

Dollarama Inc.

Condensed Interim Consolidated Financial
Statements

**For the 13-week periods ended
May 4, 2025 and April 28, 2024**

(Unaudited, expressed in thousands of
Canadian dollars, unless otherwise noted)

Dollarama Inc.

Interim Consolidated Statements of Financial Position as at (Unaudited, expressed in thousands of Canadian dollars)

	Note	May 4, 2025 \$	February 2, 2025 \$
Assets			
Current assets			
Cash and cash equivalents		229,008	122,685
Accounts receivable		42,274	46,638
Distributions receivable from equity-accounted investment		-	54,620
Prepaid expenses		25,245	13,911
Inventories		939,120	921,095
Derivative financial instruments	11	13,485	42,331
		<u>1,249,132</u>	<u>1,201,280</u>
Non-current assets			
Right-of-use assets	5	2,132,909	2,109,445
Property, plant and equipment		1,064,116	1,046,390
Intangible assets		181,086	180,689
Goodwill		727,782	727,782
Equity-accounted investment	6	1,122,000	1,131,650
Derivative on equity-accounted investment	6	91,159	85,356
		<u>6,568,184</u>	<u>6,482,592</u>
Total assets			
		<u>6,568,184</u>	<u>6,482,592</u>
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		367,961	354,900
Dividend payable		29,330	25,558
Derivative financial instruments	11	27,601	-
Income taxes payable		10,219	81,372
Current portion of long-term debt	7	260,810	273,771
Current portion of lease liabilities	5	256,531	278,705
		<u>952,452</u>	<u>1,014,306</u>
Non-current liabilities			
Non-current portion of long-term debt	7	2,009,021	2,008,908
Non-current portion of lease liabilities	5	2,170,507	2,148,272
Deferred income taxes		116,131	122,848
		<u>5,248,111</u>	<u>5,294,334</u>
Total liabilities			
		<u>5,248,111</u>	<u>5,294,334</u>
Shareholders' equity			
Share capital	8	1,278,815	1,275,702
Treasury shares	8	(20,000)	(20,000)
Contributed surplus	9	44,050	51,718
Retained earnings (Deficit)		10,530	(225,301)
Accumulated other comprehensive income		6,678	106,139
		<u>1,320,073</u>	<u>1,188,258</u>
Total shareholders' equity			
		<u>1,320,073</u>	<u>1,188,258</u>
Total liabilities and shareholders' equity			
		<u>6,568,184</u>	<u>6,482,592</u>

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

Dollarama Inc.

Interim Consolidated Statements of Changes in Shareholders' Equity

For the 13-week periods ended

(Unaudited, expressed in thousands of Canadian dollars, except share amounts)

	Note	Number of common shares	Share capital \$	Treasury shares \$	Contributed surplus \$	Retained earnings (Deficit) \$	Accumulated other comprehensive income \$	Total \$
Balance – February 2, 2025		277,177,329	1,275,702	(20,000)	51,718	(225,301)	106,139	1,188,258
Net earnings		-	-	-	-	273,756	-	273,756
Other comprehensive income		-	-	-	-	-	(90,537)	(90,537)
Total comprehensive income		-	-	-	-	273,756	(90,537)	183,219
Transfer of realized cash flow hedge gains to inventory, net of taxes		-	-	-	-	-	(8,924)	(8,924)
Dividends declared		-	-	-	-	(29,330)	-	(29,330)
Share-based compensation, net of taxes	9	-	-	-	2,908	-	-	2,908
Issuance of common shares	9	46,511	2,452	-	-	-	-	2,452
Reclassification for the exercise of share options	9	-	661	-	(661)	-	-	-
Performance share units settlement, net of taxes	9	-	-	-	(9,915)	(8,595)	-	(18,510)
Balance – May 4, 2025		277,223,840	1,278,815	(20,000)	44,050	10,530	6,678	1,320,073
Balance – January 28, 2024		278,760,573	523,125	-	49,539	(226,547)	34,731	380,848
Net earnings		-	-	-	-	215,843	-	215,843
Other comprehensive income		-	-	-	-	-	8,679	8,679
Total comprehensive income		-	-	-	-	215,843	8,679	224,522
Transfer of realized cash flow hedge gains to inventory, net of taxes		-	-	-	-	-	(1,426)	(1,426)
Dividends declared		-	-	-	-	(25,640)	-	(25,640)
Repurchase and cancellation of common shares	8	(1,281,166)	(2,404)	-	-	(143,140)	-	(145,544)
Share-based compensation, net of taxes	9	-	-	-	2,894	-	-	2,894
Issuance of common shares	9	241,368	8,961	-	-	-	-	8,961
Reclassification for the exercise of share options	9	-	2,102	-	(2,102)	-	-	-
Performance share units settlement, net of taxes	9	-	-	-	(9,927)	(7,162)	-	(17,089)
Balance – April 28, 2024		277,720,775	531,784	-	40,404	(186,646)	41,984	427,526

