

# Management's Discussion and Analysis

Canadian Tire Corporation, Limited  
Second Quarter 2024

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## 1.0 Preface

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### 1.1 Definitions

In this document, the terms “we”, “us”, “our”, “Company”, “Canadian Tire Corporation”, “CTC”, and “Corporation” refer to Canadian Tire Corporation, Limited, on a consolidated basis. This document also refers to the Corporation’s three reportable operating segments: the “Retail segment”, the “Financial Services segment”, and the “CT REIT segment”.

The financial results for the Retail segment are delivered by the businesses operated by the Company under the Company’s retail banners, which include Canadian Tire, PartSource, Petroleum, Canadian Tire Gas+, Party City, Mark’s, Helly Hansen, SportChek, Sports Experts, Atmosphere, Pro Hockey Life (PHL), Sports Rousseau, and Hockey Experts.

In this document:

“Canadian Tire” refers to the general merchandise retail and services business carried on under the Canadian Tire name and trademarks.

“Canadian Tire Retail” and “CTR” refer to the general merchandise retail and services businesses carried on under the Canadian Tire, PartSource, PHL, and Party City names and trademarks.

“Canadian Tire stores” and “Canadian Tire Gas+ gas bars” refer to stores and gas bars (which may include convenience stores, car washes, and propane stations) that operate under the Canadian Tire Gas+ names and trademarks.

“CT REIT” refers to the business carried on by CT Real Estate Investment Trust and its subsidiaries, including CT REIT Limited Partnership (CT REIT LP).

“Financial Services” refers to the business carried on by the Company’s Financial Services subsidiaries, namely Canadian Tire Bank (CTB or the Bank) and CTFS Bermuda Ltd. (CTFS Bermuda), a Bermuda reinsurance company.

“Franchise Trust” refers to a legal entity sponsored by a third-party bank that originates and services loans to certain Dealers for their purchases of inventory and fixed assets (Dealer loans).

“Helly Hansen” refers to the international wholesale and retail businesses that operate under the Helly Hansen and Musto names and trademarks.

“Jumpstart” refers to Canadian Tire Jumpstart Charities.

“Mark’s” refers to the retail and commercial wholesale businesses carried on by Mark’s Work Wearhouse Ltd., and “Mark’s stores” including stores that operate under the Mark’s, L’Équipeur, Mark’s WorkPro, and L’Équipeur Pro names and trademarks.

“Owned Brands” refers to brands owned by the Company and managed within the Retail segment.

“PartSource stores” refers to stores that operate under the PartSource name and trademarks.

“Party City” refers to the party supply business carried on under the Party City name and trademarks in Canada.

“Petroleum” refers to the retail petroleum business carried on under the Canadian Tire Gas+ name and trademark.

“SportChek” refers to the retail business carried on by FGL Sports Ltd., including stores that operate under the SportChek, Sports Experts, Atmosphere, Sports Rousseau, and Hockey Experts names and trademarks.

Other terms that are capitalized in this document are defined the first time they are used.

This document contains trade names, trademarks, and service marks of CTC and other organizations, all of which are the property of their respective owners. Solely for convenience, the trade names, trademarks, and service marks referred to herein appear without the ® or TM symbol.

## **1.2 Forward-Looking Information**

This Management's Discussion and Analysis (MD&A) contains information that may constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information provides insights regarding Management's current expectations and plans and allows investors and others to better understand the Company's anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although the Company believes that the forward-looking information in this MD&A is based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from Management's expectations and plans as set forth in such forward-looking information. The Company cannot provide assurance that any financial or operational performance, plans, or aspirations forecast will actually be achieved or, if achieved, will result in an increase in the Company's share price. Refer to section 13.0 in this MD&A for a more detailed discussion of the Company's use of forward-looking information.

## **1.3 Review and Approval by the Board of Directors**

The Board of Directors, on the recommendation of its Audit Committee, approved the contents of this MD&A on August 7, 2024.

## **1.4 Quarterly and Annual Comparisons in the MD&A**

Unless otherwise indicated, all comparisons of results for Q2 2024 (26 weeks ended June 29, 2024) are compared against results for Q2 2023 (26 weeks ended July 1, 2023).

## **1.5 Accounting Framework**

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), also referred to as Generally Accepted Accounting Principles (GAAP), using the accounting policies described in Note 2 to the Company's interim consolidated financial statements for the second quarter of 2024.

## **1.6 Accounting Estimates and Assumptions**

The preparation of the Company's condensed interim consolidated financial statements that conforms to IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Refer to section 8.1 in this MD&A for further information.

## **1.7 Key Performance Measures**

The Company uses certain key performance measures, which provide useful information to both Management and investors in measuring the financial performance and financial condition of the Company. These measures are classified as GAAP measures, non-GAAP financial measures, non-GAAP ratios, capital management measures, and supplementary financial measures, as well as non-financial measures. Readers are cautioned that the non-GAAP financial measures have no standardized meanings under IFRS and, therefore, may not be comparable to similar terms used by other companies. Refer to section 9.0 for additional information on these metrics. Many of the non-GAAP financial measures in this document are adjusted to normalize the results for certain activities Management does not believe reflect the ongoing business. Unless otherwise noted, analysis of changes in normalized results applies equally to changes in the reported results.

## **1.8 Rounding and Percentages**

Rounded numbers are used throughout the MD&A. All year-over-year percentage changes are calculated on whole dollar amounts except in the presentation of Basic and Diluted earnings per share (EPS), in which year-over-year percentage changes are based on fractional amounts.

## 2.0 Company and Industry Overview

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Canadian Tire Corporation, Limited (TSX: CTC.A) (TSX: CTC) and its subsidiaries, are a group of companies that include a Retail segment, a Financial Services segment and CT REIT. Our retail business is led by Canadian Tire, which was founded in 1922 and provides Canadians with products for life in Canada across its Automotive, Fixing, Living, Playing, and Seasonal & Gardening divisions. PartSource, Canadian Tire Gas+, Party City and Pro Hockey Life are key parts of the Company's retail network. The Retail segment also includes Mark's, Mark's WorkPro, a leading source of casual and industrial wear; and SportChek, Hockey Experts, Sports Experts and Atmosphere, which offer the best activewear brands. CTC's 1,700 retail and gasoline outlets are supported and strengthened by our Financial Services segment and the tens of thousands of people employed across Canada and around the world by the Company, and its Canadian Tire Associate Dealers (Dealers), franchisees, and petroleum retailers. In addition, Canadian Tire Corporation owns Helly Hansen, a leading global brand in sportswear and workwear based in Oslo, Norway, whose results are included in the Retail segment. A description of the Company's business and select core capabilities can be found in the Company's 2023 Annual Information Form (2023 AIF), including section 2 "Description of the Business" and on the Company's Corporate (<https://corp.canadiantire.ca>) and Investor Relations (<https://corp.canadiantire.ca/investors>) websites.

### 3.0 Company Strategy

*The following contains forward-looking information and readers are cautioned that actual results may vary.*

#### **Better Connected Strategy**

The Company continues to execute on its *Better Connected* strategy announced in 2022 to bolster its omnichannel capabilities and drive long-term growth. The strategy aims to build on the Company's unparalleled brand trust and brand purpose: to Make Life in Canada Better.

In conjunction with the strategy, the Company is investing to create better customer connections, enhancing the omnichannel customer experience by better connecting digital and physical channels and rolling out a new store concept to Canadian Tire stores, strengthening supply chain fulfillment and automation, modernizing IT infrastructure and driving efficiency in how CTC operates.

The Company's *Better Connected* strategy initiatives have already proven to drive incremental sales and enhance connections to customers through an offering that has greater relevance and value, and the Company continues to manage its resources to create room for continued investment over the long term, with around half of the Company's expected operating capital expenditures incurred on a year to date basis.

Since the beginning of 2024, the Company has:

- Launched its loyalty partnership with Petro-Canada, building on the Company's intention to offer increased relevance and value to customers. This partnership allows the Company to further enrich its loyalty ecosystem in the future;
- Made progress on the ongoing refresh of the CTR store network with an additional 40 stores expected to be refreshed during 2024, of which 18 had been completed at the end of Q2. On a year to date basis, CTC also added or relocated seven Mark's stores in Ontario, Quebec, Alberta, and British Columbia. Since the end of Q2, the Company has also added four new PHL stores in Ontario;
- Continued to drive a richer in-store and digital customer experience resulting in improved customer Net Promoter Scores; enhancements have included online functionality enabling easier "add to cart" capabilities, multi-banner and partner loyalty campaigns driving improved member experience and leveraging launch of "CeeTee", an Artificial Intelligence (AI) shopping assistant designed to streamline the shopping journey around tire selection in CTR's automotive division;
- Marked the first full year of operations for the new Distribution Centre in the Greater Toronto Area, which is delivering beyond expected productivity improvements and managing approximately 10% of CTC's total throughput.

## 4.0 Financial Performance

### 4.1 Consolidated Financial Performance

#### 4.1.1 Consolidated Financial Results

(C\$ in millions, except where noted)				YTD		Change
	Q2 2024	Q2 2023	Change	Q2 2024	Q2 2023	
Retail sales <sup>1</sup>	\$ 5,000.2	\$ 5,214.9	(4.1) %	\$ 8,257.7	\$ 8,541.4	(3.3) %
Revenue	\$ 4,132.7	\$ 4,255.8	(2.9) %	\$ 7,657.6	\$ 7,963.0	(3.8) %
Gross margin dollars	\$ 1,407.3	\$ 1,448.4	(2.8) %	\$ 2,657.5	\$ 2,730.3	(2.7) %
Gross margin rate <sup>1</sup>	34.1 %	34.0 %	2 bps	34.7 %	34.3 %	42 bps
Other expense (income)	\$ (12.5)	\$ 79.0	NM <sup>2</sup>	\$ (13.4)	\$ 158.0	NM <sup>2</sup>
Selling, general and administrative expenses	844.5	929.3	(9.1) %	1,692.7	1,800.5	(6.0) %
Depreciation and amortization	189.9	188.8	0.6 %	380.5	380.9	(0.1) %
Net finance costs (income)	89.6	77.4	15.7 %	180.1	150.4	19.7 %
Income before income taxes	\$ 295.8	\$ 173.9	70.1 %	\$ 417.6	\$ 240.5	73.6 %
Income tax expense (recovery)	72.3	47.0	53.8 %	98.1	70.8	38.6 %
Effective tax rate <sup>1</sup>	24.4 %	27.0 %		23.5 %	29.4 %	
Net income	\$ 223.5	\$ 126.9	76.0 %	\$ 319.5	\$ 169.7	88.3 %
Net income attributable to:						
Shareholders of Canadian Tire Corporation	\$ 198.8	\$ 99.4	99.9 %	\$ 275.6	\$ 107.2	NM <sup>2</sup>
Non-controlling interests	24.7	27.5	(10.3) %	43.9	62.5	(29.8) %
	\$ 223.5	\$ 126.9	76.0 %	\$ 319.5	\$ 169.7	88.3 %
Basic EPS	\$ 3.57	\$ 1.77	NM <sup>2</sup>	\$ 4.95	\$ 1.89	NM <sup>2</sup>
Diluted EPS	\$ 3.56	\$ 1.76	NM <sup>2</sup>	\$ 4.94	\$ 1.88	NM <sup>2</sup>
Weighted average number of Common and Class A Non-Voting Shares outstanding:						
Basic	55,631,649	56,334,499	(1.2) %	55,627,510	56,761,634	(2.0) %
Diluted	55,760,426	56,548,207	(1.4) %	55,762,463	57,011,764	(2.2) %

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>2</sup> Not meaningful.

#### Non-Controlling Interests

The following table outlines the net income attributable to the Company's non-controlling interests. During the fourth quarter of 2023, the Company completed the repurchase of Scotiabank's 20% non-controlling interest in Canadian Tire Financial Services (CTFS). For additional details, refer to Note 15 to the Company's 2023 Consolidated Financial Statements.

(C\$ in millions)			YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Financial Services				
Non-controlling interest 0.0% (2023 – 20.0%)	\$ —	\$ 7.7	\$ —	\$ 24.8
CT REIT				
Non-controlling interest 31.5% (2023 – 31.5%)	23.1	18.4	41.3	35.8
Retail segment subsidiary				
Non-controlling interest 50.0% (2023 – 50.0%)	1.6	1.4	2.6	1.9
Net income attributable to non-controlling interests	\$ 24.7	\$ 27.5	\$ 43.9	\$ 62.5

## Normalizing Items

There were no normalizing items in the first and second quarter of 2024. In the first and second quarter of 2023, the Company normalized for \$142.3 million in costs associated with a fire at its A.J. Billes Distribution Centre (DC fire) and \$33.3 million related to the GST/HST-related charge discussed in section 4.1.1 of the Company's Q2 2023 MD&A. These costs were included in Other expense (income) and Selling, general and administrative expenses in the Consolidated Statements of Income.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
DC fire	\$ —	\$ 74.6	\$ —	\$ 142.3
GST/HST-related charge	—	33.3	—	33.3
Total	\$ —	\$ 107.9	\$ —	\$ 175.6

## Selected Normalized Metrics – Consolidated

(C\$ in millions, except where noted)	Q2 2024	Normalizing Items <sup>1</sup>	Normalized Q2 2024 <sup>2</sup>	Q2 2023	Normalizing Items <sup>1</sup>	Normalized Q2 2023 <sup>2</sup>	Change <sup>3</sup>
Revenue	\$ 4,132.7	\$ —	\$ 4,132.7	\$ 4,255.8	\$ —	\$ 4,255.8	(2.9) %
Cost of producing revenue	2,725.4	—	2,725.4	2,807.4	—	2,807.4	(2.9) %
Gross margin dollars	\$ 1,407.3	\$ —	\$ 1,407.3	\$ 1,448.4	\$ —	\$ 1,448.4	(2.8) %
Gross margin rate <sup>4</sup>	34.1 %	— bps	34.1 %	34.0 %	— bps	34.0 %	2 bps
Other expense (income)	\$ (12.5)	\$ —	\$ (12.5)	\$ 79.0	\$ (74.6)	\$ 4.4	NM <sup>5</sup>
Selling, general and administrative expenses	844.5	—	844.5	929.3	(33.3)	896.0	(5.7) %
Depreciation and amortization	189.9	—	189.9	188.8	—	188.8	0.6 %
Net finance costs (income)	89.6	—	89.6	77.4	—	77.4	15.7 %
Income before income taxes	\$ 295.8	\$ —	\$ 295.8	\$ 173.9	\$ 107.9	\$ 281.8	5.0 %
Income tax expense (recovery)	72.3	—	72.3	47.0	28.3	75.3	(4.0) %
Net income	\$ 223.5	\$ —	\$ 223.5	\$ 126.9	\$ 79.6	\$ 206.5	8.2 %
Net income attributable to shareholders of CTC	198.8	—	198.8	99.4	74.6	174.0	14.3 %
Diluted EPS	\$ 3.56	\$ —	\$ 3.56	\$ 1.76	\$ 1.32	\$ 3.08	15.6 %

<sup>1</sup> Refer to Normalizing Items table in this section for more details.

<sup>2</sup> These normalized measures (excluding Revenue, Cost of producing revenue, Gross margin dollars, Gross margin rate, Depreciation and amortization, and Net finance costs) are non-GAAP financial measures or non-GAAP ratios. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Change is between normalized results.

<sup>4</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>5</sup> Not meaningful.



(C\$ in millions, except where noted)	YTD Q2 2024	Normalizing Items	Normalized YTD Q2 2024 <sup>2</sup>	YTD Q2 2023	Normalizing Items <sup>1</sup>	Normalized YTD Q2 2023 <sup>2</sup>	Change <sup>3</sup>
Revenue	\$ 7,657.6	\$ —	\$ 7,657.6	\$ 7,963.0	\$ —	\$ 7,963.0	(3.8) %
Cost of producing revenue	5,000.1	—	5,000.1	5,232.7	—	5,232.7	(4.4) %
Gross margin dollars	\$ 2,657.5	\$ —	\$ 2,657.5	\$ 2,730.3	\$ —	\$ 2,730.3	(2.7) %
Gross margin rate <sup>4</sup>	34.7 %	— bps	34.7 %	34.3 %	— bps	34.3 %	42 bps
Other expense (income)	\$ (13.4)	\$ —	\$ (13.4)	\$ 158.0	\$ (142.3)	\$ 15.7	NM <sup>5</sup>
Selling, general and administrative expenses	1,692.7	—	1,692.7	1,800.5	(33.3)	1,767.2	(4.2) %
Depreciation and amortization	380.5	—	380.5	380.9	—	380.9	(0.1) %
Net finance costs (income)	180.1	—	180.1	150.4	—	150.4	19.7 %
Income before income taxes	\$ 417.6	\$ —	\$ 417.6	\$ 240.5	\$ 175.6	\$ 416.1	0.4 %
Income tax expense (recovery)	98.1	—	98.1	70.8	46.1	116.9	(16.1) %
Net income	\$ 319.5	\$ —	\$ 319.5	\$ 169.7	\$ 129.5	\$ 299.2	6.8 %
Net income attributable to shareholders of CTC	275.6	—	275.6	107.2	124.5	231.7	18.9 %
Diluted EPS	\$ 4.94	\$ —	\$ 4.94	\$ 1.88	\$ 2.19	\$ 4.07	21.4 %

<sup>1</sup> Refer to Normalizing Items table in this section for more details.

<sup>2</sup> These normalized measures (excluding Revenue, Cost of producing revenue, Gross margin dollars, Gross margin rate, Depreciation and amortization, and Net finance costs) are non-GAAP financial measures or non-GAAP ratios. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Change is between normalized results.

<sup>4</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>5</sup> Not meaningful.

## Consolidated Results Commentary

Diluted EPS for the second quarter of 2024 was \$3.56 per share, \$1.80 higher than the prior year. Normalized Diluted EPS was \$0.48 higher than the prior year.

Consolidated Income before income taxes was \$295.8 million, an increase of \$121.9 million compared to the prior year. Normalized Income before income taxes increased \$14.0 million from the prior year primarily due to higher earnings in the Retail segment.

On a year to date basis, Consolidated Income before income taxes increased by \$177.1 million. Normalized Income before income taxes increased by \$1.5 million as higher earnings in the Retail segment were offset by lower earnings in the Financial Services segment.

**Consolidated Results Commentary** *(continued)*

	<b>Q2 2024</b>	<b>Year to Date</b>
<b>Consolidated Results Summary</b>	<p><b>▲ Diluted EPS: \$1.80 per share</b></p> <ul style="list-style-type: none"> <li>Consolidated Revenue was \$4,132.7 million, a decrease of \$123.1 million or 2.9 percent. Consolidated Revenue excluding Petroleum<sup>1</sup> was \$3,581.8 million, a decrease of 3.4 percent. The decline was driven by the Retail segment, partially offset by growth in the Financial Services segment.</li> <li>Consolidated Gross margin dollars were \$1,407.3 million, a decrease of \$41.1 million or 2.8 percent from the prior year due to a decline in the Retail segment.</li> <li>Other expense (income) was \$(12.5) million, favourable by \$91.5 million compared to an expense of \$79.0 million in the prior year. Excluding the \$74.6 million charge relating to the DC fire in the prior year, Normalized Other expense (income) was favourable by \$16.9 million driven by a \$12.8 million gain on the sale of a CT REIT property in Chilliwack, British Columbia.</li> <li>Consolidated Selling, general and administrative expenses (SG&amp;A) were \$844.5 million, a decrease of \$84.8 million or 9.1 percent compared to the prior year. Excluding the \$33.3 million GST/HST-related charge in the prior year, normalized SG&amp;A was favourable by \$51.5 million. The decrease was driven by the Retail segment, partially offset by an increase in the Financial Services segment.</li> <li>Depreciation and amortization was \$189.9 million, relatively flat to the prior year.</li> <li>Net finance costs were \$89.6 million, up 15.7 percent from the prior year, as borrowings increased, mainly to fund the repurchase of Scotiabank's interest in CTFS. Interest rates were also higher.</li> <li>Income tax expense was \$72.3 million, compared to \$47.0 million in the prior year, primarily due to higher Income before income taxes. The lower effective tax rate was primarily due to higher tax benefit related to capital property disposition and lower non-deductible stock option expense.</li> <li>Diluted EPS was \$3.56, an increase of \$1.80 compared to the prior year. Normalized Diluted EPS increased by \$0.48 compared to the prior year, primarily due to an increase in Net income attributable to the reasons above as well as an increase in the Company's controlling interest following the repurchase of Scotiabank's interest in CTFS.</li> </ul>	<p><b>▲ Diluted EPS: \$3.06 per share</b></p> <ul style="list-style-type: none"> <li>Consolidated Revenue was \$7,657.6 million, a decrease of \$305.4 million or 3.8 percent. Consolidated Revenue excluding Petroleum was \$6,638.8 million, a decrease of 4.2 percent, driven by the Retail segment, partially offset by revenue growth in the Financial Services segment.</li> <li>Consolidated Gross margin dollars were \$2,657.5 million, a decrease of \$72.8 million, or 2.7 percent from the prior year, due to decreases in both the Retail and Financial Services segments.</li> <li>Other expense (income) of \$(13.4) million, favourable by \$171.4 million compared to an expense of \$158.0 million in the prior year. Excluding the \$142.3 million charge relating to the DC fire in the prior year, Normalized Other expense (income) was favourable by \$29.1 million driven by a \$13.5 million one-time cost to exit a supply chain contract in the prior year, as well as a \$12.8 million gain on the sale of a CT REIT property in Chilliwack, British Columbia in Q2 2024.</li> <li>Consolidated SG&amp;A was \$1,692.7 million, a decrease of \$107.8 million or 6.0 percent compared to the prior year. Normalized for the GST/HST-related charge in the prior year, SG&amp;A decreased \$74.5 million. The decrease was driven by the Retail segment, partially offset by an increase in the Financial Services segment.</li> <li>Depreciation and amortization was \$380.5 million, relatively flat to the prior year.</li> <li>Net finance costs were \$180.1 million, up 19.7 percent from the prior year, as borrowings increased, mainly to fund the repurchase of Scotiabank's interest in CTFS. Interest rates were also higher.</li> <li>Income tax expense was \$98.1 million, compared to \$70.8 million in the prior year, primarily due to higher Income before income taxes. The lower effective tax rate was primarily due to lower non-deductible stock option expense and higher tax benefit related to capital property disposition.</li> <li>Diluted EPS was \$4.94, an increase of \$3.06 compared to the prior year. Normalized Diluted EPS increased by \$0.87 compared to the prior year, primarily due to an increase in the Company's controlling interest following the repurchase of Scotiabank's interest in CTFS as well as lower Effective tax rate.</li> </ul>

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

### 4.1.2 Consolidated Key Performance Measures

(C\$ in millions) increase/(decrease)	Q2 2024	Q2 2023	Change
Selling, general and administrative expenses	\$ 844.5	\$ 929.3	\$ (84.8)
Normalized <sup>1</sup> SG&A as a percentage of revenue <sup>2</sup>	20.4 %	21.1 %	(61) bps
Income before income taxes	\$ 295.8	\$ 173.9	\$ 121.9
Normalized <sup>1</sup> EBITDA <sup>3</sup> as a percentage of revenue <sup>2</sup>	14.1 %	13.0 %	102 bps

<sup>1</sup> Refer to section 4.1.1 in this MD&A for a description of normalizing items.

