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DOLLARAMA REPORTS FISCAL 2026 FIRST QUARTER RESULTS

MONTREAL, Quebec, June 11, 2025 – Dollarama Inc. (TSX: DOL) (“Dollarama” or the “Corporation”) today reported its financial results for the first quarter ended May 4, 2025.

Fiscal 2026 First Quarter Results Highlights Compared to Fiscal 2025 First Quarter

- Sales increased by 8.2% to $1,521.2 million, compared to $1,405.8 million
- Comparable store sales[1] increased by 4.9%, over and above 5.6% growth in the corresponding period of the previous year
- EBITDA[1] increased by 18.8% to $496.2 million, representing an EBITDA margin[1] of 32.6%, compared to 29.7%
- Operating income increased by 20.7% to $388.8 million, representing an operating margin[1] of 25.6%, compared to 22.9%
- Net earnings increased by 26.9% to $273.8 million, resulting in a 27.3% increase in diluted net earnings per common share to $0.98, compared to $0.77
- Unrealized gain of $10.4 million relating to the derivative on our equity-accounted investment, positively impacting EBITDA margin by 70 basis points and diluted net earnings per common shares by $0.03
- 22 net new stores opened, compared to 18 net new stores

“We are off to a strong start to fiscal 2026 as we successfully pursue our Canadian growth, with comparable store sales supported by sustained consumables demand and positive seasonal offering performance. Dollarcity also continued to deliver value and advance its expansion plans, with the first stores in Mexico slated to open imminently,” said Mr. Neil Rossy, President and CEO.

“With The Reject Shop shareholders set to vote later this month, our acquisition of Australia’s largest discount retailer remains on track and is expected to close by the end of July. We’re excited to begin this new chapter of growth, while staying focused on our core Canadian business and Dollarcity partnership,” concluded Neil Rossy.

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[1] Refer to the section entitled “Non-GAAP and Other Financial Measures” of this press release for the definition of these items and, where applicable, their reconciliation with the most directly comparable GAAP measure.

Fiscal 2026 First Quarter Financial Results

Sales for the first quarter of fiscal 2026 increased by 8.2% to $1,521.2 million, compared to $1,405.8 million in the corresponding period of the prior fiscal year. This increase was driven by growth in the total number of stores over the past 12 months (from 1,569 on April 28, 2024 to 1,638 on May 4, 2025) and comparable store sales growth.

Comparable store sales for the first quarter of fiscal 2026 increased by 4.9%, consisting of a 3.7% increase in the number of transactions and a 1.2% increase in average transaction size, over and above comparable store sales growth of 5.6% for the first quarter of fiscal 2025. The increase in comparable store sales was primarily driven by strong demand for consumables, while also benefitting from a positive performance of our seasonal offering.

Gross margin(1) was 44.2% of sales in the first quarter of fiscal 2026, compared to 43.2% of sales in the first quarter of fiscal 2025. Gross margin as a percentage of sales was higher primarily as a result of lower logistics costs.

General, administrative and store operating expenses ("SG&A") for the first quarter of fiscal 2026 increased by 7.5% to $233.5 million, compared to $217.2 million for the first quarter of fiscal 2025. SG&A represented 15.3% of sales for the first quarter of fiscal 2026, compared to 15.4% of sales for the first quarter of fiscal 2025, reflecting lower labour costs, partially offset by higher store expenses and transaction costs from the proposed acquisition of The Reject Shop Limited.

EBITDA was $496.2 million, representing an EBITDA margin of 32.6% for the first quarter of fiscal 2026, compared to $417.7 million, or an EBITDA margin of 29.7% in the first quarter of fiscal 2025. EBITDA for the first quarter of fiscal 2026 includes an unrealized gain of $10.4 million relating to the derivative on equity-accounted investment, reflecting the fair value adjustment of the option to purchase an additional 9.89% equity interest in Central American Retail Sourcing Inc. and a corresponding proportionate 4.945% equity interest in Inversiones Comerciales Mexicana S.A (the "Call Option"). Excluding the impact of the unrealized gain from the derivative on equity-accounted investment ($10.4 million), EBITDA and EBITDA margin would have been $485.8 million and 31.9%, respectively.