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

Dollarama Inc.

Interim Consolidated Statements of Net Earnings and Comprehensive Income

For the 13-week periods ended

(Unaudited, expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	13-week periods ended	
		May 4, 2025	April 28, 2024
		\$	\$
Sales		1,521,210	1,405,772
Cost of sales	14	848,900	798,496
Gross profit		672,310	607,276
General, administrative and store operating expenses		233,457	217,166
Depreciation and amortization	14	90,381	90,162
Share of net earnings of equity-accounted investment	6	(40,312)	(22,090)
Operating income		388,784	322,038
Unrealized gain from derivative on equity-accounted investment	6	(10,348)	-
Net financing costs	14	43,960	36,523
Earnings before income taxes		355,172	285,515
Income taxes	10	81,416	69,672
Net earnings		273,756	215,843
Other comprehensive income			
<i>Items that may be reclassified subsequently to net earnings</i>			
Reclassification of amortization of net gains on financial instruments not subject to basis adjustments		(1,184)	(1,184)
Foreign currency translation adjustments		(63,810)	5,598
Share of other comprehensive income (loss) of equity-accounted investment	6	6,516	(4,222)
Income tax recovery relating to these items		313	313
<i>Items that will not be reclassified subsequently to net earnings</i>			
Unrealized gains (losses) on derivative financial instruments subject to basis adjustments		(44,027)	11,507
Income tax recovery (expense) relating to components of other comprehensive income that will not be reclassified to net earnings		11,655	(3,333)
Total other comprehensive income, net of income taxes		(90,537)	8,679
Total comprehensive income		183,219	224,522
Earnings per common share			
Basic net earnings per common share		\$0.99	\$0.77
Diluted net earnings per common share	12	\$0.98	\$0.77
Weighted average number of common shares outstanding (thousands)	12	277,045	278,707
Weighted average number of diluted common shares outstanding (thousands)	12	278,211	279,686

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

Dollarama Inc.

Interim Consolidated Statements of Cash Flows For the 13-week periods ended (Unaudited, expressed in thousands of Canadian dollars)

		13-week periods ended	
	Note	May 4, 2025	April 28, 2024
		\$	\$
Operating activities			
Net earnings		273,756	215,843
Adjustments to reconcile net earnings to net cash generated from operating activities:			
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	14	97,039	95,705
Share-based compensation	9	3,448	3,978
Net financing costs	14	43,960	36,523
Deferred income taxes		7,609	(2,527)
Unrealized gain from derivative on equity-accounted investment	6	(10,348)	-
Share of net earnings of equity-accounted investment	6	(40,312)	(22,090)
Interest received		4,187	8,782
Other		1,032	299
		380,371	336,513
Changes in non-cash working capital components	15	(64,755)	(54,549)
Net cash generated from operating activities		315,616	281,964
Investing activities			
Distributions from equity-accounted investment		54,620	27,397
Additions to property, plant and equipment		(39,478)	(40,250)
Additions to intangible assets		(6,715)	(6,017)
Initial direct costs on right-of-use assets		(3,791)	-
Proceeds from disposal of property, plant and equipment		65	229
Net cash generated from (used in) investing activities		4,701	(18,641)
Financing activities			
Interest paid on long-term debt, long-term financing arrangements and short-term borrowings	7	(37,375)	(33,918)
Net payment of lease liabilities	5	(111,713)	(74,641)
Issuance of common shares	9	2,452	8,961
Dividends paid		(25,558)	(19,827)
Repurchase and cancellation of common shares	8	(20,196)	(145,544)
Performance share units settlement	9	(21,604)	(19,667)
Net cash used in financing activities		(213,994)	(284,636)
Change in cash and cash equivalents		106,323	(21,313)
Cash and cash equivalents – beginning of period		122,685	313,915
Cash and cash equivalents – end of period		229,008	292,602
Supplemental information:			
Interest paid on lease liabilities	5	22,780	18,968