<sup>2</sup> This is a non-GAAP ratio. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA).

(C\$ in millions) increase/(decrease)	YTD Q2 2024	YTD Q2 2023	Change
Selling, general and administrative expenses	\$ 1,692.7	\$ 1,800.5	\$ (107.8)
Normalized <sup>1</sup> SG&A as a percentage of revenue <sup>2</sup>	22.1 %	22.2 %	(9) bps
Income before income taxes	\$ 417.6	\$ 240.5	\$ 177.1
Normalized <sup>1</sup> EBITDA as a percentage of revenue <sup>2</sup>	12.9 %	12.1 %	82 bps

<sup>1</sup> Refer to section 4.1.1 in this MD&A for a description of normalizing items.

<sup>2</sup> This is a non-GAAP ratio. For further information and a detailed reconciliation see section 9.1 of this MD&A.

Changes in the percentages disclosed are driven by the related Revenue, SG&A, and Income before income taxes variances discussed under the Consolidated Results commentary in the previous charts.

### 4.1.3 Seasonal Trend Analysis

The following table shows the consolidated financial performance of the Company by quarter for the last two years. As discussed in section 5.1.1 of the Company's 2023 MD&A, the Company implemented a change in accounting estimate beginning in the first quarter of 2023, with no change to the historical amounts reported which resulted in a change in the phasing of quarterly earnings.

(C\$ in millions, except per share amounts)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Revenue	\$4,132.7	\$3,524.9	\$4,443.0	\$4,250.5	\$4,255.8	\$3,707.2	\$5,340.4	\$4,228.8	\$4,404.0
Net income	223.5	96.0	197.2	(27.8)	126.9	42.8	562.6	225.0	177.6
Diluted EPS	3.56	1.38	3.09	(1.19)	1.76	0.13	9.09	3.14	2.43

## 4.2 Retail Segment Performance

### 4.2.1 Retail Segment Financial Results

(C\$ in millions, except where noted)	Q2 2024	Q2 2023	Change	YTD		Change
				Q2 2024	Q2 2023	
Retail sales <sup>1</sup>	\$ 5,000.2	\$ 5,214.9	(4.1) %	\$ 8,257.7	\$ 8,541.4	(3.3) %
Revenue	\$ 3,754.8	\$ 3,896.1	(3.6) %	\$ 6,891.4	\$ 7,234.0	(4.7) %
Gross margin dollars	\$ 1,208.8	\$ 1,250.9	(3.4) %	\$ 2,246.9	\$ 2,300.9	(2.3) %
Gross margin rate <sup>1</sup>	32.2 %	32.1 %	9 bps	32.6 %	31.8 %	80 bps
Other expense (income)	\$ (34.1)	\$ 42.5	NM <sup>2</sup>	\$ (72.0)	\$ 85.4	NM <sup>2</sup>
Selling, general and administrative expenses	758.7	818.0	(7.2) %	1,517.1	1,603.5	(5.4) %
Depreciation and amortization	237.2	238.2	(0.5) %	474.4	477.9	(0.7) %
Net finance costs (income)	76.9	66.6	15.5 %	156.7	127.8	22.6 %
Income before income taxes	\$ 170.1	\$ 85.6	98.9 %	\$ 170.7	\$ 6.3	NM <sup>2</sup>

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>2</sup> Not meaningful.

### Selected Normalized Metrics – Retail

(C\$ in millions, except where noted)	Q2 2024	Normalizing Items	Normalized Q2 2024 <sup>2</sup>	Q2 2023	Normalizing Items <sup>1</sup>	Normalized Q2 2023 <sup>2</sup>	Change <sup>3</sup>
Revenue	\$ 3,754.8	\$ —	\$ 3,754.8	\$ 3,896.1	\$ —	\$ 3,896.1	(3.6) %
Cost of producing revenue	2,546.0	—	2,546.0	2,645.2	—	2,645.2	(3.8) %
Gross margin dollars	\$ 1,208.8	\$ —	\$ 1,208.8	\$ 1,250.9	\$ —	\$ 1,250.9	(3.4) %
Gross margin rate <sup>4</sup>	32.2 %	— bps	32.2 %	32.1 %	— bps	32.1 %	9 bps
Other expense (income)	\$ (34.1)	\$ —	\$ (34.1)	\$ 42.5	\$ (74.6)	\$ (32.1)	6.2 %
Selling, general and administrative expenses	758.7	—	758.7	818.0	—	818.0	(7.2) %
Depreciation and amortization	237.2	—	237.2	238.2	—	238.2	(0.5) %
Net finance costs (income)	76.9	—	76.9	66.6	—	66.6	15.5 %
Income before income taxes	\$ 170.1	\$ —	\$ 170.1	\$ 85.6	\$ 74.6	\$ 160.2	6.2 %

<sup>1</sup> Refer to section 4.1.1 in this MD&A for a description of normalizing items.

<sup>2</sup> These normalized measures (Other expense [income] and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Change is between normalized results.

<sup>4</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>5</sup> Not meaningful.

(C\$ in millions, except where noted)	YTD Q2 2024	Normalizing Items	Normalized YTD Q2 2024 <sup>2</sup>	YTD Q2 2023	Normalizing Items <sup>1</sup>	Normalized YTD Q2 2023 <sup>2</sup>	Change <sup>3</sup>
Revenue	\$ 6,891.4	\$ —	\$ 6,891.4	\$ 7,234.0	\$ —	\$ 7,234.0	(4.7) %
Cost of producing revenue	4,644.5	—	4,644.5	4,933.1	—	4,933.1	(5.9) %
Gross margin dollars	\$ 2,246.9	\$ —	\$ 2,246.9	\$ 2,300.9	\$ —	\$ 2,300.9	(2.3) %
Gross margin rate <sup>4</sup>	32.6 %	— bps	32.6 %	31.8 %	— bps	31.8 %	80 bps
Other expense (income)	\$ (72.0)	\$ —	\$ (72.0)	\$ 85.4	\$ (142.3)	\$ (56.9)	26.5 %
Selling, general and administrative expenses	1,517.1	—	1,517.1	1,603.5	—	1,603.5	(5.4) %
Depreciation and amortization	474.4	—	474.4	477.9	—	477.9	(0.7) %
Net finance costs	156.7	—	156.7	127.8	—	127.8	22.6 %
Income before income taxes	\$ 170.7	\$ —	\$ 170.7	\$ 6.3	\$ 142.3	\$ 148.6	14.9 %







<sup>1</sup> Refer to section 4.1.1 in this MD&A for a description of normalizing items.

<sup>2</sup> These normalized measures (Other expense [income] and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Change is between normalized results.

<sup>4</sup> For further information about this measure see section 9.2 of this MD&A.

## 4.2.2 Retail Segment Key Performance Measures

(Year-over-year percentage change, C\$ in millions, except as noted)					YTD		YTD	
		Q2 2024	Q2 2023	Change	Q2 2024	Q2 2023	Change	
	Revenue <sup>1</sup>	\$3,754.8	\$3,896.1	(3.6) %	\$6,891.4	\$7,234.0	(4.7) %	
	Revenue, excluding Petroleum	3,203.9	3,347.1	(4.3) %	5,872.6	6,203.6	(5.3) %	
	Store count	1,694	1,695					
	Retail square footage (in millions)	35.0	34.8					
	Retail sales growth <sup>2</sup>	(4.1) %	(2.8) %		(3.3) %	(2.8) %		
	Retail sales growth, excluding Petroleum <sup>2</sup>	(4.7) %	(0.1) %		(3.7) %	(1.0) %		
	Consolidated Comparable sales growth <sup>2,3</sup>	(4.6) %	0.1 %		(3.5) %	(0.9) %		
	Retail Return on Invested Capital (ROIC) <sup>4,5</sup>	8.5 %	11.2 %	(270) bps	n/a	n/a		
	Retail normalized <sup>6</sup> SG&A as a percentage of revenue excluding Petroleum <sup>2,5</sup>	23.7 %	24.4 %	(76) bps	25.8 %	25.8 %	(1) bps	
	Revenue <sup>1,7</sup>	\$2,278.1	\$2,394.0	(4.8) %	\$4,076.1	\$4,325.7	(5.8) %	
	Store count <sup>8</sup>	667	664					
	Retail square footage (in millions)	24.1	23.9					
	Sales per square foot <sup>2,9</sup>	\$ 497	\$ 526	(5.5) %	n/a	n/a		
	Retail sales growth <sup>2,10</sup>	(5.5) %	(0.1) %		(3.8) %	(1.9) %		
	Comparable sales growth <sup>2</sup>	(5.6) %	0.1 %		(3.8) %	(1.7) %		
	Revenue <sup>1</sup>	\$ 441.7	\$ 461.0	(4.2) %	\$ 829.4	\$ 881.8	(5.9) %	
	Store count	367	370					
	Retail square footage (in millions)	7.2	7.2					
	Sales per square foot <sup>2,11</sup>	\$ 312	\$ 331	(5.7) %	n/a	n/a		
	Retail sales growth <sup>2,12</sup>	(1.7) %	(0.2) %		(4.3) %	1.6 %		
	Comparable sales growth <sup>2</sup>	(0.9) %	0.1 %		(3.5) %	1.7 %		
	Revenue <sup>1,13</sup>	\$ 343.8	\$ 353.9	(2.8) %	\$ 631.9	\$ 647.9	(2.5) %	
	Store count	382	379					
	Retail square footage (in millions)	3.7	3.7					
	Sales per square foot <sup>2,11</sup>	\$ 410	\$ 429	(4.4) %	n/a	n/a		
	Retail sales growth <sup>2,14</sup>	(0.9) %	0.1 %		(1.2) %	2.2 %		
	Comparable sales growth <sup>2</sup>	(0.8) %	0.4 %		(1.1) %	2.3 %		
	Revenue <sup>1</sup>	\$ 137.3	\$ 135.6	1.2 %	\$ 329.5	\$ 344.0	(4.3) %	
	Revenue <sup>1</sup>	\$ 550.9	\$ 549.0	0.4 %	\$1,018.8	\$1,030.4	(1.1) %	
	Gas bar locations	278	282					
	Gross margin dollars	\$ 54.2	\$ 56.7	(4.5) %	\$ 102.4	\$ 102.3	— %	
	Retail sales growth <sup>2</sup>	0.3 %	(18.6) %		(1.2) %	(12.3) %		
	Gasoline volume growth in litres	(3.9) %	(1.1) %		(3.5) %	0.7 %		
	Comparable store gasoline volume growth in litres <sup>2</sup>	(4.2) %	2.3 %		(3.6) %	3.9 %		

<sup>1</sup> Revenue reported for CTR, SportChek, Mark's and Petroleum for the 13 and 26 weeks ended June 29, 2024 includes inter-segment revenue of \$1.2 million (2023 – \$1.1 million) and \$2.1 million (2023 - \$2.1 million), respectively. Helly Hansen revenue represents external revenue only. Therefore, in aggregate, revenue for CTR, SportChek, Mark's, Petroleum, and Helly Hansen will not equal total revenue for the Retail segment.

<sup>2</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>3</sup> Comparable sales growth excludes Petroleum.

<sup>4</sup> Retail ROIC is calculated on a rolling 12-month basis based on normalized earnings.

<sup>5</sup> This is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>6</sup> Refer to section 4.1.1 in this MD&A for a description of normalizing items.

<sup>7</sup> Revenue includes revenue from Canadian Tire, PartSource, PHL, Party City and Franchise Trust.

<sup>8</sup> Store count includes stores from Canadian Tire, and other banner stores of 165 (2023: 161 stores). Other banners include PartSource, PHL, and Party City.

<sup>9</sup> Sales per square foot figures are calculated on a rolling 12-month basis. Retail space excludes seasonal outdoor garden centres, auto service bays, warehouse, and administrative space.

<sup>10</sup> Retail sales growth includes sales from Canadian Tire, PartSource, PHL, Party City and the labour portion of Canadian Tire's auto service sales.

<sup>11</sup> Sales per square foot figures are calculated on a rolling 12-month basis, include both corporate and franchise stores and warehouse, and administrative space.

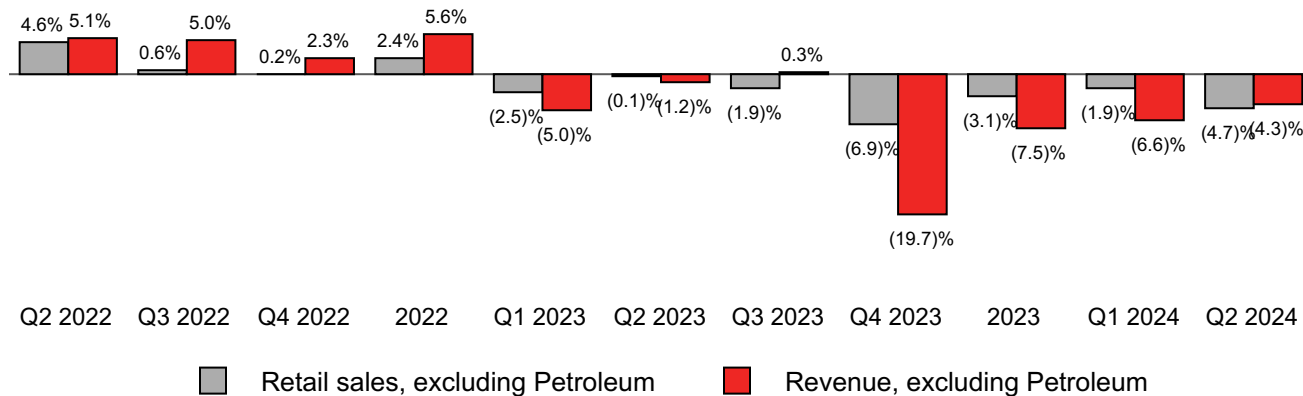
<sup>12</sup> Retail sales growth includes sales from both corporate and franchise stores.

<sup>13</sup> Revenue includes the sale of goods to Mark's franchise stores, Retail sales from Mark's corporate stores, Mark's wholesale revenue from its commercial division, and includes ancillary revenue relating to embroidery and alteration services.

<sup>14</sup> Retail sales growth includes Retail sales from Mark's corporate and franchise stores but excludes revenue relating to alteration and embroidery services.

The following chart shows the Retail segment, excluding Petroleum, Retail sales and Revenue performance by quarter for the last two years. As discussed in section 5.1.1 of the Company's 2023 MD&A, the Company implemented a change in accounting estimate beginning in the first quarter of 2023 which impacted Revenue, excluding Petroleum, with no change to the historical amounts reported; Retail sales, excluding Petroleum were not impacted by this change.

**Year-over-year Retail Sales and Revenue Growth**



**Retail Segment Commentary**

Retail sales decreased 4.1 percent and, excluding Petroleum, were down 4.7 percent in the quarter, driven by soft consumer demand affecting all banners, in addition to continued weakness in discretionary categories and cooler temperatures, particularly in the western provinces, as well as wetter weather across the country. eCommerce sales<sup>1</sup> were \$1.1 billion on a rolling 12-month basis. On a year to date basis, Consolidated Owned Brands penetration<sup>1</sup> was in line with last year, with Q2 penetration at 37.3% down slightly mainly due to lower discretionary sales which impacted CTR penetration.

Retail income before income taxes increased by \$84.5 million in the second quarter. Normalized Retail income before income taxes increased \$9.9 million primarily due to a decrease in supply chain costs, in addition to lower IT costs within SG&A. This was partially offset by higher Net finance costs and lower Gross margin dollars.

On a year to date basis, Retail income before income taxes increased by \$164.4 million. Normalized Retail income before income taxes increased \$22.1 million primarily due to lower SG&A, driven by a decrease in supply chain costs, in addition to lower IT costs and Other expense (income) as the prior year included a \$13.5 million one-time cost to exit a supply chain contract. This was partially offset by higher Net finance costs and lower Gross margin dollars.

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

**Retail Segment Commentary** *(continued)*

	Q2 2024	Year to Date
<b>Retail Sales</b>	<p>▼ <b>\$214.7 million or 4.1%</b></p> <p>▼ <b>4.6% in Comparable sales growth</b></p> <ul style="list-style-type: none"> <li>• Retail sales were \$5,000.2 million, a decrease of 4.1 percent. Excluding Petroleum, Retail sales declined 4.7 percent, or \$216.3 million compared to the prior year, impacted by soft consumer demand, and continued weakness in discretionary categories and weather-associated baskets as cooler temperatures, particularly in the western provinces, as well as wetter weather across the country, impacted sales.</li> <li>• ▼ <b>CTR</b> Retail sales were down 5.5 percent driven by declines in Seasonal &amp; Gardening, Living, Playing and Fixing categories, partially offset by growth in Automotive.</li> <li>• <b>SPORTCHEK</b> Retail sales were down 1.7 percent, led by declines in Cycling, Casual Clothing and Electronics, partially offset by strong performance in Footwear and Team Sports.</li> <li>• <b>Mark's</b> Retail sales were down 0.9 percent driven by declines in Industrial Businesses and Accessories, partially offset by growth in Ladies Casualwear and Casual Footwear.</li> <li>• ▼ <b>GAS+</b> Retail sales remained relatively flat as the impact of higher per litre gas prices was offset by lower gas volumes and lower non-gas sales.</li> </ul>	<p>▼ <b>\$283.7 million or 3.3%</b></p> <p>▼ <b>3.5% in Comparable sales growth</b></p> <ul style="list-style-type: none"> <li>• Retail sales were \$8,257.7 million, a decrease of 3.3 percent. Excluding Petroleum, Retail sales declined 3.7 percent or \$269.8 million compared to the prior year, impacted by soft consumer demand, and continued weakness in discretionary categories, and weather-associated baskets as cooler temperatures in Q2, particularly in the western provinces, as well as a wetter Q2 across the country, impacted sales.</li> <li>• ▼ <b>CTR</b> Retail sales were down 3.8 percent driven by declines in Living, Seasonal &amp; Gardening, Fixing and Playing categories, partially offset by growth in Automotive.</li> <li>• <b>SPORTCHEK</b> Retail sales declined 4.3 percent, led by declines in Skiing/Snowboards, Casual Clothing and Outerwear, partially offset by growth in Footwear and Team Sports.</li> <li>• <b>Mark's</b> Retail sales decreased 1.2 percent driven declines in Industrial Businesses, partially offset by growth in Casual Footwear.</li> <li>• ▼ <b>GAS+</b> Retail sales declined 1.2 percent due to lower gas volumes and lower non-gas sales, partially offset by higher per litre gas prices.</li> </ul>
<b>Revenue</b>	<p>▼ <b>\$141.3 million or 3.6%</b></p> <p>▼ <b>4.3% excluding Petroleum</b></p> <ul style="list-style-type: none"> <li>• Retail Revenue was \$3,754.8 million, down \$141.3 million, due to lower revenue at all banners except Petroleum, particularly driven by lower shipments at CTR.</li> </ul>	<p>▼ <b>\$342.6 million or 4.7%</b></p> <p>▼ <b>5.3% excluding Petroleum</b></p> <ul style="list-style-type: none"> <li>• Retail Revenue was \$6,891.4 million, down \$342.6 million, due to lower revenue at all banners, particularly driven by lower shipments at CTR and lower sales and franchise shipments at SportChek.</li> </ul>