The Corporation's 60.1% share of Dollarcity's net earnings for the period from January 1, 2025 to March 31, 2025 amounted to $40.3 million, compared to $22.1 million for the Corporation's 50.1% share during the same period last year. This 82.4% increase is primarily attributable to continued strong operational performance during the three-month period ended March 31, 2025, compared to the same period last year, and the acquisition of an additional 10% equity interest in Dollarcity on June 11, 2024 (the "Dollarcity Transaction"). Dollarcity's first quarter performance was mainly driven by a 12.6% increase in sales, supported by an increase in the total number of stores (from 547 on March 31, 2024, to 644 on March 31, 2025), as well as an increase in gross margin as a percentage of sales from lower inbound shipping and logistics costs. Dollarcity's SG&A as a percentage of sales remains stable, further improving the strong performance of the first quarter. The Corporation's investment in Dollarcity is accounted for as a joint arrangement using the equity method.

Net financing costs increased by $7.5 million, from $36.5 million for the first quarter of fiscal 2025 to $44.0 million for the first quarter of fiscal 2026.The increase is mainly due to a higher interest expense on lease liabilities and a decrease in interest income due to lower invested capital.

Net earnings increased by 26.9% to $273.8 million, compared to $215.8 million in the first quarter of fiscal 2025, resulting in an increase in diluted net earnings per common share of 27.3% to $0.98 per diluted common share, in the first quarter of fiscal 2026. Excluding the impact of the unrealized gain from the derivative on equity-accounted investment ($0.03 per diluted common share), diluted net earnings per common share would have been $0.95 per diluted common share.

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

Dollarcity

Network Growth

During its first quarter ended March 31, 2025, Dollarcity opened 12 net new stores, compared to 15 net new stores in the same period last year. As at March 31, 2025, Dollarcity had a total of 644 stores, with 377 locations in Colombia, 109 in Guatemala, 77 in El Salvador and 81 in Peru. This compares to 632 stores as at December 31, 2024.

Dollarama Normal Course Issuer Bid and Dividend

During the first quarter of fiscal 2026, no common shares were repurchased for cancellation under the Corporation's 2024-2025 normal course issuer bid.

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.

Publication of Fiscal 2025 ESG Report

Dollarama today published its fiscal 2025 ESG Report available for download in the Sustainability section of our corporate website. Our fiscal 2025 ESG Report and accompanying Sustainability Accounting Standards Board and Task Force on Climate-related Financial Disclosures indexes are in complement to our previous ESG disclosure and related documents, and should be read in conjunction with our regulatory filings.

Fiscal 2026 Outlook

The Corporation's financial annual guidance ranges for fiscal 2026 issued on April 3, 2025 and the assumptions on which these are based remain unchanged, with the exception of the capital expenditures guidance range which has been updated to include estimated costs related to the development of the logistics hub in Western Canada:

(as a percentage of sales except net new store openings in units and capital expenditures in millions of dollars)	**Fiscal 2026[(i)]** **Guidance**
Net new store openings	70 to 80
Comparable store sales	3.0% to 4.0%
Gross margin	44.2% to 45.2%
SG&A	14.2% to 14.7%
Capital expenditures	$285.0 to $330.0

(i) Fiscal 2026 guidance does not take into consideration the proposed acquisition of The Reject Shop Limited by the Corporation. Refer to the Corporation's press release dated March 26, 2025 for information regarding the transaction.

These guidance ranges are based on several assumptions, including the following:

- The number of signed offers to lease and store pipeline for the remainder of fiscal 2026, the absence of delays outside of our control on construction activities and no material increases in occupancy costs in the short- to medium-term
- Approximately three months visibility on open orders and product margins
- Continued positive customer response to our product offering, value proposition and in-store merchandising
- The active management of product margins, including through pricing strategies and product refresh, and of inventory shrinkage
- The Corporation continuing to account for its investment in Dollarcity as a joint arrangement using the equity method
- The entering into of foreign exchange forward contracts to hedge the majority of forecasted merchandise purchases in USD against fluctuations of CAD against USD
- The continued execution of in-store productivity initiatives and realization of cost savings and benefits aimed at improving operating expense
- The absence of a significant shift in labour, economic and geopolitical conditions, or material changes in the retail environment and projected census and household income data
- No significant changes in the capital budget for fiscal 2026 for new store openings, maintenance and transformational capital expenditures, the latter mainly related to shrink initiatives
- The absence of unusually adverse weather, especially in peak seasons around major holidays and celebrations