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

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

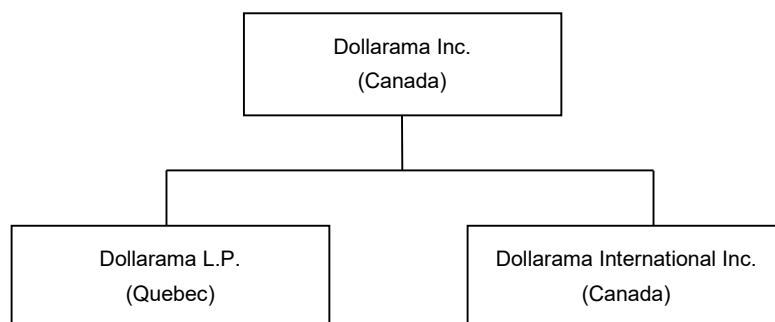
(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

1 General information

Dollarama Inc. (together with its consolidated subsidiaries, the “Corporation”) was formed on October 20, 2004 under the Canada Business Corporations Act. The Corporation offers a broad assortment of general merchandise, consumable products and seasonal items at select, fixed price points up to \$5.00 in-store and online in Canada. As at May 4, 2025, the Corporation maintains retail operations in every Canadian province as well as in the Yukon and Northwest Territories.

The Corporation’s head and registered office is located at 5805 Royalmount Avenue, Town of Mount Royal, Quebec, H4P 0A1. The Corporation’s warehousing and distribution operations are also located in the Montreal area. The Corporation is listed on the Toronto Stock Exchange (“TSX”) under the symbol “DOL”.

As at May 4, 2025, the significant entities within the legal structure of the Corporation are as follows:



Dollarama L.P. operates the chain of stores in Canada and performs related logistical and administrative support activities.

Dollarama International Inc. (“Dollarama International”) has retail operations in Latin America through its 60.1% equity-accounted investment in Central American Retail Sourcing, Inc. (“CARS”), a corporation organized under the laws of Panama and the parent company of entities which operate stores located in El Salvador, Guatemala, Colombia and Peru by offering 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).

Dollarama International also has a 80.05% equity-accounted investment in Inversiones Comerciales Mexicanas S.A (“ICM”, and together with CARS and their respective subsidiaries, the “Dollarcity Group” or “Dollarcity”), a corporation organized under the laws of Panama and the parent company of entities established for the future expansion of the operations of Dollarcity in Mexico.

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

2 Basis of preparation

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

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". In accordance with GAAP, these financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended February 2, 2025 ("Fiscal 2025"), which have been prepared in accordance with IFRS Accounting Standards. In management's opinion, the unaudited condensed interim consolidated financial statements reflect all the adjustments that are necessary for a fair presentation of the results for the interim period presented.

These unaudited condensed interim consolidated financial statements were approved by the board of directors of the Corporation (the "Board of Directors") for issue on June 11, 2025.

Seasonality of operations

The Corporation's sales generally increase ahead of major holidays, with December representing the highest proportion of sales, but otherwise experience limited seasonal fluctuations. However, the occurrence of certain events that are beyond the Corporation's control, such as unusually adverse weather or an epidemic or pandemic outbreak, and that cause disruption in its operations could materially adversely affect the business and financial results of the Corporation. Consequently, results for the 13-week period ended May 4, 2025 may not be representative of results for subsequent quarters or for the full fiscal year.

3 Summary of material accounting policy information

These unaudited condensed interim consolidated financial statements have been prepared using the accounting policies as outlined in Note 3 to the Fiscal 2025 audited consolidated financial statements. During the 13-week period ended May 4, 2025, the Corporation updated the estimated useful life for certain property, plant and equipment to reflect the Corporation's utilization period of the underlying assets. The modification was enacted starting at the beginning of the period.

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

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

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

4 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.

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

5 Leases

As at May 4, 2025, the Corporation owned four stores, one distribution centre, one warehouse and leased 1,634 stores, its head office and six warehouses.

