranteed by a letter of credit up to US\$10.0 million (\$12.9 million) (January 30, 2022 – US\$10.0 million (\$12.8 million)). For the first quarter ended May 1, 2022, the goods sold to Dollarcity that are shipped directly from the Corporation's warehouses amounted to \$9.2 million (May 2, 2021 – \$8.2 million).

Under the Stockholders Agreement dated August 14, 2019, Dollarcity's founding stockholders have a put right pursuant to which they can require, in certain circumstances, that Dollarama International purchase shares of Dollarcity held by them at fair market value. This right is exercisable in the ordinary course commencing on October 1, 2022, and is subject to certain transaction size thresholds, required ownership thresholds and freeze periods, among other conditions and restrictions. This 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.

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 2022 audited consolidated financial statements.

Non-GAAP and Other Financial Measures

The Corporation's unaudited condensed interim consolidated financial statements and notes for the first quarter of Fiscal 2023 have been prepared in accordance with GAAP. However, this MD&A also refers to certain non-GAAP and other financial measures.

We have included non-GAAP and other financial measures to provide investors with supplemental measures of our operating and financial performance. We believe that those 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 in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, and to assess our ability to meet our 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.

Refer to the section below for definitions of non-GAAP and other financial measures, as per National Instrument 52-112, *Non-GAAP and Other Financial Measures*, and for a reconciliation of the non-GAAP measures used and presented by the Corporation to the most directly comparable GAAP measures.

(A) Non-GAAP Financial Measures

EBITDA

EBITDA represents operating income plus depreciation and amortization and includes the Corporation's share of net earnings of its equity-accounted investment.

(dollars in thousands)

A reconciliation of operating income to EBITDA is included below:

	13-week Periods Ended	
	May 1, 2022	May 2, 2021
	\$	\$
Operating income	220,032	176,769
Add: Depreciation and amortization	79,972	71,402
EBITDA	300,004	248,171

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

EBITDA	300,004	248,171
Financing costs (net of amortization of debt issue costs)	(15,193)	(14,424)
Amortization of net gains on bond lock and bond forward contracts	(138)	(78)
Current income taxes	(54,637)	(39,925)
Share-based compensation	3,202	2,217
Gain on lease modifications	(628)	(852)
Share of net earnings of equity-accounted investment	(8,737)	(3,403)
Changes in non-cash working capital components	(81,093)	(57,723)
Net cash generated from operating activities	142,780	133,983

Total debt

Total debt represents the sum of long-term debt (including accrued interest and fair value hedge – basis adjustment), short-term borrowings under the US commercial paper program and other bank indebtedness (if any).

(dollars in thousands)

A reconciliation of long-term debt to total debt is included below:

Senior unsecured notes bearing interest at:

Fixed annual rate of 2.443% payable in equal semi-annual instalments, maturing July 9, 2029
 Fixed annual rate of 1.505% payable in equal semi-annual instalments, maturing September 20, 2027
 Fixed annual rate of 1.871% payable in equal semi-annual instalments, maturing July 8, 2026
 Fixed annual rate of 3.55% payable in equal semi-annual instalments, maturing November 6, 2023
 Fixed annual rate of 2.203% payable in equal semi-annual instalments, maturing November 10, 2022

Accrued interest on Senior Unsecured Notes
 Fair value hedge - basis adjustment on interest rate swap
 Total long-term debt
 USCP Notes issued under US commercial paper program
Total debt

	As at	
	May 1, 2022	January 30, 2022
	\$	\$
	375,000	375,000
	300,000	300,000
	375,000	375,000
	500,000	500,000
	250,000	250,000
	16,506	7,850
	(6,475)	(2,927)
	1,810,031	1,804,923
	137,387	89,386
	1,947,418	1,894,309

Net debt

Net debt represents total debt minus cash.

(dollars in thousands)

A reconciliation of total debt to net debt is included below:

Total debt
 Cash
Net debt

	As at	
	May 1, 2022	January 30, 2022
	\$	\$
	1,947,418	1,894,309
	(71,574)	(71,058)
	1,875,844	1,823,251

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 May 1, 2022 over (ii) the book value of those common shares.