The guidance ranges included in this section are forward-looking statements within the meaning of applicable securities laws, are subject to a number of risks and uncertainties and should be read in conjunction with the “Forward-Looking Statements” section of this press release.

Forward-Looking Statements

Certain statements in this press release about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements, including the statements relating to the intended development of a logistics hub in Western Canada and the related expected timeline and costs, the Corporation's fiscal 2026 outlook and capital allocation strategy, including its intentions regarding dividends and share repurchases, the timing for the opening by Dollarcity of its first stores in Mexico, the proposed acquisition by the Corporation of The Reject Shop Limited, including regarding the anticipated timing of the completion of the acquisition and certain anticipated benefits of the proposed acquisition. 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.

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 as well as, in the case of the fiscal 2026 outlook, the estimates and assumptions discussed in the section "Fiscal 2026 Outlook and Capital Allocation Strategy", in each case, in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including the following factors which are outlined in the management's discussion and analysis for the first quarter of the fiscal 2026 and discussed in greater detail in the "Risks and Uncertainties" section of the Corporation's annual management's discussion and analysis for fiscal 2025 both available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.dollarama.com: future increases in operating costs (including increases in statutory minimum wages), future increases in merchandise costs (including as a result of rising raw material costs and tariff disputes), future increases in shipping, transportation and other logistics costs (including as a result of freight costs, fuel price increases and detention costs), increase in the cost or a disruption in the flow of imported goods (including as a result of global supply chain disruptions and the geopolitical instability triggered by the increased tensions between China and the Western countries), failure to maintain brand image and reputation, inability to sustain assortment and replenishment of merchandise, disruption of distribution infrastructure, inability to increase warehouse and distribution centre capacity in a timely manner, inability to enter into or renew, as applicable, store and warehouse leases on favourable and competitive terms, inventory shrinkage, seasonality, market acceptance of private brands, failure to protect trademarks and other proprietary rights, foreign operations, foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, interest rate risk associated with variable rate indebtedness, level of indebtedness and inability to generate sufficient cash to service debt, any exercise by Dollarcity's founding stockholders of their put right, changes in creditworthiness and credit rating and the potential increase in the cost of capital, increases in taxes and changes in applicable tax laws or the interpretation thereof, competition in the retail industry (including from online retailers), 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 (including failure to identify and develop new growth opportunities), any failure to satisfy the necessary closing conditions regarding the proposed acquisition of The Reject Shop Limited in a timely manner, or at all, and any delay or failure to close the acquisition of The Reject Shop Limited, the Corporation's inability to successfully integrate The Reject Shop Limited's business upon completion of the proposed acquisition of The Reject Shop Limited, any failure to realize anticipated benefits from the acquisition of The Reject Shop Limited holding company structure, adverse weather, earthquakes and other natural disasters, geopolitical events and political unrest in foreign countries, pandemic or epidemic outbreaks, unexpected costs associated with current insurance programs, product liability claims and product recalls, regulatory environment, class action lawsuits and other litigation, environmental compliance, climate change, and shareholder activism.

These factors are not intended to represent a complete list of the factors that could affect the Corporation or Dollarcity; however, they should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Corporation's and Dollarcity's financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this press release are made as at June 11, 2025 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 press release are expressly qualified by this cautionary statement.

Virtual Shareholder Meeting and First Quarter Results Conference Call

Dollarama will hold its annual general meeting of shareholders today, June 11, 2025 at 9:00 a.m. (ET). All shareholders and guests will be able to listen to the live audio webcast. However, only registered shareholders as of the close of business on April 17, 2025 and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) will be able to vote and submit questions at the meeting. The meeting will be conducted virtually, via live audio webcast at : www.virtualshareholdermeeting.com/DOLR2025.