The following table reconciles the Corporation's right-of-use assets for the 13-week periods ended on the dates indicated below:

	May 4, 2025	April 28, 2024
	\$	\$
Balance, beginning of period	2,109,445	1,788,550
Additions	90,061	318,579
Initial direct costs	3,791	-
Terminations and other adjustments	(1,324)	(661)
Depreciation	(69,064)	(62,677)
Balance, end of period	<u>2,132,909</u>	<u>2,043,791</u>

The following table reconciles the Corporation's lease liabilities for the 13-week periods ended on the dates indicated below:

	May 4, 2025	April 28, 2024
	\$	\$
Balance, beginning of period	2,426,977	2,069,229
Additions	90,061	318,579
Interest expense on lease liabilities	22,780	18,968
Disposals and other adjustments	(1,067)	(794)
Net payment of lease liabilities	<u>(111,713)</u>	<u>(74,641)</u>
Balance, end of period	<u>2,427,038</u>	<u>2,331,341</u>
Current portion	256,531	232,525
Non-current portion	2,170,507	2,098,816

During the 13-week period ended May 4, 2025, the Corporation expensed \$39,203 (13-week period ended April 28, 2024 – \$34,143) of variable lease payments, which are not included in the lease liabilities. The Corporation also expensed \$1,820 (13-week period ended April 28, 2024 – \$2,193) of lease payments relating to short-term leases or leases with underlying low-value asset for which the payments were not included in the lease liabilities.

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

6 Equity-accounted investment

a) Investment in joint arrangements

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

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

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

	CARS	
	May 4, 2025	April 28, 2024
	\$	\$
Balance, beginning of period	1,131,650	319,353
Net investment	1,022	569
Share of net earnings ⁽¹⁾	40,312	22,090
Share of other comprehensive income (loss) ⁽¹⁾	6,516	(4,222)
Foreign currency translation adjustments	(57,500)	5,113
Balance, end of period	1,122,000	342,903

⁽¹⁾ The Corporation’s share of net earnings and other comprehensive income (loss) of CARS was 50.1% for the period from January 1, 2024 to March 31, 2024 and 60.1% for the period from January 1, 2025 to March 31, 2025.

During the 13-week period ended May 4, 2025, ICM did not carry out any significant operations.

Dollarama Inc.**Notes to Condensed Interim Consolidated Financial Statements****May 4, 2025**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

6 Equity-accounted investment (cont'd)**b) Derivative on equity-accounted investment**

In connection with the Dollarcity Transaction, the Corporation secured an option (the "Call Option") to acquire, at any time on or before December 31, 2027, an additional 9.89% equity interest in CARS and a corresponding 4.945% equity interest in ICM. The Call Option is measured at fair value through profit or loss ("FVTPL") and is classified as a level 3 instrument. The fair value of the option was determined using the Monte Carlo Simulation model ⁽¹⁾.

The following table reconciles the fair value of the Call Option for the 13-week periods ended on the dates indicated below:

	May 4, 2025	April 28, 2024
	\$	\$
Balance, beginning of period	85,356	-
Unrealized gain	10,348	-
Foreign currency translation adjustments	(4,545)	-
Balance, end of period	91,159	-

- ⁽¹⁾ During the 13-week period ended May 4, 2025, the Corporation updated its valuation methodology for the Call Option, transitioning from the Black-Scholes option pricing model to a Monte Carlo simulation model. This change was made to incorporate a broader range of potential outcomes associated with ICM and its related operations in Mexico. The change in valuation methodology did not have any impact on the fair value of the Call Option and the unrealized gain for the reporting period.