**Retail Segment Commentary** *(continued)*

	Q2 2024	Year to Date
<b>Gross Margin</b>	<p>▼ <b>\$42.1 million or 3.4%</b></p> <p>▲ <b>9 bps in gross margin rate</b></p> <p>▼ <b>3.3% excluding Petroleum<sup>1</sup></b></p> <p>▲ <b>36 bps in gross margin rate, excluding Petroleum<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>Retail Gross margin dollars were \$1,208.8 million, a decrease of \$42.1 million. Excluding Petroleum, Gross margin dollars were \$1,154.6 million, a decrease of \$39.6 million, driven by the decline in Revenue, partially offset by a higher Gross margin rate.</li> <li>Gross margin rate, excluding Petroleum, was 36.0 percent, an increase of 36 bps, primarily due to growth at CTR and Helly Hansen. Rate improvement was driven by lower freight costs partially offset by increased promotional intensity.</li> </ul>	<p>▼ <b>\$54.0 million or 2.3%</b></p> <p>▲ <b>80 bps in gross margin rate</b></p> <p>▼ <b>2.5% excluding Petroleum</b></p> <p>▲ <b>108 bps in gross margin rate, excluding Petroleum</b></p> <ul style="list-style-type: none"> <li>Retail Gross margin dollars were \$2,246.9 million, a decrease of \$54.0 million. Excluding Petroleum, Gross margin dollars were \$2,144.5 million, a decrease of \$54.1 million, driven by the decline in Revenue previously described, partially offset by a higher Gross margin rate.</li> <li>Gross margin rate, excluding Petroleum, was 36.5 percent, an increase of 108 bps, driven by favourable product mix and freight savings, as well as favourability at Helly Hansen.</li> </ul>
<b>Other Expense (Income)</b>	<p>▲ <b>\$76.6 million</b></p> <ul style="list-style-type: none"> <li>Other expense (income) was \$(34.1) million, compared to an expense of \$42.5 million in the prior year. Excluding the \$74.6 million charge relating to the DC fire in the prior year, Normalized Other expense (income) was relatively flat.</li> </ul>	<p>▲ <b>\$157.4 million</b></p> <ul style="list-style-type: none"> <li>Other expense (income) was \$(72.0) million, compared to an expense of \$85.4 million in the prior year. Excluding the \$142.3 million relating to the DC fire in the prior year, Normalized Other expense (income) was favourable by \$15.1 million, driven by a \$13.5 million one-time cost to exit a supply chain contract in the prior year.</li> </ul>
<b>SG&amp;A</b>	<p>▼ <b>\$59.3 million or 7.2%</b></p> <ul style="list-style-type: none"> <li>SG&amp;A was \$758.7 million, a decrease of \$59.3 million, or 7.2 percent. Supply chain decreased as a result of lower volumes and increased efficiencies, compared to the prior year when the Company incurred indirect costs relating to the DC fire. The decline in IT expense was mainly due to the timing of project costs. Personnel costs were also lower.</li> </ul>	<p>▼ <b>\$86.4 million or 5.4%</b></p> <ul style="list-style-type: none"> <li>SG&amp;A was \$1,517.1 million, a decrease of \$86.4 million, or 5.4 percent. Supply chain decreased as a result of lower volumes and increased efficiencies, compared to the prior year when the Company incurred indirect costs relating to the DC fire. The decline in IT expense was mainly due to the timing of project costs. Personnel costs were also lower.</li> </ul>
<b>Depreciation and amortization</b>	<p>▼ <b>\$1.0 million or 0.5%</b></p> <ul style="list-style-type: none"> <li>Depreciation and amortization was \$237.2 million, relatively flat to the prior year.</li> </ul>	<p>▼ <b>\$3.5 million or 0.7 %</b></p> <ul style="list-style-type: none"> <li>Depreciation and amortization was \$474.4 million, relatively flat to the prior year.</li> </ul>
<b>Net Finance Costs</b>	<p>▲ <b>\$10.3 million or 15.5%</b></p> <ul style="list-style-type: none"> <li>Net finance costs increased due to higher borrowings, mainly to fund the repurchase of Scotiabank's interest in CTFs, in addition to higher interest rates.</li> </ul>	<p>▲ <b>\$28.9 million or 22.6%</b></p> <ul style="list-style-type: none"> <li>Net finance costs increased due to higher borrowings, mainly to fund the repurchase of Scotiabank's interest in CTFs, in addition to higher interest rates.</li> </ul>
<b>Earnings Summary</b>	<p>▲ <b>\$84.5 million or 98.9%</b></p> <ul style="list-style-type: none"> <li>Income before income taxes increased by \$84.5 million. Normalized Income before income taxes increased by \$9.9 million, attributable to the reasons above.</li> </ul>	<p>▲ <b>\$164.4 million</b></p> <ul style="list-style-type: none"> <li>Income before income taxes increased by \$164.4 million. Normalized Income before income taxes increased by \$22.1 million, attributable to the reasons above.</li> </ul>

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

### 4.2.3 Retail Segment Seasonal Trend Analysis

Quarterly Revenue and Income (loss) before income taxes are affected by seasonality. The following table shows the Retail segment financial performance of the Company by quarter for the last two years. As discussed in section 5.1.1 of the Company's 2023 MD&A, the Company implemented a change in accounting estimate beginning in the first quarter of 2023 which impacted Revenue and Income (loss) before income taxes, with no change to the historical amounts reported. Retail sales were not affected by this change.

(C\$ in millions)	<b>Q2 2024</b>	Q1 2024	Q4 2023	Q3 2023	<b>Q2 2023</b>	Q1 2023	Q4 2022	Q3 2022	<b>Q2 2022</b>
Retail sales	<b>\$ 5,000.2</b>	\$3,257.5	\$5,323.4	\$4,639.3	<b>\$5,214.9</b>	\$3,326.5	\$5,729.4	\$4,734.2	<b>\$5,363.8</b>
Revenue	<b>3,754.8</b>	3,136.6	4,070.0	3,867.3	<b>3,896.1</b>	3,337.9	4,990.9	3,873.7	<b>4,067.2</b>
Income (loss) before income taxes	<b>170.1</b>	0.6	161.7	239.0	<b>85.6</b>	(79.3)	642.4	133.0	<b>123.8</b>

## 4.3 Financial Services Segment Performance

### 4.3.1 Financial Services Segment Financial Results

(C\$ in millions)				YTD		YTD	
	Q2 2024	Q2 2023	Change	Q2 2024	Q2 2023	Change	
Revenue	\$ 383.2	\$ 364.5	5.1 %	\$ 772.2	\$ 734.3	5.2 %	
Gross margin dollars	\$ 178.9	\$ 179.5	(0.3) %	\$ 368.8	\$ 390.8	(5.6) %	
Gross margin rate <sup>1</sup>	46.7 %	49.2 %	(253) bps	47.8 %	53.2 %	(545) bps	
Other expense (income)	\$ (3.5)	\$ 1.1	NM <sup>2</sup>	\$ (3.0)	\$ 2.3	NM <sup>2</sup>	
Selling, general and administrative expenses	95.7	123.3	(22.2) %	192.3	214.0	(10.1) %	
Depreciation and amortization	2.4	2.4	(0.1) %	4.8	5.2	(7.8) %	
Net finance costs (income)	(4.2)	(2.7)	56.4 %	(9.5)	(4.8)	97.0 %	
Income before income taxes	\$ 88.5	\$ 55.4	59.5 %	\$ 184.2	\$ 174.1	5.8 %	

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>2</sup> Not meaningful.

### Selected Normalized Metrics – Financial Services

(C\$ in millions, except where noted)	Q2 2024		Normalizing Items <sup>1</sup>	Normalized Q2 2024 <sup>2</sup>	Q2 2023	Normalizing Items <sup>1</sup>	Normalized Q2 2023 <sup>2</sup>	Change <sup>3</sup>
Revenue	\$ 383.2	\$ —		\$ 383.2	\$ 364.5	\$ —	\$ 364.5	5.1 %
Gross margin dollars	178.9	—		178.9	179.5	—	179.5	(0.3) %
Gross margin rate <sup>4</sup>	46.7 %	— bps		46.7 %	49.2 %	— bps	49.2 %	(253) bps
Other expense (income)	\$ (3.5)	\$ —		\$ (3.5)	\$ 1.1	\$ —	\$ 1.1	NM <sup>5</sup>
Selling, general and administrative expenses	95.7	—		95.7	123.3	(33.3)	90.0	6.3 %
Depreciation and amortization	2.4	—		2.4	2.4	—	2.4	(0.1) %
Net finance costs (income)	(4.2)	—		(4.2)	(2.7)	—	(2.7)	56.4 %
Income before income taxes	\$ 88.5	\$ —		\$ 88.5	\$ 55.4	\$ 33.3	\$ 88.7	(0.2) %

<sup>1</sup> Refer to section 4.1.1 for a description of normalizing items.

<sup>2</sup> These normalized measures (Selling, general and administrative expenses and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Change is between normalized results.

<sup>4</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>5</sup> Not meaningful.

(C\$ in millions, except where noted)	YTD Q2 2024		Normalizing Items <sup>1</sup>	Normalized YTD Q2 2024 <sup>2</sup>	YTD Q2 2023	Normalizing Items <sup>1</sup>	Normalized YTD Q2 2023 <sup>2</sup>	Change <sup>3</sup>
Revenue	\$ 772.2	\$ —		\$ 772.2	\$ 734.3	\$ —	\$ 734.3	5.2 %
Gross margin dollars	368.8	—		368.8	390.8	—	390.8	(5.6) %
Gross margin rate <sup>4</sup>	47.8 %	— bps		47.8 %	53.2 %	— bps	53.2 %	(545) bps
Other expense (income)	\$ (3.0)	\$ —		\$ (3.0)	\$ 2.3	\$ —	\$ 2.3	NM <sup>5</sup>
Selling, general and administrative expenses	192.3	—		192.3	214.0	(33.3)	180.7	6.4 %
Depreciation and amortization	4.8	—		4.8	5.2	—	5.2	(7.8) %
Net finance costs (income)	(9.5)	—		(9.5)	(4.8)	—	(4.8)	97.0 %
Income before income taxes	\$ 184.2	\$ —		\$ 184.2	\$ 174.1	\$ 33.3	\$ 207.4	(11.2) %

<sup>1</sup> Refer to section 4.1.1 for a description of normalizing items.

<sup>2</sup> These normalized measures (Selling, general and administrative expenses and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>3</sup> Change is between normalized results.

<sup>4</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>5</sup> Not meaningful.

## Financial Services Segment Commentary

Financial Services segment Income before income taxes was \$88.5 million in the quarter, a \$33.1 million increase from the prior year. Normalized Financial Services segment Income before income taxes was flat to the prior year when adjusting for the GST/HST-related charge of \$33.3 million recognized in the prior year as discussed in section 4.1.1 of the Company's Q2 2023 MD&A. Revenue was up \$18.7 million, or 5.1 percent, mainly attributable to higher interest income due to growth in receivables. Gross margin dollars were flat, due to higher net impairment losses and funding costs which offset the growth in revenue.

Gross average accounts receivable (GAAR)<sup>1</sup> was 3.2 percent higher than Q2 2023 due to an increase in average account balance, up 3.4 percent. As expected, past due credit card receivables (PD2+ rate)<sup>2</sup> and the net write-off rate continue to be elevated relative to the prior year but the growth rate has started to slow. The Expected Credit Loss (ECL) allowance for loans receivable remained flat to Q1 2024 at \$924.4 million. The ECL allowance rate finished the quarter at 12.5 percent, within the previously disclosed range of 11.5 percent to 13.5 percent, a decrease from the rate at Q1 2024.

On a year to date basis, Financial Services segment Income before income taxes was \$184.2 million, an increase of \$10.1 million from the prior year. Normalized Financial Services segment Income before income taxes decreased by \$23.2 million from the prior year. The decline was mainly attributable to higher net impairment losses and increased funding costs, partially offset by higher Revenue.

	Q2 2024	Year to Date
<b>Revenue</b>	<b>▲ \$18.7 million or 5.1%</b> <ul style="list-style-type: none"> <li>Revenue for the quarter was \$383.2 million, an increase of \$18.7 million, or 5.1 percent compared to the prior year. The increase in Revenue was mainly due to higher interest income.</li> </ul>	<b>▲ \$37.9 million or 5.2%</b> <ul style="list-style-type: none"> <li>Revenue was \$772.2 million, an increase of \$37.9 million, or 5.2 percent compared to the prior year. The increase in Revenue was mainly due to higher interest income.</li> </ul>
<b>Gross Margin Dollars</b>	<b>▼ \$0.6 million or 0.3%</b> <ul style="list-style-type: none"> <li>Gross margin dollars were \$178.9 million, flat to the prior year. Higher net impairment losses and funding costs offset Revenue growth.</li> </ul>	<b>▼ \$22.0 million or 5.6%</b> <ul style="list-style-type: none"> <li>Gross margin dollars were \$368.8 million, a decrease of \$22.0 million, or 5.6 percent, compared to the prior year. The decrease in Gross margin dollars was mainly due to higher net impairment losses and funding costs, partially offset by Revenue growth.</li> </ul>
<b>SG&amp;A</b>	<b>▼ \$27.6 million or 22.2%</b> <ul style="list-style-type: none"> <li>SG&amp;A was \$95.7 million, a decrease of \$27.6 million, or 22.2 percent. Excluding the \$33.3 million GST/HST-related charge realized in prior year, Normalized SG&amp;A increased \$5.7 million mainly due to higher operational and marketing costs.</li> </ul>	<b>▼ \$21.7 million or 10.1%</b> <ul style="list-style-type: none"> <li>SG&amp;A was \$192.3 million, a decrease of \$21.7 million or 10.1 percent. Excluding the \$33.3 million GST/HST-related charge recognized in prior year, Normalized SG&amp;A increased \$11.6 million mainly due to higher operational costs.</li> </ul>
<b>Earnings Summary</b>	<b>▲ \$33.1 million or 59.5%</b> <ul style="list-style-type: none"> <li>Income before income taxes was \$88.5 million, an increase of \$33.1 million, or 59.5 percent, due to the reasons noted above. Normalized Income before income taxes was flat to the prior year.</li> </ul>	<b>▲ \$10.1 million or 5.8%</b> <ul style="list-style-type: none"> <li>Income before income taxes was \$184.2 million, an increase of \$10.1 million or 5.8 percent, due to the reasons noted above. Normalized Income before income taxes was \$23.2 million, or 11.2 percent, lower than prior year.</li> </ul>

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>2</sup> This is a non-GAAP ratio. For further information and a detailed reconciliation see section 9.1 of this MD&A.

### 4.3.2 Financial Services Segment Key Performance Measures

(C\$ in millions, except where noted)	Q2 2024	Q2 2023	Change	YTD		Change
				Q2 2024	Q2 2023	
Credit card sales growth <sup>1</sup>	(0.5) %	(1.8) %		(0.5) %	1.7 %	
GAAR	\$ 7,316	\$ 7,089	3.2 %	\$ 7,300	\$ 7,030	3.8 %
Revenue (as a percentage of GAAR) <sup>1,2</sup>	21.2 %	20.9 %		n/a	n/a	
Average number of accounts with a balance (thousands)	2,315	2,319	(0.2) %	2,304	2,299	0.2 %
Average account balance <sup>1</sup> (whole \$)	\$ 3,160	\$ 3,057	3.4 %	\$ 3,168	\$ 3,058	3.6 %
Net credit card write-off rate <sup>1,2</sup>	6.7 %	5.6 %		n/a	n/a	
Past due credit card receivables (PD2+) rate <sup>3</sup>	3.3 %	3.0 %		n/a	n/a	
Allowance rate	12.5 %	12.7 %		n/a	n/a	
Return on receivables <sup>1,2</sup>	5.4 %	5.8 %		n/a	n/a	

<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>2</sup> Figures are calculated on a rolling 12-month basis.

<sup>3</sup> This is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

### Financial Services Segment Scorecard

To evaluate the overall performance of the Financial Services segment, the following scorecard demonstrates how Financial Services is progressing towards achieving its strategic objectives.

Q2 2024 vs. Q2 2023	
<b>Growth</b>	<ul style="list-style-type: none"> <li>▲ <b>3.2% in GAAR</b></li> <li>▼ <b>0.5% in credit card sales growth</b></li> <li>▼ <b>0.2% in average number of accounts with a balance</b></li> <li>▲ <b>3.4% in average account balance</b></li> </ul> <ul style="list-style-type: none"> <li>• GAAR increased by 3.2 percent relative to last year driven by continued strong cardholder engagement. The average account balance was up 3.4 percent and the average number of active accounts for the quarter was relatively flat to prior year.</li> <li>• Credit card sales declined by 0.5 percent over the prior year as cardholder continue to moderate their spending in light of changes in the economy.</li> </ul>
<b>Performance</b>	<ul style="list-style-type: none"> <li>▼ <b>33 bps in Return on receivables</b></li> <li>▲ <b>35 bps in Revenue as a percentage of GAAR</b></li> </ul> <ul style="list-style-type: none"> <li>• Return on receivables decreased by 33 bps compared to the prior year due to the decline in earnings on a 12-month basis and the increase in GAAR.</li> <li>• Revenue as a percentage of GAAR increased by 35 bps compared to the prior year as revenue growth outpaced growth in GAAR.</li> </ul>
<b>Operational metrics</b>	<ul style="list-style-type: none"> <li>▲ <b>35 bps in PD2+ rate</b></li> <li>▲ <b>110 bps in net credit card write-off rate</b></li> <li>▼ <b>12.5% allowance rate, down 20 bps</b></li> </ul> <ul style="list-style-type: none"> <li>• The PD2+ rate increased by 35 bps compared to the prior year, as expected.</li> <li>• The increase in the net write-off rate compared to the prior year was driven by an increase in net write-off dollars relative to receivables with a return to historic levels of performance, as expected.</li> <li>• The allowance rate decreased by 20 bps to 12.5 percent, remaining within the previously disclosed range of 11.5 to 13.5 percent.</li> </ul>

### 4.3.3 Financial Services Segment Seasonal Trend Analysis

Quarterly operating net income and revenue are affected by seasonality. The following table shows the financial performance of the segment by quarter for the last two years.

(C\$ in millions)	<b>Q2 2024</b>	Q1 2024	Q4 2023	Q3 2023	<b>Q2 2023</b>	Q1 2023	Q4 2022	Q3 2022	<b>Q2 2022</b>
Revenue	<b>\$ 383.2</b>	\$ 389.0	\$ 379.9	\$ 393.1	<b>\$ 364.5</b>	\$ 369.8	\$ 357.2	\$ 360.4	<b>\$ 340.4</b>
Income before income taxes	<b>88.5</b>	95.7	85.2	125.7	<b>55.4</b>	118.7	86.8	139.6	<b>90.0</b>

## 4.4 CT REIT Segment Performance

### 4.4.1 CT REIT Segment Financial Results

(C\$ in millions)				YTD		YTD	
	Q2 2024	Q2 2023	Change	Q2 2024	Q2 2023	Change	
Property revenue <sup>1</sup>	\$ 144.5	\$ 137.8	4.8 %	\$ 288.7	\$ 275.3	4.8 %	
Property expense <sup>1</sup>	30.9	28.1	10.0 %	62.8	58.6	7.1 %	
General and administrative expense (G&A)	3.3	3.6	(12.5) %	8.2	8.0	1.5 %	
Net finance costs (income)	30.0	28.3	6.1 %	59.9	56.2	6.6 %	
Fair value loss (gain) adjustment <sup>2</sup>	(23.0)	(31.6)	27.3 %	(46.6)	(27.4)	(70.2) %	
Income before income taxes	\$ 103.3	\$ 109.4	(5.6) %	\$ 204.4	\$ 179.9	13.7 %	
Adjustment from fair value to amortized cost method on Investment property							
Fair value gain (loss) adjustment	23.0	31.6	(27.3) %	46.6	27.4	70.2 %	
(Gain) realized on sale of property	(12.8)	—	NM <sup>3</sup>	(12.8)	—	NM <sup>3</sup>	
Depreciation	20.1	19.2	4.7 %	40.0	38.4	4.2 %	
Income before income taxes, applying CTC accounting policies	\$ 73.0	\$ 58.6	24.6 %	\$ 130.6	\$ 114.1	14.5 %	

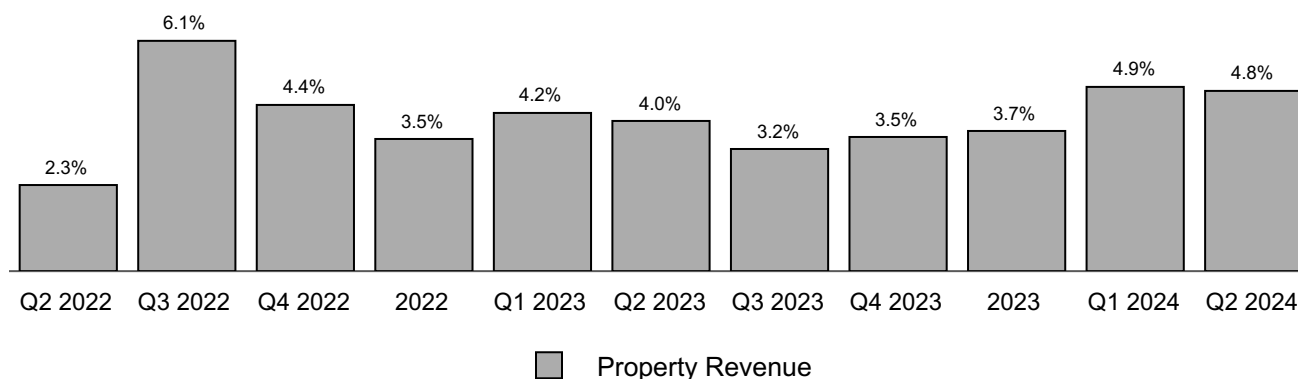
<sup>1</sup> For further information about this measure see section 9.2 of this MD&A.

<sup>2</sup> Fair value is eliminated on consolidation. CTC recognized a \$12.8 million gain on the sale of CT REIT's property in Chilliwack, British Columbia, which is reclassified to Other expense (income) upon consolidation.

<sup>3</sup> Not meaningful.

The following shows the CT REIT year-over-year Property revenue performance by quarter for the last two years.

#### Year-over-year Property Revenue Growth



## CT REIT Segment Commentary

CT REIT segment income increased \$14.4 million due to higher Property revenue, partially offset by higher Property expense and Net finance costs during the quarter. The increase in earnings was mainly due to contractual rent escalations, developments, and intensifications completed during 2023 and 2024.