Dollarama will hold a conference call to discuss its fiscal 2026 first quarter results today, June 11, 2025 at 11:00 a.m. (ET) followed by a question and answer period for financial analysts only. Other interested parties may participate in the call on a listen-only basis via live audio webcast accessible through Dollarama's website at www.dollarama.com/en-CA/corp/events-presentations.

About Dollarama

Founded in 1992 and headquartered in Montréal, Quebec, Canada, Dollarama is a recognized Canadian value retailer offering a broad assortment of consumable products, general merchandise and seasonal items both in-store and online. With stores in all Canadian provinces and two territories, our 1,638 locations across Canada provide customers with compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. Our quality merchandise is sold at select fixed price points up to $5.00.

Dollarama also owns a 60.1% interest in Dollarcity, a growing Latin American value retailer. 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 644 conveniently located stores in Colombia, Guatemala, El Salvador and Peru.

For further information:

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www.dollarama.com

Selected Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-week periods ended	
	May 4, 2025	**April 28, 2024**
	$	**$**
Earnings Data		
Sales	1,521,210	1,405,772
Cost of sales	848,900	798,496
Gross profit	672,310	607,276
SG&A	233,457	217,166
Depreciation and amortization	90,381	90,162
Share of net earnings of equity-accounted investment	(40,312)	(22,090)
Operating income	388,784	322,038
Unrealized gain from derivative on equity-accounted	(10,348)	-
Net financing costs	43,960	36,523
Earnings before income taxes	355,172	285,515
Income taxes	81,416	69,672
Net earnings	273,756	215,843
Basic net earnings per common share	$0.99	$0.77
Diluted net earnings per common share	$0.98	$0.77
Weighted average number of common shares outstanding		
Basic	277,045	278,707
Diluted	278,211	279,686
Other Data		
Year-over-year sales growth	8.2%	8.6%
Comparable store sales growth (1)	4.9%	5.6%
Gross margin (1)	44.2%	43.2%
SG&A as a % of sales (1)	15.3%	15.4%
EBITDA (1)	496,171	417,743
Operating margin (1)	25.6%	22.9%
Capital expenditures	46,193	46,267
Number of stores (2)	1,638	1,569
Average store size (gross square feet) (2)	10,444	10,430
Declared dividends per common share	$0.1058	$0.0920

(dollars in thousands)	**As at**	
	May 4, 2025	**February 2, 2025**
	$	**$**
Statement of Financial Position Data		
Cash and cash equivalents	229,008	122,685
Inventories	939,120	921,095
Total current assets	1,249,132	1,201,280
Property, plant and equipment	1,064,116	1,046,390
Right-of-use assets	2,132,909	2,109,445
Total assets	6,568,184	6,482,592
Total current liabilities	952,452	1,014,306
Total non-current liabilities	4,295,659	4,280,028
Total debt (1)	2,269,831	2,282,679
Net debt (1)	2,040,823	2,159,994
Shareholders' equity	1,320,073	1,188,258

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

(2) At the end of the period.

Non-GAAP and Other Financial Measures

The Corporation prepares its financial information in accordance with GAAP. Management has included non-GAAP and other financial measures to provide investors with supplemental measures of the Corporation's operating and financial performance. Management believes that those measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on the Corporation's operating and financial performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on GAAP measures. Management also believes that securities analysts, investors and other interested parties frequently use non-GAAP and other financial measures in the evaluation of issuers. Management also uses non-GAAP and other financial measures to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and to assess their ability to meet the Corporation's future debt service, capital expenditure and working capital requirements.

The 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 and should be considered as a supplement to, not a substitute for, or superior to, the comparable measures calculated in accordance with GAAP.