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

7 Debt

	May 4, 2025	February 2, 2025
	\$	\$
Long-term debt outstanding consists of the following as at:		
Senior unsecured fixed rate notes (the "Fixed Rate Notes") bearing interest at:		
Fixed annual rate of 5.165% payable in equal semi-annual instalments, maturing April 26, 2030 (the "5.165% Fixed Rate Notes")	450,000	450,000
Fixed annual rate of 2.443% payable in equal semi-annual instalments, maturing July 9, 2029 (the "2.443% Fixed Rate Notes")	375,000	375,000
Fixed annual rate of 5.533% payable in equal semi-annual instalments, maturing September 26, 2028 (the "5.533% Fixed Rate Notes")	500,000	500,000
Fixed annual rate of 1.505% payable in equal semi-annual instalments, maturing September 20, 2027 (the "1.505% Fixed Rate Notes")	300,000	300,000
Fixed annual rate of 1.871% payable in equal semi-annual instalments, maturing July 8, 2026 (the "1.871% Fixed Rate Notes")	375,000	375,000
Fixed annual rate of 5.084% payable in equal semi-annual instalments, maturing October 27, 2025 (the "5.084% Fixed Rate Notes")	250,000	250,000
Unamortized debt issue costs, including \$1,077 (February 2, 2025 – \$1,219) for the Credit Facility (as defined herein)	(6,494)	(7,092)
Accrued interest on the Fixed Rate Notes	9,106	22,330
Long-term financing arrangements	5,142	5,080
Fair value hedge – basis adjustment on interest rate swap	12,077	12,361
	2,269,831	2,282,679
Current portion (includes unamortized debt issue costs, accrued interest on the Fixed Rate Notes, long-term financing arrangements and the Fixed Rate Notes with a maturity date falling within the next 52-week period, when applicable)	(260,810)	(273,771)
	2,009,021	2,008,908

The table below provides the carrying values and fair values of the Fixed Rate Notes as at May 4, 2025 and February 2, 2025. The fair values of the Fixed Rate Notes were determined as a level 2 in the fair value hierarchy.

	May 4, 2025		February 2, 2025	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Fixed Rate Notes				
5.165% Fixed Rate Notes	449,030	476,910	454,771	480,443
2.443% Fixed Rate Notes	376,863	358,399	374,646	359,258
5.533% Fixed Rate Notes	500,924	531,230	507,822	534,915
1.505% Fixed Rate Notes	299,958	289,191	301,029	287,922
1.871% Fixed Rate Notes	376,848	369,926	375,018	368,996
5.084% Fixed Rate Notes	250,066	252,138	253,171	253,220
	2,253,689	2,277,794	2,266,457	2,284,754

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

7 Debt (cont'd)

Credit Agreement

On June 28, 2024, the Corporation and the lenders entered into a seventh amending agreement to the Third Amended and Restated Credit Agreement (the "TARCA") in order to, among other things, (i) transition from the Canadian Dollar Offered Rate (CDOR) to the Canadian Overnight Repo Rate Average (CORRA), and (ii) extend the terms of its revolving credit facilities (collectively, the "Credit Facility") such that the term of Facility A, in the amount of \$250,000, was extended from July 5, 2028 to June 28, 2029, the term of Facility B, in the amount of \$450,000, was extended from July 6, 2026 to June 28, 2027, the term of Facility C, in the amount of \$50,000, was extended from July 6, 2026 to June 28, 2027, and the term of Facility D, in the amount of \$300,000, was extended from July 3, 2024 to June 27, 2025.

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 \$1,500,000.

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 is 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, 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 4, 2025 and February 2, 2025, no amount was outstanding under the TARCA. As at May 4, 2025, the Corporation had \$1,048,613 available under its Credit Facility (February 2, 2025 – \$1,048,627) and there were letters of credit issued for the purchase of inventories which amounted to \$1,387 (February 2, 2025 – \$1,373). As at May 4, 2025, the Corporation was in compliance with all of its financial covenants under the TARCA.

Short-term borrowings

Under the terms of its US commercial paper program, the Corporation may issue, from time to time, on a private placement basis in reliance upon exemptions from registration and prospectus requirements under applicable securities legislation, unsecured commercial paper notes with maturities not in excess of 397 days from the date of issue (the "USCP Notes"). The aggregate principal amount of USCP Notes outstanding at any one time under the US commercial paper program may not exceed US\$700,000. The Corporation uses derivative financial instruments to convert the net proceeds from the issuance of USCP Notes into Canadian dollars and uses those proceeds for general corporate purposes.

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

7 Debt (cont'd)

The USCP Notes are direct unsecured obligations of the Corporation and rank equally and *pari passu* with all of its other unsecured and unsubordinated indebtedness. The USCP Notes are unconditionally guaranteed by Dollarama L.P. and Dollarama GP Inc., each a wholly-owned subsidiary of the Corporation. The Corporation's Credit Facility serves as a liquidity backstop for the repayment of the USCP Notes. As at May 4, 2025, no amount was outstanding under the US commercial paper program (February 2, 2025 – nil).