	Q2 2024	Year to Date
<b>Property Revenue</b>	<p><b>▲ \$6.7 million or 4.8%</b></p> <ul style="list-style-type: none"> <li>Property revenue was \$144.5 million, an increase of \$6.7 million, or 4.8 percent. The increase was mainly due to contractual rent escalations, developments and intensifications completed during 2023 and 2024, as well as lease surrender revenue.</li> </ul>	<p><b>▲ \$13.4 million or 4.8%</b></p> <ul style="list-style-type: none"> <li>Property revenue was \$288.7 million, an increase of \$13.4 million, or 4.8 percent. The increase was mainly due to developments completed during 2023, contractual rent escalations, intensifications completed during 2023 and 2024, as well as lease surrender revenue.</li> </ul>
<b>Property Expense</b>	<p><b>▲ \$2.8 million or 10.0%</b></p> <ul style="list-style-type: none"> <li>Property expense was \$30.9 million, an increase of \$2.8 million, or 10.0 percent due to higher operating expenses and property taxes.</li> </ul>	<p><b>▲ \$4.2 million or 7.1%</b></p> <ul style="list-style-type: none"> <li>Property expense was \$62.8 million, an increase of \$4.2 million, or 7.1 percent due to higher operating expenses and property taxes resulting from developments completed in 2023.</li> </ul>
<b>G&amp;A</b>	<p><b>▼ \$0.3 million or 12.5%</b></p> <ul style="list-style-type: none"> <li>G&amp;A was \$3.3 million, relatively flat to the prior year.</li> </ul>	<p><b>▲ \$0.2 million or 1.5%</b></p> <ul style="list-style-type: none"> <li>G&amp;A was \$8.2 million, relatively flat to the prior year.</li> </ul>
<b>Depreciation</b>	<p><b>▲ \$0.9 million or 4.7 %</b></p> <ul style="list-style-type: none"> <li>Depreciation was \$20.1 million, an increase of \$0.9 million or 4.7 percent due to intensifications and developments completed during 2023 and 2024.</li> </ul>	<p><b>▲ \$1.6 million or 4.2 %</b></p> <ul style="list-style-type: none"> <li>Depreciation was \$40.0 million, an increase of \$1.6 million or 4.2 percent due to intensifications and developments completed during 2023 and 2024.</li> </ul>
<b>Net Finance Costs (Income)</b>	<p><b>▲ \$1.7 million or 6.1%</b></p> <ul style="list-style-type: none"> <li>Net finance costs were \$30.0 million, an increase of \$1.7 million or 6.1 percent, driven by the issuance of Series I senior unsecured debentures in Q4 2023, and lower capitalized interest on the properties under development, partially offset by lower Credit Facilities interest costs due to lower outstanding balance, and higher interest earned with cash on hand during the quarter.</li> </ul>	<p><b>▲ \$3.7 million or 6.6%</b></p> <ul style="list-style-type: none"> <li>Net finance costs were \$59.9 million, an increase of \$3.7 million or 6.6 percent, driven by the issuance of Series I senior unsecured debentures in Q4 2023, and lower capitalized interest on the properties under development, partially offset by lower Credit Facilities interest costs due to lower outstanding balance, and higher interest earned with cash on hand during the quarter.</li> </ul>
<b>Earnings Summary</b>	<p><b>▲ \$14.4 million or 24.6%</b></p> <ul style="list-style-type: none"> <li>Income before income taxes was \$73.0 million, an increase of \$14.4 million or 24.6 percent attributable to the reasons above.</li> </ul>	<p><b>▲ \$16.5 million or 14.5%</b></p> <ul style="list-style-type: none"> <li>Income before income taxes was \$130.6 million, an increase of \$16.5 million or 14.5 percent attributable to the reasons above.</li> </ul>



#### 4.4.2 CT REIT Segment Key Performance Measures

(C\$ in millions)				YTD		YTD	
	Q2 2024	Q2 2023	Change	Q2 2024	Q2 2023	Change	
Net operating income <sup>1</sup>	\$ 114.9	\$ 110.1	4.4 %	\$ 228.4	\$ 217.5	5.0 %	
Funds from operations <sup>1</sup>	79.4	77.8	2.1 %	157.6	153.1	2.9 %	
Adjusted funds from operations <sup>1</sup>	74.3	71.7	3.6 %	146.9	140.9	4.3 %	

<sup>1</sup> This measure is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

##### Net Operating Income (NOI)

NOI for the quarter increased by 4.4 percent compared to the prior year primarily due to rent escalations for CTC banner leases, the developments of income-producing properties completed in 2023 and 2024, as well as lease surrender revenue.

##### Funds from Operations (FFO)

FFO for the quarter increased by 2.1 percent compared to the prior year, primarily due to the intensifications and developments completed during 2023 and 2024, rent escalations, as well as lease surrender revenue.

##### Adjusted Funds from Operations (AFFO)

AFFO for the quarter increased by 3.6 percent compared to the prior year, primarily due to the intensifications and developments completed during 2023 and 2024 and rent escalations, as well as lease surrender revenue.

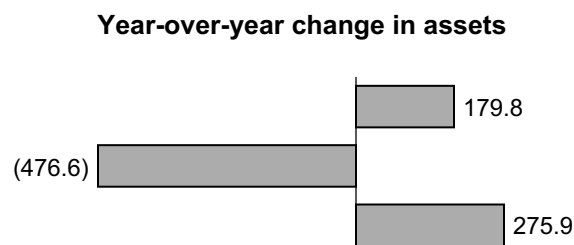
## 5.0 Balance Sheet Analysis, Liquidity, and Capital Resources

### 5.1 Selected Balance Sheet Highlights

Selected line items from the Company's assets and liabilities, as at June 29, 2024 and the year-over-year change versus July 1, 2023, are noted below:

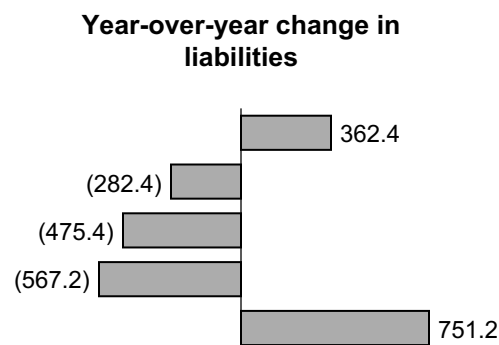
<b>Change in Total assets</b>	<b>▲</b>	<b>\$</b>	<b>15.1</b>
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Selected Assets	June 29, 2024
Loans receivable (current portion)	6,566.8
Merchandise inventories	2,737.1
Property and equipment	5,283.7



<b>Change in Total liabilities</b>	<b>▼</b>	<b>\$</b>	<b>4.4</b>
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Selected Liabilities	June 29, 2024
Deposits (current and long-term)	3,537.7
Trade and other payables	2,644.2
Short-term borrowings	550.8
Other long-term liabilities	176.8
Long-term debt (current and long-term portion)	4,954.6



#### Assets

Loans receivable (current portion)	▲ <b>\$179.8 million</b>	The increase was primarily due to higher average account balance, partially offset by a higher allowance.
Merchandise inventories	▼ <b>\$476.6 million</b>	Inventory declined 14.8 percent compared to prior year. Active management of inventory across the banners contributed to the decline in inventory.
Property and equipment	▲ <b>\$275.9 million</b>	The increase was primarily driven by the Company's store investments as part of its <i>Better Connected</i> strategy.

#### Liabilities

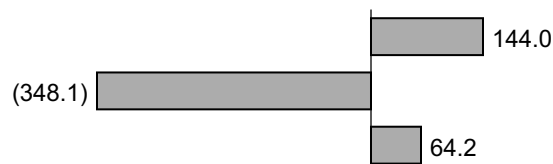
Deposits (current and long-term)	▲ <b>\$362.4 million</b>	The increase was mainly due to growth in guaranteed investment certificate (GIC) deposits, partially offset by a decline in demand deposits in the Financial Services segment.
Trade and other payables	▼ <b>\$282.4 million</b>	The decrease was primarily due to timing and volume of payments.
Short-term borrowings	▼ <b>\$475.4 million</b>	The decrease was primarily due to repayments of credit facilities and other short-term borrowings in the Financial Services and CT REIT segments.
Other long-term liabilities	▼ <b>\$567.2 million</b>	The decrease was primarily due to the extinguishment of the redeemable financial instrument as a result of the Company's repurchase of Scotiabank's 20 percent interest in CTFS in Q4 2023.
Long-term debt (current and long-term portion)	▲ <b>\$751.2 million</b>	The increase was primarily due to debt issuances in excess of repayments in the second half of 2023.

Selected line items from the Company's assets and liabilities, as at June 29, 2024 and the change versus December 30, 2023, are noted below:

<b>Change in Total assets</b>	<b>▼</b>	<b>\$</b>	<b>122.6</b>
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<b>Selected Assets</b>	<b>June 29, 2024</b>
Cash and cash equivalents	455.2
Trade and other receivables	803.2
Property and equipment	5,283.7

#### Change in assets



<b>Change in Total liabilities</b>	<b>▼</b>	<b>\$</b>	<b>254.1</b>
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<b>Selected Liabilities</b>	<b>June 29, 2024</b>
Deposits (current and long-term)	3,537.7
Short-term borrowings	550.8

#### Change in liabilities



<b>Assets</b>		
Cash and cash equivalents	▲ <b>\$144.0 million</b>	Refer to section 5.2 and the Condensed Interim Consolidated Statements of Cash Flows for further details.
Trade and other receivables	▼ <b>\$348.1 million</b>	The decrease was mainly a result of lower Dealer receivables due to timing and volume of payments.
Property and equipment	▲ <b>\$64.2 million</b>	The increase was primarily driven by the Company's store investments as part of its <i>Better Connected</i> strategy.
<b>Liabilities</b>		
Deposits (current and long-term)	▲ <b>\$173.4 million</b>	The increase was mainly due to growth in GIC deposits, partially offset by a decline in demand deposits in the Financial Services segment.
Short-term borrowings	▼ <b>\$414.9 million</b>	The decrease was primarily due to the repayment of short-term borrowings with increased cash generated by the Retail segment, and to a lesser extent, repayment of debt in the Financial Services segment.

## 5.2 Summary Cash Flows

Selected line items from the Company's Condensed Interim Consolidated Statements of Cash Flows for the quarters ended June 29, 2024 and July 1, 2023 are noted in the following table:

(C\$ in millions)	Q2 2024	Q2 2023	Change
Cash generated from (used for) operating activities	\$ 804.1	\$ 823.4	\$(19.3)
Cash generated from (used for) investing activities	(143.6)	(74.0)	(69.6)
Cash generated from (used for) financing activities	(798.2)	(628.4)	(169.8)
Cash generated (used) in the period	\$ (137.7)	\$ 121.0	\$(258.7)

(C\$ in millions)	YTD Q2 2024	YTD Q2 2023	Change
Cash generated from (used for) operating activities	\$ 956.0	\$ 512.3	443.7
Cash generated from (used for) investing activities	(269.0)	(233.1)	(35.9)
Cash generated from (used for) financing activities	(543.0)	(172.7)	(370.3)
Cash generated (used) in the period	\$ 144.0	\$ 106.5	37.5

	Q2 2024	Year to Date
<b>Operating activities</b>	<p>▼ <b>\$19.3 million change</b></p> <ul style="list-style-type: none"> <li>The decrease in cash generated from operating activities was primarily driven by changes in working capital and loans receivable accounts, offset by higher Net income.</li> </ul>	<p>▲ <b>\$443.7 million change</b></p> <ul style="list-style-type: none"> <li>The increase in cash generated from operating activities was primarily driven by increased Net income and changes in working capital and loans receivable accounts.</li> </ul>
<b>Investing activities</b>	<p>▼ <b>\$69.6 million change</b></p> <ul style="list-style-type: none"> <li>Cash used in investing activities increased primarily due to higher Additions to property and equipment and investment property.</li> </ul>	<p>▼ <b>\$35.9 million change</b></p> <ul style="list-style-type: none"> <li>Cash used in investing activities was relatively flat in comparison to the same period in the prior year.</li> </ul>
<b>Financing activities</b>	<p>▼ <b>\$169.8 million change</b></p> <ul style="list-style-type: none"> <li>The increase in cash used for financing activities was primarily due to higher net repayment of short-term borrowings. This was offset by the lower levels of share repurchases and net proceeds from refinanced long-term debt during the period.</li> </ul>	<p>▼ <b>\$370.3 million change</b></p> <ul style="list-style-type: none"> <li>The increase in cash used for financing activities was primarily due to higher net repayment of short-term borrowings offset by lower levels of share repurchases and net proceeds from refinanced long-term debt during the current year.</li> </ul>

### 5.3 Capital Management

The Company's capital management objectives are as follows:

- Ensuring sufficient liquidity to meet its financial obligations when due and executing its operating and strategic plans;
- Maintaining healthy liquidity reserves and the ability to access additional capital from multiple sources, if required; and
- Minimizing its after-tax cost of capital while taking into consideration the key risks outlined in section 10.0 of this MD&A including current and future industry, market, and economic risks and conditions.

#### 5.3.1 Canadian Tire Bank's Regulatory Environment

CTB manages its capital under guidelines established by the Office of the Superintendent of Financial Institutions of Canada (OSFI). OSFI's regulatory capital guidelines are based on the international Basel Committee on Banking Supervision framework entitled Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems, which came into effect in Canada on January 1, 2013. Basel III is a global regulatory accord that was introduced to enhance the reputation, supervision, and risk management practices within the banking sector. The Bank has implemented several capital policies, procedures, and controls, including an annual Internal Capital Adequacy Assessment Process (ICAAP). These measures support the Bank in achieving its goals and objectives.

The Bank's objectives include maintaining capital to:

- meet all applicable regulatory requirements;
- maintain and reinforce confidence in the safety and soundness of the Bank;
- support growth in assets and liabilities; and
- offset possible operating and investment losses.

As at Q2 2024, the Bank complied with all regulatory capital guidelines established by OSFI, and its internal targets as determined by its ICAAP.

### 5.4 Investing

#### 5.4.1 Capital Expenditures

The Company's capital expenditures for the periods ended June 29, 2024 and July 1, 2023 were as follows:

(C\$ in millions)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Modernization and efficiency enablers	\$ 12.1	\$ 22.6	\$ 32.3	\$ 34.6
Omnichannel customer experience	81.8	95.9	175.0	163.5
Fulfillment infrastructure and automation	34.2	19.9	41.2	39.9
<b>Operating capital expenditures<sup>1</sup></b>	<b>\$ 128.1</b>	<b>\$ 138.4</b>	<b>\$ 248.5</b>	<b>\$ 238.0</b>
CT REIT acquisitions and developments excluding vend-ins from CTC	11.7	9.8	14.0	21.4
<b>Total capital expenditures<sup>2</sup></b>	<b>\$ 139.8</b>	<b>\$ 148.2</b>	<b>\$ 262.5</b>	<b>\$ 259.4</b>

<sup>1</sup> This measure is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

<sup>2</sup> Capital expenditures are presented on an accrual basis and include software additions, but exclude right-of-use asset additions, acquisitions relating to business combinations, intellectual properties, and tenant allowances received.

	Q2 2024	Year to Date
<b>Total capital expenditures</b>	<b>▼ \$8.4 million</b>	<b>▲ \$3.1 million</b>
	<ul style="list-style-type: none"> <li>• On a year to date basis, the Company's operating capital expenditures and total capital expenditures were \$248.5 million and \$262.5 million, respectively, an increase of \$10.5 million and \$3.1 million from the prior year. The increase was driven by store capital projects, partially offset by the timing of spend of CT REIT acquisition projects.</li> </ul>	

## Capital Commitments

The Company had commitments of approximately \$190.1 million as at June 29, 2024 (July 1, 2023 – \$162.5 million) for the acquisition of tangible and intangible assets.

## Operating Capital Expenditures

*The following contains forward-looking information and readers are cautioned that actual results may vary.*

The Company plans to fund the *Better Connected* strategy, sustain the business, and continue prudent capital management and expects 2024 full-year operating capital expenditures to be in the range of \$475 million to \$525 million.

## 5.5 Liquidity and Financing

Management is focused on ensuring that the Company has sufficient liquidity, both through maintaining a strong balance sheet and having the ability to access additional capital from multiple sources. Several alternative liquidity sources are available to its Retail, Financial Services, and CT REIT segments to meet their financial obligations when due and to execute their operating and strategic plans.

As at June 29, 2024				
(C\$ in millions)	Consolidated	Retail	Financial Services	CT REIT
Cash and cash equivalents	\$ 455.2	\$ 82.3	\$ 342.0	\$ 30.9
Short-term investments	163.2	—	163.2	—
Less: Bank indebtedness	—	—	—	—
<b>Total net cash and cash equivalents and short-term investments<sup>1</sup></b>	<b>\$ 618.4</b>	<b>\$ 82.3</b>	<b>\$ 505.2</b>	<b>\$ 30.9</b>
Committed Bank Lines of Credit	4,397.4	2,997.4	1,100.0	300.0
Less: U.S. commercial paper outstanding	277.7	277.7	—	—
Less: Letters of credit outstanding	2.7	—	—	2.7
<b>Available Committed Bank Lines of Credit</b>	<b>\$ 4,117.0</b>	<b>\$ 2,719.7</b>	<b>\$ 1,100.0</b>	<b>\$ 297.3</b>
<b>Liquidity<sup>1</sup></b>	<b>\$ 4,735.4</b>	<b>\$ 2,802.0</b>	<b>\$ 1,605.2</b>	<b>\$ 328.2</b>

<sup>1</sup> This measure is a non-GAAP financial measure with no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

The Company ended the quarter with \$618.4 million in cash and short-term investments, net of bank indebtedness, and \$4.7 billion in liquidity with \$2.8 billion, \$1.6 billion, and \$328.2 million at its Retail, Financial Services, and CT REIT segments, respectively.

As at Q2 2024, CTC, CT REIT, CTB, and Helly Hansen each complied with all financial covenants under the agreements for the committed bank lines of credit listed in the following Financing Source table:

<b>Financing Source</b>	
Committed Bank Lines of Credit and Securitized Note Purchase Facility	<ul style="list-style-type: none"> <li>• Provided by a syndicate of eight Canadian and two international financial institutions, \$1,975 million in an unsecured bank line of credit is available to the Retail segment for general corporate purposes, expiring in May 2029. As of June 29, 2024, the Retail segment had no borrowings outstanding on this bank line of credit. Provided by a syndicate of five Canadian financial institutions, \$1.0 billion in an unsecured bank line of credit is available to the Retail segment for general corporate purposes, expiring in May 2025. As of June 29, 2024, there were no borrowings outstanding on this bank line of credit.</li> <li>• Helly Hansen has a 175 million Norwegian Krone (NOK) secured overdraft facility (\$22.4 million of Canadian dollar equivalent) provided by a Norwegian bank, expiring in January 2025. As of June 29, 2024, Helly Hansen had no borrowings outstanding on its facility.</li> <li>• Provided by a syndicate of seven Canadian financial institutions, \$300 million in an unsecured bank line of credit is available to CT REIT for general business purposes, expiring in May 2029. As of June 29, 2024, CT REIT had no borrowings outstanding on its bank line of credit.</li> <li>• Scotiabank has provided CTB with a \$400 million unsecured bank line of credit and a \$700 million securitized note purchase facility for the purchase of senior and subordinated credit card asset-backed notes issued by Glacier Credit Card Trust (GCCT), both of which expire in April 2025. As of June 29, 2024, CTB had no borrowings outstanding on its bank line of credit and a nominal amount owing on its note purchase facility.</li> </ul>
Commercial Paper Programs	<ul style="list-style-type: none"> <li>• CTC has a commercial paper program that allows it to issue up to a maximum aggregate principal amount of US\$1.0 billion of unsecured short-term promissory notes in the United States. Terms to maturity for the promissory notes range from one to 270 days from the date of issue. Notes are issued at a discount and rank equally in right of payment with all other present and future unsecured and unsubordinated obligations to creditors of CTC. As of June 29, 2024, CTC had a C\$ equivalent of \$277.7 million U.S. commercial paper outstanding.</li> <li>• Concurrent with CTC's US\$ commercial paper issuances, CTC enters foreign exchange derivatives to hedge the foreign currency risk associated with both the principal and interest components of the borrowings under the program. CTC does not designate these debt derivatives as hedges for accounting purposes.</li> <li>• GCCT has a commercial paper program that allows it to issue up to a maximum aggregate principal of \$300 million of short-term credit card asset-backed promissory notes. As of June 29, 2024, GCCT had \$273.1 million of asset-backed commercial paper notes outstanding.</li> </ul>
Medium-Term Notes, Term Loan and Senior Unsecured Debentures	<ul style="list-style-type: none"> <li>• As of June 29, 2024, CTC had an aggregate principal amount of \$1,150.0 million of medium-term notes outstanding and a \$400.0 million term loan from Desjardins Capital Markets.</li> <li>• As of June 29, 2024, CT REIT had an aggregate principal amount of \$1,425.0 million of senior unsecured debentures outstanding.</li> </ul>
Asset-backed Senior and Subordinated Term Notes	<ul style="list-style-type: none"> <li>• As of June 29, 2024, GCCT had an aggregate principal amount of \$1,980.0 million of credit card asset-backed term notes outstanding, consisting of \$1,851.3 million principal amount of senior-term notes and \$128.7 million principal amount of subordinated term notes.</li> </ul>
Broker GIC Deposits	<ul style="list-style-type: none"> <li>• Funds continue to be readily available to CTB through broker networks. As of June 29, 2024, CTB held \$2,935.3 million in broker GIC deposits.</li> </ul>
Retail Deposits	<ul style="list-style-type: none"> <li>• Retail deposits consist of High Interest Savings (HIS) and retail GIC deposits held by CTB, available both within and outside a tax-free savings account. As of June 29, 2024, CTB held \$602.4 million in retail deposits.</li> </ul>
Real Estate	<ul style="list-style-type: none"> <li>• CTC can undertake strategic real estate transactions involving properties not owned by CT REIT. It also owns an investment in CT REIT in the form of publicly traded CT REIT Units. As of June 29, 2024, CTC had a 68.5 percent effective ownership interest in CT REIT.</li> <li>• Additional sources of funding are available to CT REIT, as appropriate, including the ability to access debt and equity markets, subject to the terms and conditions of CT REIT's Declaration of Trust and all applicable regulatory requirements.</li> <li>• As of June 29, 2024, CT REIT had an aggregate principal of \$9.0 million of mortgages, secured by certain investment properties, outstanding.</li> </ul>

### **5.5.1 Contractual Obligations, Guarantees, and Commitments**

For a description of contractual obligations as at December 30, 2023, refer to section 6.5.1 of the Company's 2023 Annual MD&A. There were no significant changes to the outstanding contractual obligations identified at year end, other than those discussed in this document. The Company believes it has the ability to meet its contractual obligations as at June 29, 2024.