	As at	
	May 1, 2022	January 30, 2022
	\$	\$
A reconciliation of deficit to adjusted retained earnings is included below:		
Deficit	(553,747)	(578,079)
Price paid in excess of book value of common shares repurchased under the NCIB	4,928,035	4,823,071
Adjusted retained earnings	4,374,288	4,244,992

The deficit as at May 1, 2022 and January 30, 2022 is not a reflection of poor operating performance. It results from the fact that a significant portion of the cash consideration for the repurchase of shares under the Corporation's normal course issuer bid is accounted for as a reduction of retained earnings and that the market price at which shares are repurchased significantly exceeds the book value of those shares. As a result, the Corporation's shareholders' deficit for accounting purposes was \$17.1 million as at May 1, 2022. Management believes that buying back shares remains an effective strategy to drive shareholder value and constitutes an appropriate use of the Corporation's funds.

(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.

(dollars in thousands)

	As at	
	May 1, 2022	January 30, 2022
	\$	\$
A calculation of adjusted net debt to EBITDA ratio is included below:		
Net debt	1,875,844	1,823,251
Lease liabilities	1,771,448	1,727,428
Fair value hedge - basis adjustment on interest rate swap	6,475	2,927
Adjusted net debt	3,653,767	3,553,606
EBITDA for the last twelve-month period	1,334,410	1,282,577
Adjusted net debt to EBITDA ratio	2.74x	2.77x

EBITDA margin

EBITDA margin represents EBITDA divided by sales.

(dollars in thousands)

	13-week Periods Ended	
	May 1, 2022	May 2, 2021
	\$	\$
A reconciliation of EBITDA to EBITDA margin is included below:		
EBITDA	300,004	248,171
Sales	1,072,884	954,246
EBITDA margin	28.0%	26.0%

(C) Supplementary Financial Measures

Gross margin	Represents gross profit divided by sales.
Operating margin	Represents operating income divided by sales.
SG&A as a % of sales	Represents SG&A divided by sales.
Comparable store sales	Represent sales of Dollarama stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior fiscal year.
Comparable store sales growth	Represents the percentage increase or decrease, as applicable, of comparable store sales relative to the same period in the prior fiscal year. For the first quarter of Fiscal 2022, the calculation of comparable store sales growth excludes stores that were temporarily closed, either in the first quarter of Fiscal 2022 or in the same period of the prior fiscal year, in the context of the COVID-19 pandemic.
Incremental direct costs related to COVID-19	Represent costs incurred for the implementation and execution of health and safety measures in stores and in logistic operations in response to the pandemic, including costs associated with additional labor hours for the execution of sanitization and crowd control protocols and with the procurement of personal protection equipment for employees and cleaning supplies and equipment.

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 Board of Directors requires that the Corporation's senior management identify and properly manage the principal risks related to the Corporation's business operations.

The major risks and uncertainties that could materially affect the Corporation's future business results are described in the Corporation's annual MD&A for Fiscal 2022 (which is available on SEDAR at www.sedar.com 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 financial impact, and the Corporation maintains cost-effective, comprehensive insurance coverage against most insurable events. The Corporation also gathers and analyzes economic and competitive 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 January 31, 2022 and ended on May 1, 2022 that have materially affected or are reasonably likely to materially affect internal control over financial reporting.

Dividend

On June 8, 2022, the Corporation announced that its Board of Directors had approved a quarterly cash dividend for holders of common shares of \$0.0553 per common share. This dividend is payable on August 5, 2022 to shareholders of record at the close of business on July 8, 2022. 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 5, 2021, the Corporation announced the renewal of its normal course issuer bid and the approval from the Toronto Stock Exchange ("TSX") to repurchase for cancellation up to 19,376,824 common shares, representing 7.5% of the public float as at the close of markets on June 30, 2021, during the 12-month period from July 7, 2021, to July 6, 2022 (the "2021-2022 NCIB").

During the first quarter of Fiscal 2023, a total of 1,444,803 common shares were repurchased for cancellation under the 2021-2022 NCIB, at a weighted average price of \$74.29 per common share, for a total cash consideration of \$107.3 million.

Share Information

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

As at June 7, 2022, there were 291,808,666 common shares issued and outstanding. In addition, there were 3,631,635 options, each exercisable for one common share, issued and outstanding as at June 7, 2022. Assuming exercise of all outstanding options, there would have been 295,440,301 common shares issued and outstanding on a fully diluted basis as at June 7, 2022.

Additional Information

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