8 Shareholders' equity

Share capital

Normal course issuer bid

On July 4, 2024, the Corporation announced the renewal of its normal course issuer bid (the "NCIB"). Pursuant to the NCIB, the Corporation may repurchase up to 16,549,476 common shares (representing 6.0% of the Corporation's public float of 275,824,605 common shares as at June 28, 2024) during the 12-month period from July 7, 2024 to July 6, 2025. All common shares purchased pursuant to the NCIB are either cancelled or placed in trust to hedge the Corporation's exposure in respect of grants made under its performance share unit plan, including to settle the Corporation's obligations under such plan.

Activities under the Corporation's NCIB during the 13-week periods ended on the dates indicated below were as follows:

	May 4, 2025	April 28, 2024
Number of common shares repurchased and cancelled under the NCIB programs	-	1,281,166
Cash consideration paid, allocated to:		
Share capital	-	\$2,404
Retained earnings (Deficit) ⁽¹⁾	-	\$143,140
Total	-	\$145,544

⁽¹⁾ During the 13-week period ended May 4, 2025, \$20,196 was paid related to taxes on share repurchases.

Dollarama Inc.**Notes to Condensed Interim Consolidated Financial Statements****May 4, 2025**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

8 Shareholders' equity (cont'd)

During the 13-week periods ended on the dates indicated below, shares repurchased under the Corporation's NCIB programs and held under the employee benefit plan trust to hedge the Corporation's exposure in respect of PSU grants were as follows:

	May 4, 2025		April 28, 2024	
	Number of common shares	Amount (\$)	Number of common shares	Amount (\$)
Balance - beginning of period	143,699	20,000	-	-
Treasury shares acquired	-	-	-	-
Treasury shares settled	-	-	-	-
Balance - end of period	143,699	20,000	-	-

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

9 Share-based compensation**a) Performance share units ("PSUs")**

During the 13-week period ended May 4, 2025, the Corporation recognized a share-based compensation expense for PSUs of \$2,005 (13-week period ended April 28, 2024 – \$2,549).

Outstanding PSUs for the 13-week periods ended on the date indicated below are as follows:

	May 4, 2025	April 28, 2024
Outstanding – beginning of period	185,080	222,229
Granted	40,943	54,657
Settled	(67,185)	(87,847)
Outstanding – end of period	158,838	189,039

Dollarama Inc.**Notes to Condensed Interim Consolidated Financial Statements****May 4, 2025**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

9 Share-based compensation (cont'd)**b) Share options**

During the 13-week period ended May 4, 2025, the Corporation recognized a share-based compensation expense for share options of \$1,443 (13-week period ended April 28, 2024 – \$1,429).

Outstanding and exercisable share options for the 13-week periods ended on the dates indicated below are as follows:

	May 4, 2025		April 28, 2024	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Outstanding – beginning of period	1,776,283	60.92	2,115,097	52.73
Granted	141,747	154.03	166,670	111.69
Exercised	(46,511)	52.72	(241,368)	37.13
Outstanding – end of period	1,871,519	68.17	2,040,399	59.39
Exercisable – end of period	1,192,042	53.85	1,163,986	49.35

c) Deferred share units (“DSUs”)

During the 13-week period ended May 4, 2025, the Corporation recognized a share-based compensation expense for DSUs of \$1,087 (13-week period ended April 28, 2024 – \$935), which includes the effect of equity derivatives. As at May 4, 2025, the DSU liability amounted to \$33,157 (February 2, 2025 – \$26,934) and the intrinsic value of the liability for vested benefits was \$32,099 (February 2, 2025 – \$25,910).

Outstanding DSUs for the 13-week periods ended on the dates indicated below are as follows:

	May 4, 2025	April 28, 2024
Outstanding – beginning of period	187,246	174,544
Granted	7,273	8,921
Outstanding – end of period	194,519	183,465

10 Income taxes

The income tax expense is recognized based on management’s best estimate of the weighted average annual income tax rate expected for the full fiscal year. The statutory income tax rate for the 13-week period ended May 4, 2025 was 26.5% (13-week period ended April 28, 2024 – 26.5%). The Corporation’s effective income tax rate for the 13-week period ended May 4, 2025 was 22.9% (13-week period ended April 28, 2024 – 24.4%).

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

11 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.