For a discussion of the Company's significant guarantees and commitments, refer to Note 35 to the Company's 2023 Consolidated Financial Statements. The Company's maximum exposure to credit risk with respect to such guarantees and commitments is provided in Note 5 to the Company's 2023 Consolidated Financial Statements. There were no significant changes in guarantees and commitments identified at year end, other than those discussed in this document.



## 6.0 Equity

### 6.1 Shares Outstanding

(C\$ in millions)	June 29, 2024	July 1, 2023	December 30, 2023
<b>Authorized</b>			
3,423,366 Common Shares			
100,000,000 Class A Non-Voting Shares			
<b>Issued</b>			
3,423,366 Common Shares (July 1, 2023 – 3,423,366; December 30, 2023 – 3,423,366)	\$ 0.2	\$ 0.2	\$ 0.2
52,197,823 Class A Non-Voting Shares (July 1, 2023 – 52,493,324; December 30, 2023 – 52,197,823)	612.8	586.3	598.5
	\$ 613.0	\$ 586.5	\$ 598.7

Each year, the Company files a Notice of Intention to Make a Normal Course Issuer Bid (Notice of Intention) with the Toronto Stock Exchange (TSX) which allows it to repurchase its Class A Non-Voting Shares on the open market through the facilities of the TSX and/or alternative Canadian trading systems, if eligible, at the market price of the shares at the time of repurchase or as otherwise permitted under the rules of the TSX and applicable securities laws. Class A Non-Voting Shares repurchased by the Company pursuant to the Normal Course Issuer Bid (NCIB) are restored to the status of authorized but unissued shares. Security holders may obtain a copy of the notice, without charge, by contacting the Corporate Secretary of the Company.

On February 16, 2023, the TSX accepted the Company's Notice of Intention to repurchase up to 5.1 million Class A Non-Voting Shares during the period March 2, 2023 to March 1, 2024 (2023-24 NCIB). On February 15, 2024, the TSX accepted the Company's Notice of Intention to repurchase up to 4.9 million Class A Non-Voting Shares during the period March 2, 2024 to March 1, 2025 (2024-25 NCIB). Also on February 15, 2024, the TSX accepted a new Automatic Securities Purchase Plan (ASPP) which expires on March 1, 2025 (2024-25 ASPP) and allows a designated broker to repurchase Class A Non-Voting Shares under the 2024-25 NCIB during the Company's blackout periods, subject to pre-defined parameters.

*The following contains forward-looking information and readers are cautioned that actual results may vary.*

On November 9, 2023, the Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares during 2024, in excess of the amount required for anti-dilutive purposes. No such repurchases occurred during the quarter.

### 6.2 Dividends

The Company has a long-term dividend payout ratio<sup>1</sup> target of approximately 30 to 40 percent of the prior year's normalized net income, after considering the period-end cash position, future cash flow requirements, capital market conditions, and investment opportunities. The dividend payout ratio may fluctuate in any particular year.

<sup>1</sup> For further information about this measure see section 9.1 of this MD&A.

On August 7, 2024, the Company's Board of Directors declared dividends of \$1.750 per share payable on December 1, 2024 to shareholders of record as of October 31, 2024. The dividend is considered an "eligible dividend" for tax purposes.

### 6.3 Equity Derivative Contracts

The Company enters into equity-derivative contracts to partially offset its exposure to fluctuations in stock options, performance share units, restricted share units, and deferred share units. The Company currently uses floating-rate equity forwards.

During the second quarter of 2024, 320,000 units of equity-forward contracts that hedged stock options, performance share units, restricted share units, and deferred share units settled and resulted in a cash payment to the counterparties of approximately \$15.8 million. The Company entered into 400,000 units of new equity-forward contracts in the second quarter of 2024 with a hedge rate of \$135.45.

## 7.0 Tax Matters

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In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. While the Company has determined that its tax filing positions are appropriate and supportable, from time to time certain matters are reviewed and challenged by the tax authorities.

There have been no material changes in the status of ongoing audits by tax authorities as disclosed in section 8.0 in the Company's 2023 Annual MD&A.

The Company regularly reviews the potential of adverse outcomes with respect to tax matters. The Company believes that the ultimate disposition of these matters will not have a material adverse effect on its liquidity, consolidated financial position or net income because the Company has determined that it has adequate provision for these tax matters. Should the ultimate tax liability materially differ from the provision, the Company's effective tax rate and its earnings could be affected positively or negatively in the period in which the matters are resolved.

Income taxes for the 13 weeks ended June 29, 2024 were \$72.3 million (2023 – \$47.0 million). The effective tax rate for the 13 weeks ended June 29, 2024 decreased to 24.4 percent (2023 – 27.0 percent).

Income taxes for the 26 weeks ended June 29, 2024 were \$98.1 million (2023 – \$70.8 million). The effective tax rate for the 26 weeks ended June 29, 2024 decreased to 23.5 percent (2023 – 29.4 percent). The decrease in the effective tax rate for both 13 and 26 weeks ended June 29, 2024 was primarily due to lower non-deductible stock option expense and higher tax benefits related to capital property dispositions.

## 8.0 Accounting Policies and Estimates

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### 8.1 Critical Accounting Estimates

The Company estimates certain amounts, which are reflected in its condensed interim consolidated financial statements using detailed financial models based on historical experience, current trends, and other assumptions. Actual results could differ from those estimates. In Management's judgment, the accounting estimates and policies detailed in Note 2 and Note 3 to the Company's 2023 Consolidated Financial Statements, do not require Management to make assumptions about matters that are highly uncertain and, accordingly, none of those estimates are considered a "critical accounting estimate" as defined in Form 51-102F1 – *Management's Discussion and Analysis*, published by the Canadian Securities Administrators, except for the allowance for loan impairment in the Financial Services segment.

Details of the accounting policies subject to judgments and estimates that the Company believes could have the most significant impact on the amounts recognized in its condensed interim consolidated financial statements are described in Note 2 to the Company's 2023 Consolidated Financial Statements and Notes.

### 8.2 Changes in Accounting Policies

#### **Standards, Amendments and Interpretations Issued and Adopted** ***Lease Liability in a Sale and Leaseback***

In September 2022, the International Accounting Standards Board (IASB) issued amendments to IFRS 16 – *Leases* (IFRS 16) relating to sale leaseback transactions for seller-lessees. The amendment adds a requirement that measuring lease payments or revised lease payments shall not result in the recognition of a gain or loss that relates to the right-of-use asset retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments this year and determined there to be no material impact on the consolidated financial statements.

**Non-current Liabilities with Covenants**

In October 2022, the IASB issued amendments to IAS 1 – *Presentation of Financial Statements*, which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require disclosure of information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments this year and determined there to be no material impact on the consolidated financial statements.

**Supplier Finance Arrangements**

In May 2023, the IASB issued amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments add requirements to disclose information that allows users to assess how supplier finance arrangements affect an entity's liabilities, cash flows, and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments in the current year and determined there to be no material impact on the consolidated financial statements.

**Standards, Amendments and Interpretations Issued but not yet Adopted**

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ending December 28, 2024 and, accordingly, have not been applied in preparing these interim financial statements.

**Lack of Exchangeability**

In August 2023, the IASB issued amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates* in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements.

**Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued amendments to IFRS 9 – *Financial Instruments* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

**Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued the new standard IFRS 18 – *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

**Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19 – *Subsidiaries without Public Accountability: Disclosures*. The new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements. The Company is assessing the impact to its subsidiaries.

## 9.0 Non-GAAP Financial Measures, Ratios and Supplementary Financial Measures

### 9.1 Non-GAAP Financial Measures and Ratios

The Company prepares and presents its financial information on a GAAP basis. Management uses many measures to assess performance, including non-GAAP financial measures and non-GAAP ratios. Non-GAAP financial measures and non-GAAP ratios have no standardized meanings under GAAP and may not be comparable to similar measures of other companies.

Management considers both reported and normalized results and measures useful in evaluating the performance of the core business operations of the Company. Management uses normalized results to assess changes in financial performance across periods on a comparable basis by removing specified items not related to the core business operations of the Company that are infrequent and non-operational in nature. The items, which can include acquisition-related transaction costs, restructuring or discontinued operations costs, Operational Efficiency program costs, one-time costs for new program rollouts, and infrequent non-operational fair value adjustments, are removed from SG&A and Other expense (income) where applicable. Explanations of normalizing items can be found in subsection 4.1.1.

#### Normalized Other Expense (Income)

The following table reconciles Normalized Other expense (income) to Other expense (income), a GAAP measure reported in the consolidated financial statements. Normalized Other expense (income) is most directly comparable to Other expense (income), a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Other expense (income)	\$ (12.5)	\$ 79.0	\$ (13.4)	\$ 158.0
Add normalizing items:				
DC fire	—	(74.6)	—	(142.3)
<b>Normalized Other expense (income)</b>	<b>\$ (12.5)</b>	<b>\$ 4.4</b>	<b>\$ (13.4)</b>	<b>\$ 15.7</b>

#### Retail Normalized Other Expense (Income)

The following table reconciles Retail Normalized Other expense (income) to Other expense (income), a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Other expense (income)	\$ (12.5)	\$ 79.0	\$ (13.4)	\$ 158.0
Less: Other operating segments	21.6	36.5	58.6	72.6
Retail Other expense (income)	\$ (34.1)	\$ 42.5	\$ (72.0)	\$ 85.4
Add normalizing items:				
DC fire	—	(74.6)	—	(142.3)
<b>Retail Normalized Other expense (income)</b>	<b>\$ (34.1)</b>	<b>\$ (32.1)</b>	<b>\$ (72.0)</b>	<b>\$ (56.9)</b>

### Normalized SG&A and Normalized SG&A as a Percentage of Revenue

Normalized SG&A is used as an additional measure when assessing the performance of the Company's ongoing operations. Normalized SG&A is most directly comparable to SG&A, a GAAP measure reported in the consolidated financial statements. SG&A is adjusted for normalizing items.

Normalized SG&A as a percentage of Revenue is a non-GAAP ratio that is calculated by dividing Normalized SG&A by Revenue.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Selling, general and administrative expenses	\$ 844.5	\$ 929.3	\$ 1,692.7	\$ 1,800.5
Less normalizing items:				
GST/HST-related charge	—	33.3	—	33.3
<b>Normalized Selling, general and administrative expenses</b>	<b>\$ 844.5</b>	<b>\$ 896.0</b>	<b>\$ 1,692.7</b>	<b>\$ 1,767.2</b>

### Financial Services Normalized SG&A

Financial Services Normalized SG&A is used as an additional measure when assessing the performance of the Company's ongoing operations. This metric is most directly comparable to SG&A, a GAAP measure reported in the consolidated financial statements. Financial Services SG&A is adjusted for normalizing items.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Selling, general and administrative expenses	\$ 844.5	\$ 929.3	\$ 1,692.7	\$ 1,800.5
Less: Other operating segments	748.8	806.0	1,500.4	1,586.5
Financial Services Selling, general and administrative expenses	\$ 95.7	\$ 123.3	\$ 192.3	\$ 214.0
Less normalizing items:				
GST/HST-related charge	—	33.3	—	33.3
<b>Financial Services Normalized Selling, general and administrative expenses</b>	<b>\$ 95.7</b>	<b>\$ 90.0</b>	<b>\$ 192.3</b>	<b>\$ 180.7</b>

### EBITDA and related measures

EBITDA, Normalized EBITDA, and Normalized EBITDA as a percentage of Revenue are used as additional measures when assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its cash requirements, including capital expenditures. EBITDA and its successive derivations are most directly comparable to Income before income tax, a GAAP measure reported in the consolidated financial statements, and is adjusted by deducting Net finance costs (income) and Depreciation and amortization. EBITDA itself is then adjusted for normalizing items.

Normalized EBITDA as a Percentage of Revenue is a non-GAAP Ratio that is calculated by dividing the Normalized EBITDA by Revenue.

(C\$ in millions)	Q2 2024		Q2 2023	
	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Income before income taxes	\$ 295.8	\$ 173.9	\$ 417.6	\$ 240.5
Add:				
Depreciation and amortization <sup>1</sup>	195.6	195.4	392.9	398.4
Net finance costs (income)	89.6	77.4	180.1	150.4
<b>EBITDA</b>	<b>\$ 581.0</b>	<b>\$ 446.7</b>	<b>\$ 990.6</b>	<b>\$ 789.3</b>
Add normalizing items:				
DC fire	—	74.6	—	142.3
GST/HST-related charge	—	33.3	—	33.3
<b>Normalized EBITDA</b>	<b>\$ 581.0</b>	<b>\$ 554.6</b>	<b>\$ 990.6</b>	<b>\$ 964.9</b>

<sup>1</sup> Depreciation and amortization reported in Cost of producing revenue for the 13 and 26 weeks ended June 29, 2024 was \$5.7 million (2023 – \$6.6 million) and \$12.4 million (2023 – \$17.5 million), respectively.

### Retail EBITDA and related measures

Retail EBITDA and Retail Normalized EBITDA are used as additional measures when assessing the performance of the Retail segment's ongoing operations and its ability to generate cash flows to fund its cash requirements, including capital expenditures. Retail EBITDA and its successive derivations are most directly comparable to Income before income tax, a GAAP measure reported in the consolidated financial statements, and is adjusted by deducting Net finance costs (income) and Depreciation and amortization. Retail EBITDA is then adjusted for normalizing items.

(C\$ in millions)	Q2 2024		Q2 2023	
	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Income before income taxes	\$ 295.8	\$ 173.9	\$ 417.6	\$ 240.5
Less: Other operating segments	125.7	88.3	246.9	234.2
Retail Income before income taxes	\$ 170.1	\$ 85.6	\$ 170.7	\$ 6.3
Add:				
Depreciation and amortization <sup>1</sup>	242.9	244.8	486.8	495.4
Net finance costs (income)	76.9	66.6	156.7	127.8
<b>Retail EBITDA</b>	<b>\$ 489.9</b>	<b>\$ 397.0</b>	<b>\$ 814.2</b>	<b>\$ 629.5</b>
Add normalizing items:				
DC fire	—	74.6	—	142.3
<b>Retail Normalized EBITDA</b>	<b>\$ 489.9</b>	<b>\$ 471.6</b>	<b>\$ 814.2</b>	<b>\$ 771.8</b>

<sup>1</sup> Depreciation and amortization reported in Cost of producing revenue for the 13 and 26 weeks ended June 29, 2024 was \$5.7 million (2023 – \$6.6 million) and \$12.4 million (2023 – \$17.5 million), respectively.

### Normalized Income Before Income Taxes

Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business. The following table reconciles Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Income before income taxes	\$ 295.8	\$ 173.9	\$ 417.6	\$ 240.5
Add normalizing items:				
DC fire	—	74.6	—	142.3
GST/HST-related charge	—	33.3	—	33.3
<b>Normalized Income before income taxes</b>	<b>\$ 295.8</b>	<b>\$ 281.8</b>	<b>\$ 417.6</b>	<b>\$ 416.1</b>

### Retail Normalized Income Before Income Taxes

Retail Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business. The following table reconciles Retail Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Income before income taxes	\$ 295.8	\$ 173.9	\$ 417.6	\$ 240.5
Less: Other operating segments	125.7	88.3	246.9	234.2
Retail Income before income taxes	\$ 170.1	\$ 85.6	\$ 170.7	\$ 6.3
Add normalizing items:				
DC fire	—	74.6	—	142.3
<b>Retail Normalized Income before income taxes</b>	<b>\$ 170.1</b>	<b>\$ 160.2</b>	<b>\$ 170.7</b>	<b>\$ 148.6</b>

### Financial Services Normalized Income Before Income Taxes

Financial Services Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business. The following table reconciles Financial Services Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Income before income taxes	\$ 295.8	\$ 173.9	\$ 417.6	\$ 240.5
Less: Other operating segments	207.3	118.5	233.4	66.4
Financial Services Income before income taxes	\$ 88.5	\$ 55.4	\$ 184.2	\$ 174.1
Add normalizing items:				
GST/HST-related charge	—	33.3	—	33.3
<b>Financial Services Normalized Income before income taxes</b>	<b>\$ 88.5</b>	<b>\$ 88.7</b>	<b>\$ 184.2</b>	<b>\$ 207.4</b>

### Normalized Income Tax Expense (Recovery) and Normalized Effective Tax Rate

Management uses Normalized Income tax expense (recovery) to calculate Normalized Net income. The tax effect of normalizing items is calculated by multiplying normalizing items by the statutory tax rate. The following table reconciles Normalized Income tax expense (recovery) to Income tax expense (recovery) which is a GAAP measure reported in the consolidated financial statements.

Normalized effective tax rate is calculated by dividing Normalized Income tax expense (recovery) by Normalized Income before income taxes.

(C\$ in millions)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Income tax expense (recovery)	\$ 72.3	\$ 47.0	\$ 98.1	\$ 70.8
Add tax effect of normalizing items:				
DC fire	—	19.7	—	37.5
GST/HST-related charge	—	8.6	—	8.6
<b>Normalized Income tax expense (recovery)</b>	<b>\$ 72.3</b>	<b>\$ 75.3</b>	<b>\$ 98.1</b>	<b>\$ 116.9</b>

### Normalized Net Income, Normalized Net Income Attributable to Shareholders, Normalized Diluted Earnings per Share, and Dividend Payout Ratio

Normalized Net income, Normalized Net income attributable to shareholders, and Normalized Diluted EPS are used as additional measures when assessing the Company's underlying operating performance. The following table reconciles Normalized Net income, Normalized Net income attributable to shareholders and Normalized Diluted EPS to Net income, a GAAP measure reported in the consolidated financial statements.

Dividend payout ratio is calculated by dividing total dividends by the prior year's Normalized Net income.

(C\$ in millions)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Net income	\$ 223.5	\$ 126.9	\$ 319.5	\$ 169.7
Net income attributable to shareholders	198.8	99.4	275.6	107.2
Add normalizing items:				
DC fire	\$ —	\$ 54.9	\$ —	\$ 104.8
GST/HST-related charge <sup>1</sup>	—	24.7	—	24.7
<b>Normalized Net income</b>	<b>\$ 223.5</b>	<b>\$ 206.5</b>	<b>\$ 319.5</b>	<b>\$ 299.2</b>
<b>Normalized Net income attributable to shareholders<sup>1</sup></b>	<b>\$ 198.8</b>	<b>\$ 174.0</b>	<b>\$ 275.6</b>	<b>\$ 231.7</b>
<b>Normalized Diluted EPS</b>	<b>\$ 3.56</b>	<b>\$ 3.08</b>	<b>\$ 4.94</b>	<b>\$ 4.07</b>

<sup>1</sup> \$5.0 million relates to non-controlling interests and is not included in the sum of Normalized net income attributable to shareholders.

### Operating Capital Expenditures

Operating capital expenditures is used to assess the resources used to maintain capital assets at their productive capacity. Operating capital expenditures is most directly comparable to the Total additions, a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Total additions <sup>1</sup>	\$ 155.9	\$ 78.9	\$ 273.8	\$ 208.0
Add: Accrued additions	(16.1)	69.3	(11.3)	51.4
Less: CT REIT acquisitions and developments excluding vend-ins from CTC	11.7	9.8	14.0	21.4
<b>Operating capital expenditures</b>	<b>\$ 128.1</b>	<b>\$ 138.4</b>	<b>\$ 248.5</b>	<b>\$ 238.0</b>

<sup>1</sup> This line appears on the Consolidated Statement of Cash Flows under Investing activities.



## Retail Return on Invested Capital

Retail ROIC is calculated as Retail return divided by the Retail invested capital. Retail return is defined as trailing 12-month Retail after-tax earnings excluding interest expense, lease related depreciation expense, inter-segment earnings, and any normalizing items. Retail invested capital is defined as Retail segment total assets, less Retail segment trade payables and accrued liabilities and inter-segment balances based on an average of the trailing four quarters. Retail return and Retail invested capital are non-GAAP financial measures, which the Company does not consider useful in isolation. The Company believes that Retail ROIC is useful in assessing the Retail segment's performance relative to shareholder investment.

(C\$ in millions)	Rolling 12 months ended	
	Q2 2024	Q2 2023
Income before income taxes	\$ 749.9	\$ 1,291.3
Less: Other operating segments	178.4	509.6
Retail Income before income taxes	\$ 571.5	\$ 781.7
Add normalizing items:		
Operational Efficiency program	—	35.4
DC fire	(111.4)	142.3
Retail Normalized Income before income taxes	\$ 460.1	\$ 959.4
Less:		
Retail intercompany adjustments <sup>1</sup>	214.9	214.8
Add:		
Retail interest expense <sup>2</sup>	349.1	283.2
Retail depreciation of right-of-use assets	612.8	616.7
Retail effective tax rate	25.9 %	27.3 %
Add: Retail taxes	(312.7)	(448.1)
<b>Retail return</b>	<b>\$ 894.4</b>	<b>\$ 1,196.4</b>
Average total assets	\$ 22,243.2	\$ 22,079.3
Less: Average assets in other operating segments	4,350.0	4,380.6
Average Retail assets	\$ 17,893.2	\$ 17,698.7
Less:		
Average Retail intercompany adjustments <sup>1</sup>	4,140.3	3,526.0
Average Retail trade payables and accrued liabilities <sup>3</sup>	2,711.4	2,994.4
Average Franchise Trust assets	560.1	484.9
<b>Average Retail invested capital</b>	<b>\$ 10,481.4</b>	<b>\$ 10,693.4</b>
<b>Retail ROIC</b>	<b>8.5 %</b>	<b>11.2 %</b>

<sup>1</sup> Intercompany adjustments include intercompany income received from CT REIT which is included in the Retail segment, and intercompany investments made by the Retail segment in CT REIT and CTFS.