(A) Non-GAAP Financial Measures

EBITDA

EBITDA represents net earnings plus income taxes, net financing costs and depreciation and amortization and includes the Corporation's share of net earnings of its equity-accounted investment. Management believes EBITDA measure represents a supplemental metric to assess the operational profitability of the underlying core operations. The Corporation has revised its reconciliation approach for EBITDA by beginning with net earnings, rather than operating income as in prior periods. This change was implemented to consider the impact of the unrealized gain from derivative on equity-accounted investment and to improve comparability with industry peers. The change has no impact on the comparative period and EBITDA previously reported by the Company for the years ended February 2, 2025 and January 28, 2024. The Corporation also calculates EBITDA excluding unrealized gain from derivative on equity-accounted investment, in order to exclude the impact of the Call Option, given the Call Option does not reflect ongoing operations of the Corporation and should not, in management's view, be considered in a long-term assessment of the operational profitability of the underlying core operations of the Corporation. A reconciliation of net earnings to EBITDA is included below:

(dollars in thousands)	**13-week periods ended**	
	May 4, 2025 $	**April 28, 2024 $**
Net earnings	273,756	215,843
Add:		
Income taxes	81,416	69,672
Net financing costs	43,960	36,523
Depreciation and amortization	97,039	95,705
EBITDA	**496,171**	**417,743**
Unrealized gain from derivative on equity-accounted investment	(10,348)	-
EBITDA excluding unrealized gain from derivative on equity-accounted investment	**485,823**	**417,743**

Total debt

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

(dollars in thousands)	As at	
Senior unsecured notes (the "Fixed Rate Notes") bearing interest at:	**May 4, 2025 $**	**February 2 2025 $**
Fixed annual rate of 5.165% payable in equal semi-annual instalments, maturing April 26, 2030	450,000	450,000
Fixed annual rate of 2.443% payable in equal semi-annual instalments, maturing July 9, 2029	375,000	375,000
Fixed annual rate of 5.533% payable in equal semi-annual instalments, maturing September 26, 2028	500,000	500,000
Fixed annual rate of 1.505% payable in equal semi-annual instalments, maturing September 20, 2027	300,000	300,000
Fixed annual rate of 1.871% payable in equal semi-annual instalments, maturing July 8, 2026	375,000	375,000
Fixed annual rate of 5.084% payable in equal semi-annual instalments, maturing October 27, 2025	250,000	250,000
Unamortized debt issue costs, including $1,077 (February 2, 2025 – $1,219) for the credit facility	(6,494)	(7,092)
Accrued interest on the Fixed Rate Notes	9,106	22,330
Long-term financing arrangement	5,142	5,080
Fair value hedge – basis adjustment on interest rate swap	12,077	12,361
Total debt	**2,269,831**	**2,282,679**

Net debt

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

(dollars in thousands)	As at	
	May 4, 2025 $	**February 2, 2025 $**
Total debt	2,269,831	2,282,679
Cash and cash equivalents	(229,008)	(122,685)
Net debt	**2,040,823**	**2,159,994**

(B) Non-GAAP Ratios

Adjusted net debt to EBITDA ratio

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

(dollars in thousands)	As at	
	May 4, 2025	**February 2, 2025**
	$	**$**
Net debt	2,040,823	2,159,994
Lease liabilities	2,427,038	2,426,977
Unamortized debt issue costs, including $1,077 (February 2, 2025 – $1,219) for the credit facility	6,494	7,092
Fair value hedge – basis adjustment on interest rate swap	(12,077)	(12,361)
Adjusted net debt	**4,462,278**	**4,581,702**
EBITDA for the last twelve-month period	2,200,257	2,121,829
Adjusted net debt to EBITDA ratio	**2.03x**	**2.16x**

EBITDA margin

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

(dollars in thousands)	13-week periods ended	
	May 4 2025 $	**April 28, 2024 $**
EBITDA	496,171	417,743
Sales	1,521,210	1,405,772
EBITDA margin	**32.6%**	**29.7%**
EBITDA excluding unrealized gain from derivative on equity-accounted investment	485,823	417,743
Sales	1,521,210	1,405,772
EBITDA margin, excluding unrealized gain from derivative on equity-accounted investment	**31.9%**	**29.7%**

(C) Supplementary Financial Measures

Gross margin	Represents gross profit divided by sales, expressed as a percentage of sales.
Operating margin	Represents operating income divided by sales, expressed as a percentage of sales.
SG&A as a % of sales	Represents SG&A divided by sales.
Comparable store sales	Represents sales of 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.