A summary of the aggregate contractual nominal value, weighted average contract rate or interest rate, as applicable, statement of financial position location, estimated fair values of derivative financial instruments and nature of the hedging relationship as at May 4, 2025 and February 2, 2025 is as follows:

	Contractual nominal value	Weighted average contract rate	Statement of financial position location	Fair value - Asset (Liability) (Level 2)	Nature of hedging relationship
				\$	
As at May 4, 2025					
Hedging instruments for the forecasted U.S. dollar merchandise purchases					
USD Foreign exchange forward contracts	US\$35,000	1.34 CAD/USD	Current assets	1,408	Cash flow hedge
USD Foreign exchange forward contracts	US\$624,000	1.41 CAD/USD	Current liabilities	(24,078)	Cash flow hedge
	<u>US\$659,000</u>			<u>(22,670)</u>	
Hedging instrument for the forecasted Business Combination					
AUD Deal contingent hedge contract	A\$225,000	0.9042 - 0.9044 CAD/AUD	Current liability	(3,523)	Cash flow hedge
	<u>A\$225,000</u>			<u>(3,523)</u>	
Hedging instruments for the fixed to floating interest rate notes					
CAD Interest rate swap contracts	\$250,000	CORRA	Current assets	12,077	Fair value hedge
	<u>\$250,000</u>			<u>12,077</u>	
Total				<u>(14,116)</u>	
As at February 2, 2025					
Hedging instruments for the forecasted U.S. dollar merchandise purchases					
USD Foreign exchange forward contracts	US\$581,000	1.39 CAD/USD	Current assets	29,970	Cash flow hedge
	<u>US\$581,000</u>			<u>29,970</u>	
Hedging instruments for the fixed to floating interest rate notes					
CAD Interest rate swap contracts	\$250,000	CORRA	Current assets	12,361	Fair value hedge
	<u>\$250,000</u>			<u>12,361</u>	
Total				<u>42,331</u>	

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

11 Financial instruments (cont'd)

On March 27, 2025, in connection with the planned acquisition of The Reject Shop Limited (the "TRS Acquisition"), the Corporation has entered into a foreign exchange deal contingent contract to purchase A\$225,000 at a forward rate between \$0.9042 and \$0.9044 to A\$1.00, based on the closing date of the transaction. The transaction is structured in a manner that the forward transaction will be executed only if the TRS Acquisition becomes effective. If the TRS Acquisition does not become effective, subject to customary exceptions, then the contract would become null and void without any payments between the Corporation and the financial institution. For the 13-week period ended May 4, 2025, accumulated fair value losses of \$3,523 was recorded in other comprehensive income.

For the 13-week period ended May 4, 2025, accumulated fair value gains of \$9,546 (13-week period ended April 28, 2024 – accumulated fair value gains of \$4,615) on USD foreign exchange forward contracts recorded in the carrying value of inventory were reclassified from inventory to the cost of sales in the condensed interim consolidated statement of net earnings and comprehensive income.

12 Earnings per common share

Diluted net earnings per common share for the 13-week periods ended on the dates indicated below were calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares as follows:

	13-week periods ended	
	May 4, 2025	April 28, 2024
Net earnings attributable to shareholders of the Corporation and used to determine basic and diluted net earnings per common share	\$273,756	\$215,843
Weighted average number of common shares outstanding during (thousands)	277,045	278,707
Dilutive effect of share options (thousands)	1,166	979
Diluted weighted average number of common shares outstanding (thousands)	278,211	279,686
Diluted net earnings per common share	\$0.98	\$0.77

As at May 4, 2025, 141,747 share options (13-week periods ended April 28, 2024 – 184,220) have an anti-dilutive effect since the average market price of the underlying shares was lower than the sum of the exercise price and the unearned share-based compensation of those share options under the treasury stock method.

Dollarama Inc.

Notes to Condensed Interim Consolidated Financial Statements

May 4, 2025

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

13 Related party transactions

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

As at May 4, 2025, the Corporation leased 19 stores, five warehouses and its head office from entities related to the Corporation's Chief Executive Officer pursuant to long-term lease agreements. Rental payments associated with these related-party leases are measured at cost, which equals fair value, being the amount of consideration established at market terms.