<sup>2</sup> Excludes Franchise Trust.

<sup>3</sup> Trade payables and accrued liabilities include Trade and other payables, Short-term derivative liabilities, Short-term provisions and Income tax payables.

### Helly Hansen Revenue on a Constant Currency Basis

Helly Hansen revenue on a constant currency basis is used to assess revenue variations by removing the effect of changes to foreign exchange rates. This is accomplished by applying the same foreign exchange rate to current and comparative periods. This measure is most directly comparable to Revenue, a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	YTD Q2 2023
Revenue	\$ 4,132.7	\$ 4,255.8	\$ 7,657.6	\$ 7,963.0
Less: Other operating segments and other banners	3,995.4	4,120.2	7,328.1	7,619.0
Helly Hansen Revenue (CAD)	\$ 137.3	\$ 135.6	\$ 329.5	\$ 344.0
NOK/CAD average FX rate	7.87	7.97	7.83	7.72
Helly Hansen Revenue (Kroner)	\$ 1,080.6	\$ 1,080.7	\$ 2,580.0	\$ 2,656.0
NOK/CAD constant FX rate	7.97	7.97	7.72	7.72
<b>Helly Hansen Revenue (constant currency)</b>	<b>\$ 135.6</b>	<b>\$ 135.6</b>	<b>\$ 334.2</b>	<b>\$ 344.0</b>

### Adjusted Net Debt

The following tables present the components of adjusted net debt. The Company believes that Adjusted net debt is relevant in assessing the amount of financial leverage employed.

As at June 29, 2024

(C\$ in millions)	Consolidated	Retail	Financial Services	REIT
Consolidated net debt				
Short-term deposits	\$ 1,188.9	\$ —	\$ 1,188.9	\$ —
Long-term deposits	2,348.8	—	2,348.8	—
Short-term borrowings	550.8	277.7	273.1	—
Long-term debt	4,954.6	1,551.0	1,973.8	1,429.8
Total debt	\$ 9,043.1	\$ 1,828.7	\$ 5,784.6	\$ 1,429.8
Cash and cash equivalents <sup>1</sup>	(455.2)	(82.3)	(342.0)	(30.9)
Short-term investments <sup>1</sup>	(163.2)	—	(163.2)	—
Long-term investments <sup>1</sup>	(68.6)	(8.6)	(60.0)	—
Net debt	\$ 8,356.1	\$ 1,737.8	\$ 5,219.4	\$ 1,398.9
Intercompany debt	—	(1,541.3)	89.7	1,451.6
<b>Adjusted net debt</b>	<b>\$ 8,356.1</b>	<b>\$ 196.5</b>	<b>\$ 5,309.1</b>	<b>\$ 2,850.5</b>

<sup>1</sup> Includes regulatory reserves.

As at July 1, 2023

(C\$ in millions)	Consolidated	Retail	Financial Services	REIT
Consolidated net debt				
Short-term deposits	\$ 1,080.6	\$ —	\$ 1,080.6	—
Long-term deposits	2,094.7	—	2,094.7	—
Short-term borrowings	1,026.2	304.5	577.7	144.0
Long-term debt	4,203.4	952.5	2,070.2	1,180.7
Total debt	\$ 8,404.9	\$ 1,257.0	\$ 5,823.2	\$ 1,324.7
Cash and cash equivalents <sup>1</sup>	(432.8)	(74.0)	(354.7)	(4.1)
Short-term investments <sup>1</sup>	(178.1)	—	(178.1)	—
Long-term investments <sup>1</sup>	(62.5)	(3.2)	(59.3)	—
Net debt	\$ 7,731.5	\$ 1,179.8	\$ 5,231.1	\$ 1,320.6
Intercompany debt	—	(1,557.8)	106.2	1,451.6
<b>Adjusted net debt</b>	<b>\$ 7,731.5</b>	<b>\$ (378.0)</b>	<b>\$ 5,337.3</b>	<b>\$ 2,772.2</b>

<sup>1</sup> Includes regulatory reserves.

### Past Due Credit Card Receivables Rate

PD2+ rate is calculated by dividing gross credit card receivables that are two cycles or more overdue (30+ days past due) by total gross credit card receivables. Both components exclude allowances and discounts. Gross past due credit card receivables, total gross credit card receivables and PD2+ are non-GAAP financial measures and a non-GAAP ratio, respectively.

The ratio of past due credit card receivables provides Management and investors with an additional measure to assess the quality and health of credit card loan assets. Past due gross credit card receivables and total gross credit card receivables provide insight into the book value of cardholder balances in our portfolio at the reporting date; however, observed in isolation do not provide meaningful information.

(C\$ in millions)	Q2 2024	Q2 2023
Current portion of loans receivable	\$ 6,566.8	\$ 6,387.0
Add: ECL allowance	924.4	912.6
Less:		
Other discounts or adjustments	170.0	139.2
Line of credit and current portion of dealer loans	74.5	91.2
<b>Total gross credit card receivables</b>	<b>\$ 7,246.7</b>	<b>\$ 7,069.2</b>
Less: Loans no more than 30 days past due	7,005.9	6,858.7
<b>Past due gross credit card receivables</b>	<b>\$ 240.8</b>	<b>\$ 210.5</b>

## CT REIT Net Operating Income

NOI is defined as Property revenue less Property expense adjusted further for straight-line rent. This measure is most directly comparable to Revenue, a GAAP measure reported in the consolidated financial statements. Management believes that NOI is a useful key indicator of performance as it represents a measure of property operations over which Management has control. NOI is also a key input in determining the value of the portfolio. NOI should not be considered as an alternative to Property revenue or Net income and Comprehensive income, both of which are determined in accordance with GAAP.

The following table shows the relationship of NOI to GAAP Revenue and Property expense in CT REIT's Consolidated Statements of Income and Comprehensive Income:

(C\$ in millions)			YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Revenue	\$ 4,132.7	\$ 4,255.8	\$ 7,657.6	\$ 7,963.0
Less: Other operating segments	3,988.2	4,118.0	7,368.9	7,687.7
CT REIT Property revenue	\$ 144.5	\$ 137.8	\$ 288.7	\$ 275.3
Less:				
CT REIT Property expense	30.9	28.1	62.8	58.6
CT REIT property straight-line rent revenue	(1.3)	(0.4)	(2.5)	(0.8)
<b>CT REIT net operating income</b>	<b>\$ 114.9</b>	<b>\$ 110.1</b>	<b>\$ 228.4</b>	<b>\$ 217.5</b>

## CT REIT Funds from Operations and Adjusted Funds from Operations

### Funds from Operations

FFO is a non-GAAP financial measure of operating performance used by the real estate industry, particularly by publicly-traded entities that own and operate income-producing properties. This measure is most directly comparable to Net income and Comprehensive income, GAAP measures reported in the consolidated financial statements. FFO should not be considered as an alternative to Net income or Cash flow provided by operating activities determined in accordance with IFRS. CT REIT calculates its FFO in accordance with Real Property Association of Canada's publication "REALPAC Funds From Operations & Adjusted Funds From Operations for IFRS" (REALPAC FFO & AFFO). The use of FFO, together with the required IFRS presentations, have been included for the purpose of improving the understanding of the operating results of CT REIT.

Management believes that FFO is a useful measure of operating performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from Net income determined in accordance with IFRS.

FFO adds back items to Net income that do not arise from operating activities, such as fair-value adjustments. FFO, however, still includes non-cash revenues relating to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

### Adjusted Funds from Operations

AFFO is a non-GAAP financial measure of recurring economic earnings used in the real estate industry to assess an entity's distribution capacity. This measure is most directly comparable to Net income and Comprehensive income, GAAP measures reported in the consolidated financial statements. AFFO should not be considered as an alternative to Net income or Cash flows provided by operating activities determined in accordance with IFRS. CT REIT calculates its AFFO in accordance with REALPAC's FFO and AFFO.

CT REIT calculates AFFO by adjusting FFO for non-cash income and expense items such as amortization of straight-line rents. FFO is also adjusted as a reserve for maintaining productive capacity required for sustaining property infrastructure and revenue from real estate properties and direct leasing costs. As property capital expenditures do not occur evenly during the fiscal year or from year to year, the capital expenditure reserve in the AFFO calculation, which is used as an input in assessing the REIT's distribution payout ratio, is intended to reflect

an average annual spending level. The reserve is primarily based on average expenditures determined by building condition reports prepared by independent consultants.

Management believes that AFFO is a useful measure of operating performance similar to FFO as described, adjusted for the impact of non-cash income and expense items.

### **FFO per unit and AFFO per unit**

FFO per unit and AFFO per unit are calculated by dividing FFO or AFFO by the weighted average number of units outstanding on a diluted basis. Management believes that these measures are useful to investors to assess the effect of this measure as it relates to their holdings.

The following table reconciles GAAP Income before income taxes to FFO and further reconciles FFO to AFFO:

(C\$ in millions)	Q2 2024		YTD	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Income before income taxes	\$ 295.8	\$ 173.9	\$ 417.6	\$ 240.5
Less: Other operating segments	192.5	64.5	213.2	60.6
CT REIT income before income taxes	\$ 103.3	\$ 109.4	\$ 204.4	\$ 179.9
Add:				
CT REIT fair value loss (gain) adjustment	(22.9)	(31.6)	(46.6)	(27.4)
CT REIT deferred taxes	(0.2)	0.4	0.8	0.8
CT REIT lease principal payments on right-of-use assets	(0.2)	(0.2)	(0.4)	(0.5)
CT REIT fair value of equity awards	(0.8)	(0.5)	(1.2)	(0.2)
CT REIT internal leasing expense	0.2	0.3	0.6	0.5
<b>CT REIT funds from operations</b>	<b>\$ 79.4</b>	<b>\$ 77.8</b>	<b>\$ 157.6</b>	<b>\$ 153.1</b>
Less:				
CT REIT properties straight-line rent revenue	(1.3)	(0.4)	(2.5)	(0.8)
CT REIT direct leasing costs	0.2	0.4	0.5	0.6
CT REIT capital expenditure reserve	6.2	6.1	12.7	12.4
<b>CT REIT adjusted funds from operations</b>	<b>\$ 74.3</b>	<b>\$ 71.7</b>	<b>\$ 146.9</b>	<b>\$ 140.9</b>

## **9.2 Supplementary Financial Measures**

### **Average Account Balance**

Average account balance measures average aggregate account balances in the credit card portfolio, excluding lines of credit and personal loans, divided by the average number of credit card accounts, for the applicable period.

### **Borrowings Outstanding**

Borrowings outstanding represents drawdowns from committed bank lines of credit.

### **Credit Card Sales and Credit Card Sales Growth**

Credit card sales is a measure of the net sales charged to credit cards. Credit card sales growth excludes balance transfers and represents year-over-year percentage change.

### **Comparable Sales**

Comparable sales is commonly used in the retail industry to identify sales growth generated by a Company's existing store network and removes the effect of opening and closing stores in the period. The calculation includes sales from all stores that have been open for a minimum of one year and one week, as well as eCommerce sales. Comparable sales do not form part of the Company's consolidated financial statements. Management applies this measure to Consolidated results (including and excluding Petroleum), the Retail segment (including and excluding Petroleum), and all banners under the Retail segment (including but not limited to Canadian Tire Retail, SportChek and Mark's).

**Cost of Debt**

Cost of debt represents the weighted average finance costs as a percentage of total short-term and long-term debt during the period.

**eCommerce Sales**

eCommerce sales refers to sales generated by the Company's online presence. Only eCommerce sales from corporate stores are included in the Company's consolidated financial statements. Management applies this measure to Consolidated results, the Retail segment, and banners under the Retail segment.

**ECL Allowance Rate**

This measure is the total allowance for expected credit losses as a percentage of total gross loans receivable for the Financial Services segment.

**Effective Tax Rate**

Effective tax rate is the tax expense for the period divided by the income before income taxes for the same period.

**Gross Average Accounts Receivable**

GAAR is the average accounts receivable from credit cards, personal loans, and lines of credit, before allowances for expected credit losses. Measures using GAAR apply only to the Financial Services segment.

**Gross Margin Rate**

Gross margin rate is gross margin divided by revenue.

**Gross Margin Dollars excluding Petroleum and Gross Margin Rate excluding Petroleum**

Gross margin dollars excluding Petroleum captures gross margin dollars in the consolidated entity or Retail segment, as measured according to the Company's IFRS accounting policy, while excluding gross margin dollars from Petroleum sales. Gross margin rate excluding Petroleum is calculated by dividing gross margin excluding Petroleum by revenue excluding Petroleum.

**Interest Expense**

Interest expense represents the finance cost of short-term and long-term debt, which includes lines of credit, medium-term notes, debentures, and senior and subordinated term notes. This metric excludes deposits held by CTB, Franchise Trust indebtedness, and lease liability interest.

**Loyalty Sales and Loyalty Sales as a Percentage of Retail Sales (Loyalty Penetration)**

Loyalty sales are Retail sales attributable to Triangle members. Loyalty sales as a percentage of retail sales is calculated by dividing loyalty sales by Retail sales.

**Net Credit Card Write-off Rate**

Net credit card write-off rate measures write-offs of credit card balances only, net of recoveries for the past twelve months, as a percentage of the credit card GAAR.

**Owned Brands Penetration**

Owned Brands penetration is calculated by dividing sales of Owned Brands by Retail sales.

**Personalized Sales**

Personalized sales are Retail sales made to loyalty members through personalized offers.

**Property Revenue**

Property revenue includes all amounts earned from tenants pursuant to lease agreements including property taxes, operating costs, and other recoveries.

**Property Expense**

Property expense consists primarily of property taxes, operating costs, and property management costs (including any outsourcing of property management services).

**Retail Sales**

Retail sales refers to the point-of-sale value of all goods and services sold to retail customers at stores operated by Dealers, Mark's and SportChek franchisees, and Petroleum retailers, at corporately-owned stores across all banners under the Retail segment, services provided as part of the Home Services offering, and of goods sold through the Company's online sales channels, that in aggregate do not form part of the Company's consolidated financial statements. Management applies this measure to Consolidated results (including and excluding Petroleum), the Retail segment (including and excluding Petroleum), and all banners under the Retail segment (including but not limited to Canadian Tire Retail, SportChek, Mark's, Helly Hansen, Canadian Tire Gas+, and Owned Brands).

**Retail SG&A Rate and Retail SG&A as a Percentage of Revenue excluding Petroleum**

Retail SG&A rate is calculated by dividing Retail SG&A by Retail revenue. Retail SG&A as a percentage of revenue excluding Petroleum is calculated by dividing Retail SG&A by Retail revenue excluding Petroleum.

**Return on Receivables**

Return on receivables (ROR) assesses the profitability of the Financial Services' total portfolio of receivables. ROR is calculated by dividing Financial Services' income before income tax and gains/losses on disposal of property and equipment by the average of Financial Services' total-managed portfolio over a rolling 12-month period.

**Revenue as Percentage of GAAR**

Revenue as percentage of GAAR for the Financial Services segment is the rolling 12-month revenue divided by gross average accounts receivable.

**Revenue Excluding Petroleum**

Revenue excluding Petroleum captures revenue in the consolidated entity and Retail segment, as measured according to the Company's IFRS accounting policy, while excluding revenues from petroleum sales.

**Sales per Square Foot**

Comparisons of sales per square foot metrics over several periods help identify whether existing assets are being made more productive by the Company's introduction of new store layouts and merchandising strategies. Sales per square foot is calculated on a rolling 12-month basis for the Retail segment. This calculation includes the period in which stores were temporarily closed. For Canadian Tire, retail space does not include seasonal outdoor garden centres, auto service bays, warehouses, and administrative space. For SportChek and Mark's, it includes both corporate and franchise stores and warehouse and administrative space.

## 10.0 Key Risks and Risk Management

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In the normal course of its business activities, the Company is exposed to risks that could have a material adverse impact on the Company's brand, financial performance, and/or ability to achieve its strategic objectives. The effective management of risk is a key priority in order to support CTC in achieving its strategies and business objectives. Accordingly, CTC has adopted an Enterprise Risk Management Framework (ERM Framework) for identifying, assessing, monitoring, mitigating, and reporting key risks. Refer to Section 2.6 Risk Factors in the 2023 AIF for further details of CTC's ERM Framework.

The Company's 2023 Annual MD&A sets out the key risks identified through the Company's ERM Framework as well as other business risks that may impact the Company's Retail, Financial Services and CT REIT segments which may have a materially adverse effect on the Company. There may be additional risks and uncertainties not currently known to management or risks that are not considered material at this time which may evolve and materially and adversely affect the Company in the future. The actual effect of any risk may be materially different than what is currently anticipated.

The description of these risks also sets out the risk management strategies and measures undertaken by management. Although the Company believes the strategies and measures taken are reasonable in order to effectively manage the risks within the Company's risk appetite, there can be no assurance that these measures will effectively mitigate these risks.

When considering whether to purchase or sell securities of CTC, investors and others should carefully consider these factors (including that risk management strategies and measures may not effectively mitigate such risks) as well as other uncertainties, potential events and global, macroeconomic, industry-specific or other factors that may adversely impact CTC's future performance.

Refer to Section 11.0 in the Company's 2023 Annual MD&A for further discussion of the Company's key risks.

## 11.0 Internal Controls and Procedures

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Details relating to disclosure controls and procedures, and internal control over financial reporting, are disclosed in section 12.0 of the Company's 2023 Annual MD&A.

### Changes in Internal Control Over Financial Reporting

During the quarter ended June 29, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.



## 12.0 Environmental, Social and Governance

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### 12.1 Overview

The Company is making progress in executing its Environmental, Social and Governance strategy. This includes initiatives that reduce both energy consumption and waste and increase the use of more sustainable materials in its products. In line with global and Canadian efforts to combat climate change, the Company also has a target to reduce its greenhouse gas emissions

CTC also invests in communities across Canada where it operates through supporting a variety of social causes, with the largest single beneficiary being Canadian Tire Jumpstart Charities. Additional information regarding Jumpstart is available on its website at: <https://jumpstart.canadiantire.ca>

For additional details on the Company's ESG strategy refer to section 2.8 of the 2023 AIF. A copy of the Company's ESG report, released in June 2024 and which includes a Climate Data Index, is available at: <https://corp.canadiantire.ca/Environmental-Social-Governance/default.aspx>. These reports are not incorporated herein by reference.

The Company's approach to ESG matters is led by the Chief Executive Officer, with support from the ESG Executive Council, and overseen by the Board of Directors, principally through its Brand and Corporate Responsibility Committee which coordinates with the other committees of the Board as needed.

## 13.0 Forward-Looking Information and Other Investor Communication

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### Caution Regarding Forward-Looking Information

This document contains information that may constitute forward-looking information reflecting Management's current expectations relating to matters such as future financial performance and operating results of the Company. Specific forward-looking information included or incorporated by reference in this document includes, but is not limited to, information with respect to:

- the Company's operating capital expenditures in sections [3.0](#) and [5.4.1](#);
- the Company's strategic investments and strategic initiatives, including planned store openings and refreshes, in section [3.0](#); and
- the Company's intention to purchase its Class A Non-Voting Shares in section [6.1](#).

Forward-looking information provides insights regarding Management's current expectations and plans and allows investors and others to better understand the Company's anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Certain other information, other than historical information, may also constitute forward-looking information, including, but not limited to, information concerning Management's current expectations relating to possible or assumed prospects and results, the Company's strategic goals and priorities, its actions and the results of those actions, and the economic and business outlook for the Company. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "believe", "estimate", "plan", "can", "could", "should", "would", "outlook", "target", "forecast", "anticipate", "aspire", "foresee", "continue", "ongoing" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analyses, beliefs, and opinions of Management, made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that Management believes to be relevant and reasonable at the date that such information is disclosed.

By its very nature, forward-looking information requires Management to make assumptions and is subject to inherent risk factors and uncertainties, which give rise to the possibility that Management's assumptions, estimates, analyses, beliefs and opinions may not be correct, and that the Company's expectations and plans will not be achieved. Examples of material assumptions and Management's beliefs include, but are not limited to, future economic conditions and related impacts on inflation, consumer spending, interest rates, and foreign exchange rates, current and future competitive conditions, and the Company's position in the competitive environment, anticipated cost savings and operational efficiencies as well as anticipated benefits from strategic

and other initiatives, and the availability of sufficient liquidity, and that risks do not materialize or are successfully mitigated. Additional assumptions relating to Management's expectations with respect to the Company's strategic investments and operating capital expenditures include: (a) no material changes in the Company's strategic and capital allocation priorities; (b) no material changes to the Company's earnings prospects and financial leverage; (c) no significant changes to the retail landscape or regulatory environment; (d) continued availability of skilled talent and source materials to execute on the capital investment agenda; and (e) continued successful investments in businesses to achieve organic growth and in projects and initiatives which yield improved asset productivity. Although the Company believes that the forward-looking information in this document is based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from Management's expectations and plans as set forth in such forward-looking information. Some of the risk factors, many of which are beyond the Company's control and the effects of which can be difficult to predict, but may cause actual results to differ from the results expressed by the forward-looking information, include: (a) credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates; (b) the ability of the Company to attract and retain high-quality executives and employees for all of its businesses, Dealers, Petroleum retailers, and Mark's and SportChek franchisees, as well as the Company's financial arrangements with such parties; (c) the growth of certain business categories and market segments and the willingness of customers to shop at its stores or acquire the Company's Owned Brands or its financial products and services; (d) the Company's margins and sales and those of its competitors; (e) the changing consumer preferences and expectations relating to eCommerce, online retailing, customer loyalty programs and the introduction of new technologies; (f) geopolitical risks, and other developments including changes relating to or affecting economic or trade matters as well as the outbreak of contagions or pandemic diseases; (g) risks and uncertainties relating to information management, technology, cyber threats, privacy and data breaches, property management and development, environmental liabilities, social matters, supply-chain management, product safety, competition, seasonality, weather patterns, climate change, commodity prices and business continuity; (h) the Company's relationships with its Dealers, franchisees, suppliers, manufacturers, partners and other third parties; (i) changes in laws, rules, regulations and policies applicable to the Company's business; (j) the risk of damage to the Company's reputation and brand; (k) the cost of store network expansion and retrofits; (l) the Company's capital structure, funding strategy, cost management program, and share price; (m) the Company's ability to obtain all necessary regulatory approvals; (n) the Company's ability and timing to complete any proposed acquisition or divestiture; (o) the Company's ability to realize the anticipated benefits or synergies from its acquisitions and investments or divestitures; and (p) the timing and results of the review of strategic alternatives for the Company's Financial Services business. Additional risk factors relating to Management's expectations with respect to the Company's strategic investments and operating capital expenditures include: (a) the occurrence of widespread economic restrictions, construction limitations, or supply chain delays due to, among other events, a global pandemic resurgence; (b) shortages of raw materials and/or skilled labour required to execute capital investment plans; (c) higher than expected cost inflation for materials, equipment, and labour required to execute capital investment plans; and (d) organizational capacity to execute the capital agenda. The Company cautions that the foregoing list of important risk factors and assumptions is not exhaustive and other factors could also adversely affect the Company's results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors, and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information.