As at May 4, 2025, the outstanding balance of lease liabilities owed to entities related to the Corporation's Chief Executive Officer totalled \$267,042 (February 2, 2025 – \$271,824). During the 13-week period ended May 4, 2025, the Corporation expensed \$3,106 (April 28, 2024 – \$2,405), of lease payments charged from entities related to the Corporation's Chief Executive Officer.

b) Dollarcity

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

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

As at May 4, 2025, Dollarama International, a wholly-owned subsidiary of the Corporation, held a 60.1% equity interest in CARS and a 80.05% equity interest in ICM.

The business relationship of Dollarama International and Dollarcity is governed by a sourcing agreement and a services agreement entered into between the parties on February 4, 2022, 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.

Under the sourcing agreement, Dollarcity purchases from the Corporation goods to be sold to customers in the normal course of business. The sales to Dollarcity that were shipped directly from the Corporation's warehouses, as well as the net consideration received for sales in which the Corporation acts as an intermediary, are included in the Corporation's consolidated sales.

Under the services agreement 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.

Dollarama Inc.**Notes to Condensed Interim Consolidated Financial Statements****May 4, 2025**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

13 Related party transactions (cont'd)

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

	May 4, 2025	February 2, 2025
	\$	\$
Included in the Consolidated Statement of Financial Position		
Accounts receivable ⁽¹⁾	33,687	39,251
Distributions receivable from equity-accounted investment	-	54,620
Accounts payable and accrued liabilities	2,574	8,316

⁽¹⁾ The accounts receivable from Dollarcity is guaranteed by a letter of credit up to US\$20,000 (\$27,624) (February 2, 2025 – US\$20,000 (\$29,082)) and includes amounts outstanding under the sourcing and services agreements, as well as other agreements in place.

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 4, 2025	April 28, 2024
	\$	\$
Included in the Consolidated Statement of Net Earnings and Comprehensive Income		
Sales ⁽¹⁾	5,769	5,406

⁽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.

Dollarama Inc.**Notes to Condensed Interim Consolidated Financial Statements****May 4, 2025**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

14 Expenses by nature included in the condensed interim consolidated statement of net earnings and comprehensive income

	13-week periods ended	
	May 4, 2025	April 28, 2024
	\$	\$
Cost of sales		
Cost of goods sold, labour, transport and other costs	789,894	746,276
Occupancy costs	52,348	46,677
Depreciation of property, plant and equipment and right-of-use assets relating to the warehouses and distribution centre	6,658	5,543
Total cost of sales	848,900	798,496
Depreciation and amortization		
Depreciation of property, plant and equipment and right-of-use assets	84,001	84,609
Amortization of intangible assets	6,380	5,553
Total depreciation and amortization	90,381	90,162
Employee benefits ⁽¹⁾	189,500	184,158
Net financing cost		
Interest expense on long-term debt and long-term financing arrangements	20,548	21,500
Interest expense on lease liabilities	22,780	18,968
Interest expense on short-term borrowing	2,030	4,517
Banking fees and other interest expense	1,402	976
Interest revenue	(2,800)	(9,438)
Total net financing cost	43,960	36,523

⁽¹⁾ Comparative figures have been adjusted to reflect the current period presentation, which provides more relevant and reliable information to the users of these financial statements.

Dollarama Inc.**Notes to Condensed Interim Consolidated Financial Statements****May 4, 2025**

(Unaudited, expressed in thousands of Canadian dollars, unless otherwise noted)

15 Details of statement of cash flows

The changes in non-cash working capital components for the 13-week periods ended on the dates indicated below are as follows:

	13-week periods ended	
	May 4, 2025	April 28, 2024
	\$	\$
Accounts receivable	(267)	4,706
Prepaid expenses	(11,334)	-
Prepaid income taxes	-	(9,896)
Inventories	(18,024)	28,790
Accounts payable and accrued liabilities	32,617	(16,754)
Income taxes payable	(67,747)	(61,395)
	<u>(64,755)</u>	<u>(54,549)</u>
Net cash paid for income taxes	141,551	143,538

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

16 Event after the reporting period**Quarterly cash dividend**

On June 11, 2025, the Corporation announced that its Board of Directors approved a quarterly cash dividend for holders of common shares of \$0.1058 per common share. This dividend is payable on August 8, 2025 to shareholders of record at the close of business on July 11, 2025. The dividend is designated as an “eligible dividend” for Canadian tax purposes.