For more information on the material risk factors, uncertainties and assumptions that could cause the Company's actual results to differ materially from predictions, forecasts, projections, expectations or conclusions, refer to section 10.0 (Key Risks and Risk Management) in this MD&A and all subsections therein. For further information, refer to the Company's other public filings, available on the SEDAR+ website at <http://www.sedarplus.ca> and <https://investors.canadiantire.ca>.

The forward-looking information contained herein is based on certain factors and assumptions as of the date hereof and does not consider the effect that transactions or non-recurring or other special items announced or occurring after the information has been disclosed have on the Company's business. The Company does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as is required by applicable securities laws.

Information contained in or otherwise accessible through the websites referenced in this MD&A does not form part of this MD&A and is not incorporated by reference into this MD&A. All references to such websites are inactive textual references and are for information only.

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### **Commitment to Disclosure and Investor Communication**

The Company strives to maintain a high standard of disclosure and investor communication and has been recognized as a leader in financial reporting practices. Reflecting the Company's commitment to full and transparent disclosure, the Investor Relations section of the Company's website at: <https://investors.canadiantire.ca>, includes the following documents and information of interest to investors:

- Annual and Quarterly Report to Shareholders;
- Quarterly earnings news releases, fact sheets, and other materials including conference call transcripts and webcasts (archived for one year);
- Supplementary information including investor presentations and videos;
- the Annual Information Form;
- the Management Information Circular;
- Information for Debtholders; and
- The Company's Approach to Corporate Governance.

The Company's Report to Shareholders, Annual Information Form, Management Information Circular and quarterly financial statements and MD&A are also available at <http://www.sedarplus.ca>.

If you would like to contact the Investor Relations department directly, email [investor.relations@cantire.com](mailto:investor.relations@cantire.com).

August 7, 2024

***CANADIAN TIRE CORPORATION, LIMITED***  
***CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***  
**Q2 2024**

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# Condensed Interim Consolidated Balance Sheets

As at (C\$ in millions)(unaudited)	June 29, 2024	July 1, 2023	December 30, 2023
<b>ASSETS</b>			
Cash and cash equivalents (Note 16)	\$ 455.2	\$ 432.8	\$ 311.2
Short-term investments	163.2	178.1	177.2
Trade and other receivables	803.2	862.7	1,151.3
Loans receivable (Note 5)	6,566.8	6,387.0	6,568.3
Merchandise inventories	2,737.1	3,213.7	2,693.7
Income taxes recoverable	63.1	132.3	125.9
Prepaid expenses and deposits	294.8	239.2	246.6
Assets classified as held for sale	10.5	3.9	18.9
<b>Total current assets</b>	<b>11,093.9</b>	<b>11,449.7</b>	<b>11,293.1</b>
Long-term receivables and other assets	741.6	657.0	645.8
Long-term investments	68.6	62.5	108.2
Goodwill and intangible assets	2,210.1	2,248.5	2,254.7
Investment property	431.4	433.7	443.7
Property and equipment	5,283.7	5,007.8	5,219.5
Right-of-use assets	1,938.2	1,863.2	1,933.8
Deferred income taxes	88.2	118.2	79.5
<b>Total assets</b>	<b>\$ 21,855.7</b>	<b>\$ 21,840.6</b>	<b>\$ 21,978.3</b>
<b>LIABILITIES</b>			
Deposits	\$ 1,188.9	\$ 1,080.6	\$ 1,041.7
Trade and other payables	2,644.2	2,926.6	2,689.4
Provisions	181.6	236.0	219.9
Short-term borrowings (Note 6)	550.8	1,026.2	965.7
Loans	615.5	501.8	519.9
Current portion of lease liabilities	381.5	371.7	378.5
Income taxes payable	29.9	16.7	13.4
Current portion of long-term debt	600.4	1,544.5	560.5
<b>Total current liabilities</b>	<b>6,192.8</b>	<b>7,704.1</b>	<b>6,389.0</b>
Long-term provisions	49.9	67.9	59.8
Long-term debt (Note 7)	4,354.2	2,658.9	4,404.0
Long-term deposits	2,348.8	2,094.7	2,322.6
Long-term lease liabilities	1,990.4	1,891.9	1,986.0
Deferred income taxes	166.5	122.3	182.1
Other long-term liabilities	176.8	744.0	190.0
<b>Total liabilities</b>	<b>15,279.4</b>	<b>15,283.8</b>	<b>15,533.5</b>
<b>EQUITY</b>			
Share capital (Note 8)	613.0	586.5	598.7
Contributed surplus	2.9	2.9	2.9
Accumulated other comprehensive income (loss)	(146.1)	(218.3)	(181.8)
Retained earnings	5,194.1	4,767.6	5,128.2
<b>Equity attributable to shareholders of Canadian Tire Corporation</b>	<b>5,663.9</b>	<b>5,138.7</b>	<b>5,548.0</b>
Non-controlling interests	912.4	1,418.1	896.8
<b>Total equity</b>	<b>6,576.3</b>	<b>6,556.8</b>	<b>6,444.8</b>
<b>Total liabilities and equity</b>	<b>\$ 21,855.7</b>	<b>\$ 21,840.6</b>	<b>\$ 21,978.3</b>

The related notes form an integral part of these condensed interim consolidated financial statements.

# Condensed Interim Consolidated Statements of Income

For the (C\$ in millions, except share and per share amounts)(unaudited)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
<b>Revenue</b> (Note 10)	\$ 4,132.7	\$ 4,255.8	\$ 7,657.6	\$ 7,963.0
Cost of producing revenue (Note 11)	2,725.4	2,807.4	5,000.1	5,232.7
<b>Gross margin</b>	<b>1,407.3</b>	1,448.4	<b>2,657.5</b>	2,730.3
Other expense (income)	(12.5)	79.0	(13.4)	158.0
Selling, general and administrative expenses (Note 12)	844.5	929.3	1,692.7	1,800.5
Depreciation and amortization (Note 13)	189.9	188.8	380.5	380.9
Net finance costs (income) (Note 14)	89.6	77.4	180.1	150.4
<b>Income before income taxes</b>	<b>295.8</b>	173.9	<b>417.6</b>	240.5
<b>Income tax expense (recovery)</b>	<b>72.3</b>	47.0	<b>98.1</b>	70.8
<b>Net income</b>	<b>\$ 223.5</b>	\$ 126.9	<b>\$ 319.5</b>	\$ 169.7
Net income attributable to:				
Shareholders of Canadian Tire Corporation	\$ 198.8	\$ 99.4	\$ 275.6	\$ 107.2
Non-controlling interests	24.7	27.5	43.9	62.5
	\$ 223.5	\$ 126.9	\$ 319.5	\$ 169.7
<b>Basic earnings (loss) per share</b>	<b>\$ 3.57</b>	\$ 1.77	<b>\$ 4.95</b>	\$ 1.89
<b>Diluted earnings (loss) per share</b>	<b>\$ 3.56</b>	\$ 1.76	<b>\$ 4.94</b>	\$ 1.88
<b>Weighted average number of Common and Class A Non-Voting Shares outstanding:</b>				
<b>Basic</b>	<b>55,631,649</b>	56,334,499	<b>55,627,510</b>	56,761,634
<b>Diluted</b>	<b>55,760,426</b>	56,548,207	<b>55,762,463</b>	57,011,764

The related notes form an integral part of these condensed interim consolidated financial statements.

# Condensed Interim Consolidated Statements of Comprehensive Income

For the (C\$ in millions)(unaudited)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
<b>Net income</b>	\$ 223.5	\$ 126.9	\$ 319.5	\$ 169.7
<b>Other comprehensive income (loss), net of taxes</b>				
<b>Items that may be reclassified subsequently to Net income (loss):</b>				
Net fair value gains (losses) on hedging instruments entered into for cash flow hedges not subject to basis adjustment	(23.3)	33.5	(2.3)	5.6
Deferred cost of hedging not subject to basis adjustment – Changes in fair value of the time value of an option in relation to time-period-related hedged items	22.3	(2.0)	20.7	1.6
Reclassification of losses (gains) to income	(5.3)	0.4	(5.6)	1.0
Currency translation adjustment	23.4	(39.1)	(12.1)	(94.9)
<b>Items that will not be reclassified subsequently to Net income (loss):</b>				
Net fair value gains (losses) on hedging instruments entered into for cash flow hedges subject to basis adjustment	20.9	(43.1)	68.9	(37.8)
Other comprehensive income (loss)	\$ 38.0	\$ (50.3)	\$ 69.6	\$ (124.5)
Other comprehensive income (loss) attributable to:				
Shareholders of Canadian Tire Corporation	\$ 38.0	\$ (56.6)	\$ 69.6	\$ (126.1)
Non-controlling interests	—	6.3	—	1.6
	\$ 38.0	\$ (50.3)	\$ 69.6	\$ (124.5)
<b>Comprehensive income (loss)</b>	\$ 261.5	\$ 76.6	\$ 389.1	\$ 45.2
Comprehensive income (loss) attributable to:				
Shareholders of Canadian Tire Corporation	\$ 236.8	\$ 42.8	\$ 345.2	\$ (18.9)
Non-controlling interests	24.7	33.8	43.9	64.1
	\$ 261.5	\$ 76.6	\$ 389.1	\$ 45.2

The related notes form an integral part of these condensed interim consolidated financial statements.



# Condensed Interim Consolidated Statements of Cash Flows

For the (C\$ in millions)(unaudited)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
<b>Cash generated from (used for):</b>				
<b>Operating activities</b>				
Net income	\$ 223.5	\$ 126.9	\$ 319.5	\$ 169.7
Adjustments for:				
Depreciation of property and equipment, investment property, and right-of-use assets	165.6	164.7	332.7	335.4
Impairment on property and equipment, investment property, and right-of-use assets	4.9	—	5.1	—
Income taxes	72.3	47.0	98.1	70.8
Net finance costs (Note 14)	89.6	77.4	180.1	150.4
Amortization of intangible assets (Note 13)	30.0	30.7	60.2	63.0
Loss (gain) on disposal of property and equipment, investment property, assets held for sale and right-of-use assets	(14.3)	2.2	(14.7)	(1.3)
Non-cash charge related to fire at A.J. Billes Distribution Centre	—	12.3	—	54.3
Total except as noted below	571.6	461.2	981.0	842.3
Interest paid	(92.5)	(77.6)	(213.7)	(173.9)
Interest received	12.8	8.0	24.9	15.1
Income taxes paid	(35.6)	(53.4)	(58.7)	(155.5)
Change in loans receivable	(165.3)	(270.8)	3.0	(90.1)
Change in operating working capital and other	513.1	756.0	219.5	74.4
<b>Cash generated from (used for) operating activities</b>	<b>804.1</b>	<b>823.4</b>	<b>956.0</b>	<b>512.3</b>
<b>Investing activities</b>				
Additions to property and equipment and investment property	(140.8)	(53.5)	(245.8)	(153.6)
Additions to intangible assets	(15.1)	(25.4)	(28.0)	(54.4)
Total additions	(155.9)	(78.9)	(273.8)	(208.0)
Acquisition of short-term investments	(37.2)	(32.2)	(95.7)	(64.5)
Proceeds from maturity and disposition of short-term investments	62.7	31.6	149.4	63.2
Proceeds on disposition of property and equipment, investment property, and assets held for sale	37.4	—	37.9	—
Lease payments received for finance subleases (principal portion)	6.0	4.4	9.0	10.8
Acquisition of long-term investments and other	—	—	(0.3)	(6.0)
Change in Franchise Trust loans receivable	(56.6)	1.1	(95.5)	(28.6)
<b>Cash generated from (used for) investing activities</b>	<b>(143.6)</b>	<b>(74.0)</b>	<b>(269.0)</b>	<b>(233.1)</b>
<b>Financing activities</b>				
Dividends paid	(89.5)	(89.6)	(179.1)	(183.3)
Distributions paid to non-controlling interests	(16.9)	(38.7)	(34.1)	(73.9)
Net (repayment) issuance of short-term borrowings	(630.9)	(345.8)	(414.9)	450.0
Issuance of loans	110.7	73.6	176.2	142.9
Repayment of loans	(54.2)	(74.7)	(80.7)	(114.2)
Issuance of long-term debt	550.0	—	550.0	—
Repayment of long-term debt	(560.1)	(0.1)	(560.2)	(55.9)
Payment of lease liabilities (principal portion)	(122.9)	(101.6)	(191.4)	(232.5)
Payment of transaction costs relating to long-term debt	(1.4)	—	(1.4)	—
Purchase of Class A Non-Voting Shares	(7.8)	(149.4)	(15.4)	(317.4)
Net receipts (payments) on financial instruments	32.2	1.9	37.3	4.5
Change in deposits	(7.4)	96.0	170.7	207.1
<b>Cash generated from (used for) financing activities</b>	<b>(798.2)</b>	<b>(628.4)</b>	<b>(543.0)</b>	<b>(172.7)</b>
<b>Cash generated (used) in the period</b>	<b>(137.7)</b>	<b>121.0</b>	<b>144.0</b>	<b>106.5</b>
<b>Cash and cash equivalents, net of bank indebtedness, beginning of period</b>	<b>592.9</b>	<b>311.8</b>	<b>311.2</b>	<b>326.3</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 455.2</b>	<b>\$ 432.8</b>	<b>\$ 455.2</b>	<b>\$ 432.8</b>

The related notes form an integral part of these condensed interim consolidated financial statements.

# Condensed Interim Consolidated Statements of Changes in Equity

(C\$ in millions)(unaudited)	Total accumulated other comprehensive income (loss)					Retained earnings	Equity attributable to shareholders of Canadian Tire Corporation	Equity attributable to non-controlling interests	Total equity
	Share capital	Contributed surplus	Cash flow hedges	Currency translation adjustment	Total accumulated other comprehensive income (loss)				
<b>Balance at December 30, 2023</b>	\$ 598.7	\$ 2.9	\$ 44.6	\$ (226.4)	\$ (181.8)	\$ 5,128.2	\$ 5,548.0	\$ 896.8	\$ 6,444.8
<b>Net income (loss)</b>	—	—	—	—	—	275.6	275.6	43.9	319.5
<b>Other comprehensive income (loss)</b>	—	—	81.7	(12.1)	69.6	—	69.6	—	69.6
<b>Total comprehensive income (loss)</b>	—	—	81.7	(12.1)	69.6	275.6	345.2	43.9	389.1
<b>Transfers of cash flow hedge losses (gains) to non-financial assets</b>	—	—	(33.9)	—	(33.9)	—	(33.9)	—	(33.9)
<b>Contributions and distributions to shareholders of Canadian Tire Corporation</b>									
Issuance of Class A Non-Voting Shares (Note 8)	15.6	—	—	—	—	—	15.6	—	15.6
Purchase of Class A Non-Voting Shares (Note 8)	(15.4)	—	—	—	—	—	(15.4)	—	(15.4)
Excess of purchase price over average cost (Note 8)	14.1	—	—	—	—	(14.1)	—	—	—
Dividends	—	—	—	—	—	(195.6)	(195.6)	—	(195.6)
<b>Contributions and distributions to non-controlling interests</b>									
Issuance of trust units to non-controlling interests, net of transaction costs	—	—	—	—	—	—	—	5.8	5.8
Distributions and dividends to non-controlling interests	—	—	—	—	—	—	—	(34.1)	(34.1)
<b>Total contributions and distributions</b>	14.3	—	(33.9)	—	(33.9)	(209.7)	(229.3)	(28.3)	(257.6)
<b>Balance at June 29, 2024</b>	\$ 613.0	\$ 2.9	\$ 92.4	\$ (238.5)	\$ (146.1)	\$ 5,194.1	\$ 5,663.9	\$ 912.4	\$ 6,576.3

(C\$ in millions)(unaudited)	Total accumulated other comprehensive income (loss)					Retained earnings	Equity attributable to shareholders of Canadian Tire Corporation	Equity attributable to non-controlling interests	Total equity
	Share capital	Contributed surplus	Cash flow hedges	Currency translation adjustment	Total accumulated other comprehensive income (loss)				
<b>Balance at December 31, 2022</b>	\$ 587.8	\$ 2.9	\$ 132.9	\$ (175.3)	\$ (42.4)	\$ 5,070.2	\$ 5,618.5	\$ 1,420.7	\$ 7,039.2
<b>Net income (loss)</b>	—	—	—	—	—	107.2	107.2	62.5	169.7
<b>Other comprehensive income (loss)</b>	—	—	(31.2)	(94.9)	(126.1)	—	(126.1)	1.6	(124.5)
<b>Total comprehensive income (loss)</b>	—	—	(31.2)	(94.9)	(126.1)	107.2	(18.9)	64.1	45.2
<b>Transfers of cash flow hedge losses (gains) to non-financial assets</b>	—	—	(49.8)	—	(49.8)	—	(49.8)	—	(49.8)
<b>Contributions and distributions to shareholders of Canadian Tire Corporation</b>									
Issuance of Class A Non-Voting Shares (Note 8)	12.9	—	—	—	—	—	12.9	—	12.9
Purchase of Class A Non-Voting Shares (Note 8)	(312.0)	—	—	—	—	—	(312.0)	—	(312.0)
Change in automatic share purchase plan commitment (Note 8)	6.3	—	—	—	—	74.9	81.2	—	81.2
Excess of purchase price over average cost (Note 8)	291.5	—	—	—	—	(291.5)	—	—	—
Dividends	—	—	—	—	—	(193.2)	(193.2)	—	(193.2)
<b>Contributions and distributions to non-controlling interests</b>									
Issuance of trust units to non-controlling interests, net of transaction costs	—	—	—	—	—	—	—	7.2	7.2
Distributions and dividends to non-controlling interests	—	—	—	—	—	—	—	(73.9)	(73.9)
<b>Total contributions and distributions</b>	(1.3)	—	(49.8)	—	(49.8)	(409.8)	(460.9)	(66.7)	(527.6)
<b>Balance at July 1, 2023</b>	\$ 586.5	\$ 2.9	\$ 51.9	\$ (270.2)	\$ (218.3)	\$ 4,767.6	\$ 5,138.7	\$ 1,418.1	\$ 6,556.8

The related notes form an integral part of these condensed interim consolidated financial statements.

## 1. The Company and its Operations

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Canadian Tire Corporation, Limited is a Canadian public company primarily domiciled in Canada. Its registered office is 2180 Yonge Street, Toronto, Ontario, M4P 2V8, Canada. It is listed on the Toronto Stock Exchange (TSX – CTC, CTC.A). Canadian Tire Corporation, Limited and entities it controls are together referred to in these condensed interim consolidated financial statements as the “Company”, “CTC” or “Canadian Tire Corporation”.

The Company comprises three main business operations, which offer a wide range of retail goods and services, including general merchandise, apparel, sporting goods, petroleum, financial services including a bank, and real estate operations. Details of the Company’s three reportable operating segments are provided in Note 4.

Quarterly net income and revenue are affected by seasonality. The fourth quarter typically generates the greatest contribution to revenue and earnings and the first quarter the least.

This document contains trade names, trademarks, and service marks of CTC and other organizations, all of which are the property of their respective owners. Solely for convenience, the trade names, trademarks, and service marks referred to herein appear without the ® or TM symbol.

## 2. Basis of Preparation

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### Statement of Compliance

These condensed interim consolidated financial statements (interim financial statements) for the 13 and 26 weeks ended June 29, 2024 (and comparative results for the 13 and 26 weeks ended July 1, 2023) have been prepared in accordance with International Accounting Standard (IAS) 34 – *Interim Financial Reporting* and therefore do not contain all disclosures required by International Financial Reporting Standards (IFRS) for annual financial statements. These interim financial statements should be read in conjunction with the Company’s 2023 Consolidated Financial Statements and Notes and have been prepared using the same accounting policies described in Note 3 to the 2023 Consolidated Financial Statements and Notes.

These interim financial statements were authorized for issuance by the Company’s Board of Directors on August 7, 2024.

### Basis of Presentation

These interim financial statements have been prepared on a historical cost basis, except for the following items, which are measured at fair value:

- Financial Instruments at Fair Value Through Profit or Loss (FVTPL);
- Financial Instruments at Fair Value Through Other Comprehensive Income (FVOCI);
- Derivative financial instruments;
- Liabilities for share-based payment plans; and
- Initial recognition of assets acquired and liabilities assumed in a business combination.

In addition, the post-employment defined benefit obligation is recorded at its discounted present value.

### Functional and Presentation Currency

These interim financial statements are presented in Canadian dollars (\$ or C\$), the Company’s functional currency. Each of the Company’s foreign subsidiaries determines its own functional currency and items included in the interim financial statements of each foreign subsidiary are measured using that functional currency. Assets and liabilities of foreign operations having a functional currency other than the Canadian dollar are translated at the rate of exchange prevailing at the reporting date, and revenues and expenses at average rates during the period. Gains or losses on translation are accumulated as a component of equity. On the disposal of a foreign operation, or the loss of control, the component of Accumulated Other Comprehensive Income (AOCI) relating to that foreign operation is reclassified to net income.

## Judgments and Estimates

The preparation of these interim financial statements in accordance with IAS 34 requires Management to make judgments and estimates that affect:

- The application of accounting policies;
- The reported amounts of assets and liabilities;
- Disclosures of contingent assets and liabilities; and
- The amounts of revenue and expenses recognized during the reporting periods.

Actual results may differ from estimates made in these interim financial statements.

Judgments are made in the selection and assessment of the Company's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgments and estimates are often interrelated. The Company's judgments and estimates are continually re-evaluated to assess whether they remain appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The duration and long-term effects on CTC from macroeconomic conditions remain uncertain and Management continues to monitor and assess the impact on the business and on certain judgments and estimates, including the recoverable amount of goodwill and intangible assets.

Details of the accounting policies subject to judgments and estimates that the Company believes could have the most significant impact on the amounts recognized in these interim financial statements are described in Note 2 to the Company's 2023 Consolidated Financial Statements and Notes.

## Standards, Amendments and Interpretations Issued and Adopted

### ***Lease Liability in a Sale and Leaseback***

In September 2022, the International Accounting Standards Board (IASB) issued amendments to IFRS 16 – *Leases* (IFRS 16) relating to sale leaseback transactions for seller-lessees. The amendment adds a requirement that measuring lease payments or revised lease payments shall not result in the recognition of a gain or loss that relates to the right-of-use asset retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments this year and determined there to be no material impact on the consolidated financial statements.

### ***Non-current Liabilities with Covenants***

In October 2022, the IASB issued amendments to IAS 1 – *Presentation of Financial Statements*, which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require disclosure of information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments this year and determined there to be no material impact on the consolidated financial statements.

### ***Supplier Finance Arrangements***

In May 2023, the IASB issued amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments add requirements to disclose information that allows users to assess how supplier finance arrangements affect an entity's liabilities, cash flows, and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments in the current year and determined there to be no material impact on the consolidated financial statements.

## Standards, Amendments and Interpretations Issued but not yet Adopted

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ending December 28, 2024 and, accordingly, have not been applied in preparing these interim financial statements.

**Lack of Exchangeability**

In August 2023, the IASB issued amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates* in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements.

**Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued amendments to IFRS 9 – *Financial Instruments* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

**Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued the new standard IFRS 18 – *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

**Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19 – *Subsidiaries without Public Accountability: Disclosures*. The new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements. The Company is assessing the impact to its subsidiaries.

**3. Capital Management**

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The Company's capital management objectives are as follows:

- Ensuring sufficient liquidity to meet its financial obligations when due and executing its operating and strategic plans;
- Maintaining healthy liquidity reserves with the ability to access additional capital from multiple sources, if required; and
- Minimizing its after-tax cost of capital while taking into consideration the key risks outlined in section 10.0 of the MD&A including current and future industry, market, and economic risks and conditions.

To achieve these objectives, the Company manages its capital structure over the long term, striking a balance among capital efficiency, financial flexibility, and risk mitigation. Management calculates ratios to approximate the methodologies of credit-rating agencies and other market participants on a current and prospective basis. To assess its effectiveness in managing capital, Management monitors these ratios against target ranges.

As of June 29, 2024, Canadian Tire Corporation, Limited was compliant with all financial covenants under its bank credit agreements, providing sufficient flexibility to support business growth. Similarly, Helly Hansen was compliant with all financial covenants under its bank credit agreement.

CT Real Estate Investment Trust (CT REIT) was also compliant with the financial covenants established under its Declaration of Trust, Trust Indenture and bank credit agreement as of June 29, 2024.

In addition, the Company is required to comply with regulatory requirements for capital associated with the operations of Canadian Tire Bank (CTB), a federally chartered bank, and other regulatory requirements that have an impact on its business operations and certain covenants established under its bank credit agreements. As of June 29, 2024, CTB complied with all regulatory capital guidelines established by the Office of the Superintendent of Financial Institutions of Canada and all financial covenants under its bank credit agreements.

## 4. Operating Segments

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The Company has three reportable operating segments: Retail, Financial Services, and CT REIT. The reportable operating segments are strategic business units offering different products and services. They are separately managed due to their distinct nature. The following summary describes the operations of each of the Company's reportable segments:

- The retail business is conducted under a number of banners including Canadian Tire, Canadian Tire Gas+ (Petroleum), Mark's, PartSource, Helly Hansen, Party City in Canada, and various SportChek banners. Retail also includes the Dealer Loan Program (the portion [silo] of Franchise Trust that issues loans to certain Dealers). Non-CT REIT real estate is included in Retail.
- Financial Services issues Canadian Tire's Triangle brand credit cards, including Triangle Mastercard and Triangle World Elite Mastercard. Financial Services also offers Cash Advantage Mastercard and Gas Advantage Mastercard products, markets insurance products, and provides settlement services to the Company's affiliates. Financial Services includes CTB, a federally regulated Schedule I bank that manages and finances the Company's consumer Mastercard portfolio, as well as an existing block of Canadian Tire branded line of credit loans. CTB also offers High-Interest Savings account deposits, Tax-Free Savings Accounts and Guaranteed Investment Certificates (GICs) deposits, both directly and through third-party brokers. Financial Services also includes Glacier Credit Card Trust (GCCT), a structured entity established to purchase co-ownership interests in the Company's credit card loans receivable, and CTFS Bermuda Ltd., a Bermuda reinsurance company. GCCT issues debt to third-party investors to fund its purchases.
- CT REIT is an unincorporated, closed-end real estate investment trust. CT REIT holds a geographically-diversified portfolio of properties in Canada, mainly comprising Canadian Tire banner stores, Canadian Tire anchored retail developments, mixed-use commercial property, and industrial properties.

Performance is measured based on segment income before income taxes, as included in internal management reports. Management has determined that this measure is the most relevant in evaluating segment results and allocating resources. Information regarding the results of each reportable operating segment is as follows:

(C\$ in millions)	13 weeks ended									
	June 29, 2024					July 1, 2023				
	Retail	Financial Services	CT REIT	Eliminations and adjustments	Total	Retail	Financial Services	CT REIT	Eliminations and adjustments	Total
External revenue	\$ 3,753.6	\$ 370.4	\$ 15.8	\$ (7.1)	\$ 4,132.7	\$ 3,895.0	\$ 351.9	\$ 13.8	\$ (4.9)	\$ 4,255.8
Intercompany revenue	1.2	12.8	128.7	(142.7)	—	1.1	12.6	124.0	(137.7)	—
Total revenue	3,754.8	383.2	144.5	(149.8)	4,132.7	3,896.1	364.5	137.8	(142.6)	4,255.8
Cost of producing revenue	2,546.0	204.3	—	(24.9)	2,725.4	2,645.2	185.0	—	(22.8)	2,807.4
Gross margin	1,208.8	178.9	144.5	(124.9)	1,407.3	1,250.9	179.5	137.8	(119.8)	1,448.4
Other expense (income)	(34.1)	(3.5)	—	25.1	(12.5)	42.5	1.1	—	35.4	79.0
Selling, general and administrative expenses	758.7	95.7	34.2	(44.1)	844.5	818.0	123.3	31.7	(43.7)	929.3
Depreciation and amortization	237.2	2.4	—	(49.7)	189.9	238.2	2.4	—	(51.8)	188.8
Net finance costs (income)	76.9	(4.2)	30.0	(13.1)	89.6	66.6	(2.7)	28.3	(14.8)	77.4
Fair value loss (gain) on investment properties	—	—	(23.0)	23.0	—	—	—	(31.6)	31.6	—
Income (loss) before income taxes	\$ 170.1	\$ 88.5	\$ 103.3	\$ (66.1)	\$ 295.8	\$ 85.6	\$ 55.4	\$ 109.4	\$ (76.5)	\$ 173.9
Items included in the above:										
Interest income	31.6	331.4	0.6	(19.8)	343.8	28.1	305.9	—	(18.3)	315.7
Interest expense	99.0	59.6	30.6	(52.5)	136.7	86.9	48.2	28.3	(52.3)	111.1

(C\$ in millions)	26 weeks ended									
	June 29, 2024					July 1, 2023				
	Retail	Financial Services	CT REIT	Eliminations and adjustments	Total	Retail	Financial Services	CT REIT	Eliminations and adjustments	Total
External revenue	\$ 6,889.3	\$ 749.3	\$ 31.0	\$ (12.0)	\$ 7,657.6	\$ 7,231.9	\$ 711.5	\$ 28.9	\$ (9.3)	\$ 7,963.0
Intercompany revenue	2.1	22.9	257.7	(282.7)	—	2.1	22.8	246.4	(271.3)	—
Total revenue	6,891.4	772.2	288.7	(294.7)	7,657.6	7,234.0	734.3	275.3	(280.6)	7,963.0
Cost of producing revenue	4,644.5	403.4	—	(47.8)	5,000.1	4,933.1	343.5	—	(43.9)	5,232.7
Gross margin	2,246.9	368.8	288.7	(246.9)	2,657.5	2,300.9	390.8	275.3	(236.7)	2,730.3
Other expense (income)	(72.0)	(3.0)	—	61.6	(13.4)	85.4	2.3	—	70.3	158.0
Selling, general and administrative expenses	1,517.1	192.3	71.0	(87.7)	1,692.7	1,603.5	214.0	66.6	(83.6)	1,800.5
Depreciation and amortization	474.4	4.8	—	(98.7)	380.5	477.9	5.2	—	(102.2)	380.9
Net finance costs (income)	156.7	(9.5)	59.9	(27.0)	180.1	127.8	(4.8)	56.2	(28.8)	150.4
Fair value loss (gain) on investment properties	—	—	(46.6)	46.6	—	—	—	(27.4)	27.4	—
Income before income taxes	\$ 170.7	\$ 184.2	\$ 204.4	\$ (141.7)	\$ 417.6	\$ 6.3	\$ 174.1	\$ 179.9	\$ (119.8)	\$ 240.5
Items included in the above:										
Interest income	59.7	662.7	1.1	(36.6)	686.9	56.0	612.2	0.1	(37.4)	630.9
Interest expense	198.0	114.9	61.0	(102.6)	271.3	169.0	91.5	56.3	(103.3)	213.5

Transactions among reportable operating segments are carried out at arm's length prices. The eliminations and adjustments include the following items:

- Reclassifications of certain revenues and costs in the Financial Services segment to Net finance costs (income);
- Conversion from CT REIT's fair value investment property measurement policy to the Company's cost model, including the recording of depreciation and impairment; and
- Intersegment eliminations and adjustments including intercompany rent, property management fees, and credit card processing fees.

While the Company primarily operates in Canada, it also operates in foreign jurisdictions predominantly through Helly Hansen. Foreign revenue earned by Helly Hansen for the 13 and 26 weeks ended June 29, 2024 amounted to \$129.5 million (July 1, 2023 – \$127.4 million) and \$308.4 million (July 1, 2023 – \$321.3 million), respectively. Property and equipment, intangible assets (brand and goodwill) and right-of-use assets located outside Canada was \$902.9 million as at June 29, 2024 (July 1, 2023 – \$894.3 million).

Capital expenditures by reportable operating segment are as follows:

For the	13 weeks ended							
	June 29, 2024				July 1, 2023			
(C\$ in millions)	Retail	Financial Services	CT REIT	Total	Retail	Financial Services	CT REIT	Total
Capital expenditures <sup>1</sup>	\$ 126.0	\$ 2.1	\$ 11.7	\$ 139.8	\$ 137.6	\$ 0.8	\$ 9.8	\$ 148.2

<sup>1</sup> Capital expenditures are presented on an accrual basis and include software additions, but exclude right-of-use asset additions, acquisitions relating to business combinations and intellectual property additions.

For the	26 weeks ended							
	June 29, 2024				July 1, 2023			
(C\$ in millions)	Retail	Financial Services	CT REIT	Total	Retail	Financial Services	CT REIT	Total
Capital expenditures <sup>1</sup>	\$ 245.2	\$ 3.3	\$ 14.0	\$ 262.5	\$ 235.1	\$ 2.9	\$ 21.4	\$ 259.4

<sup>1</sup> Capital expenditures are presented on an accrual basis and include software additions, but exclude right-of-use asset additions, acquisitions relating to business combinations and intellectual property additions.

Right-of-use asset additions by reportable operating segment are as follows:

For the	13 weeks ended							
	June 29, 2024				July 1, 2023			
(C\$ in millions)	Retail	Financial Services	CT REIT	Total	Retail	Financial Services	CT REIT	Total
Right-of-use asset additions	\$ 172.6	\$ —	\$ —	\$ 172.6	\$ 95.3	\$ —	\$ —	\$ 95.3

For the	26 weeks ended							
	June 29, 2024				July 1, 2023			
(C\$ in millions)	Retail	Financial Services	CT REIT	Total	Retail	Financial Services	CT REIT	Total
Right-of-use asset additions	\$ 185.0	\$ —	\$ —	\$ 185.0	\$ 121.7	\$ —	\$ 0.3	\$ 122.0

Total assets by reportable operating segment are as follows:

(C\$ in millions)	June 29, 2024		July 1, 2023	December 30, 2023
As at				
Retail	\$	17,535.8	\$ 17,169.5	\$ 17,883.7
Financial Services		7,370.7	7,275.1	7,289.6
CT REIT		7,045.7	6,950.1	6,966.3
Eliminations and adjustments		(10,096.5)	(9,554.1)	(10,161.3)
Total assets <sup>1</sup>	\$	21,855.7	\$ 21,840.6	\$ 21,978.3

<sup>1</sup> The Company employs a shared-services model for several of its back-office functions including finance, information technology, human resources, and legal. As a result, expenses relating to these functions are allocated on a systematic and rational basis to the reportable operating segments. The associated assets and liabilities are not allocated among segments in the presented measures of segmented assets and liabilities.



Total liabilities by reportable operating segment are as follows:

(C\$ in millions)

As at	June 29, 2024	July 1, 2023	December 30, 2023
Retail	\$ 10,496.2	\$ 10,288.6	\$ 10,828.4
Financial Services	6,161.2	6,168.4	6,165.3
CT REIT	3,094.1	3,038.5	3,118.5
Eliminations and adjustments	(4,472.1)	(4,211.7)	(4,578.7)
<b>Total liabilities<sup>1</sup></b>	<b>\$ 15,279.4</b>	<b>\$ 15,283.8</b>	<b>\$ 15,533.5</b>

<sup>1</sup> The Company employs a shared-services model for several of its back-office functions including finance, information technology, human resources, and legal. As a result, expenses relating to these functions are allocated on a systematic and rational basis to the reportable operating segments. The associated assets and liabilities are not allocated among segments in the presented measures of segmented assets and liabilities.

The eliminations and adjustments include the following items:

- Conversion from CT REIT's fair value investment property valuation policy to the Company's cost model, including the recording of depreciation; and
- Intersegment eliminations.

## 5. Loans Receivable

Quantitative information about the Company's loans receivable portfolio is as follows:

(C\$ in millions)

As at	Total principal amount of receivables <sup>1</sup>		
	June 29, 2024	July 1, 2023	December 30, 2023
Credit card loans <sup>2</sup>	\$ 6,492.6	\$ 6,296.3	\$ 6,495.6
Dealer and other loans <sup>3</sup>	617.4	503.4	521.9
Total loans receivable	7,110.0	6,799.7	7,017.5
Less: long-term portion <sup>4</sup>	543.2	412.7	449.2
<b>Current portion of loans receivable</b>	<b>\$ 6,566.8</b>	<b>\$ 6,387.0</b>	<b>\$ 6,568.3</b>

<sup>1</sup> Amounts shown are net of allowances for loans receivable.

<sup>2</sup> Includes line of credit loans.

<sup>3</sup> Dealer loans of \$615.7 million (July 1, 2023 – \$501.7 million and December 30, 2023 – \$520.2 million) relate to loans issued by Franchise Trust.

<sup>4</sup> The long-term portion of loans receivable is included in Long-term receivables and other assets and includes Dealer loans of \$541.4 million (July 1, 2023 – \$411.0 million and December 30, 2023 – \$447.4 million).

A continuity of the Company's allowances for credit card loans receivable (Expected Credit Losses [ECL]) is as follows:

(C\$ in millions)	2024			
	12-month ECL (Stage 1)	Lifetime ECL – not credit-impaired (Stage 2)	Lifetime ECL – credit-impaired (Stage 3)	Total
Balance at December 30, 2023	\$ 362.1	\$ 234.8	\$ 329.4	\$ 926.3
Increase (decrease) during the period				
Write-offs	(4.2)	(28.3)	(287.4)	(319.9)
Recoveries	—	—	50.7	50.7
New loans originated	11.6	—	—	11.6
Transfers				
to Stage 1	84.5	(67.3)	(17.2)	—
to Stage 2	(29.8)	33.6	(3.8)	—
to Stage 3	(17.4)	(58.8)	76.2	—
Net remeasurements	(35.0)	104.2	186.5	255.7
<b>Balance at June 29, 2024</b>	<b>\$ 371.8</b>	<b>\$ 218.2</b>	<b>\$ 334.4</b>	<b>\$ 924.4</b>

2023

(C\$ in millions)	12-month ECL (Stage 1)	Lifetime ECL – not credit- impaired (Stage 2)	Lifetime ECL – credit- impaired (Stage 3)	Total
Balance at December 31, 2022	\$ 423.9	\$ 197.4	\$ 275.8	\$ 897.1
Increase (decrease) during the period				
Write-offs	(3.6)	(19.5)	(239.3)	(262.4)
Recoveries	—	—	47.7	47.7
New loans originated	9.4	—	—	9.4
Transfers				
to Stage 1	57.3	(40.0)	(17.3)	—
to Stage 2	(19.8)	22.3	(2.5)	—
to Stage 3	(16.0)	(34.5)	50.5	—
Net remeasurements	(15.3)	63.2	172.9	220.8
Balance at July 1, 2023	\$ 435.9	\$ 188.9	\$ 287.8	\$ 912.6

Credit card loans are considered impaired when a payment is over 90 days past due or there is sufficient doubt regarding the collectability of the outstanding balance. No collateral is held against credit card loans. The Bank continues to seek recovery of amounts that were written off during the period, unless the Bank no longer has the right to collect, the receivable has been sold to a third party, or all reasonable efforts to collect have been exhausted.

The following table sets out information about the credit risk exposure of credit card loans receivable:

(C\$ in millions)	June 29, 2024			
	Stage 1	Stage 2	Stage 3	Total
Low risk	\$ 3,460.1	\$ 27.4	\$ —	\$ 3,487.5
Moderate risk	1,916.4	89.7	—	2,006.1
High risk	883.3	382.7	657.4	1,923.4
Total gross carrying amount	6,259.8	499.8	657.4	7,417.0
ECL allowance	371.8	218.2	334.4	924.4
Net carrying amount	\$ 5,888.0	\$ 281.6	\$ 323.0	\$ 6,492.6

(C\$ in millions)	July 1, 2023			
	Stage 1	Stage 2	Stage 3	Total
Low risk	\$ 3,107.5	\$ 58.8	\$ —	\$ 3,166.3
Moderate risk	2,174.5	96.2	—	2,270.7
High risk	931.3	270.5	570.1	1,771.9
Total gross carrying amount	6,213.3	425.5	570.1	7,208.9
ECL allowance	435.9	188.9	287.8	912.6
Net carrying amount	\$ 5,777.4	\$ 236.6	\$ 282.3	\$ 6,296.3

(C\$ in millions)	December 30, 2023			
	Stage 1	Stage 2	Stage 3	Total
Low risk	\$ 3,615.3	\$ 28.5	\$ —	\$ 3,643.8
Moderate risk	1,717.5	98.5	—	1,816.0
High risk	924.3	402.4	635.4	1,962.1
Total gross carrying amount	6,257.1	529.4	635.4	7,421.9
ECL allowance	362.1	234.8	329.4	926.3
Net carrying amount	\$ 5,895.0	\$ 294.6	\$ 306.0	\$ 6,495.6

During the 13 and 26 weeks ended June 29, 2024, the amount of cash received from interest earned on credit cards and loans was \$300.5 million (July 1, 2023 – \$278.7 million) and \$604.9 million (July 1, 2023 – \$568.6 million), respectively.

## 6. Short-Term Borrowings

As of June 29, 2024, the Company's short-term borrowings were comprised of:

- \$277.7 million Canadian dollar equivalent of U.S. commercial paper;
- \$273.1 million of GCCT asset-backed commercial paper notes; and

## 7. Long-Term Debt

On June 6, 2024, GCCT repaid \$560.0 million of Series 2019-1 asset-backed term notes consisting of \$523.6 million of senior term notes, which bore an interest rate of 2.28 percent per annum, as well as \$36.4 million of subordinated term notes, which bore an interest rate of 3.43 percent per annum.

On June 18, 2024, GCCT issued \$550.0 million of Series 2024-1 asset-backed term notes that have an expected repayment date of September 20, 2026, consisting of \$514.25 million of senior term notes bearing an interest rate of 4.74 percent per annum and \$35.75 million of subordinated term notes bearing an interest rate of 5.588 percent per annum.

## 8. Share Capital

Share capital consists of the following:

(C\$ in millions)	June 29, 2024	July 1, 2023	December 30, 2023
As at			
Authorized			
3,423,366 Common Shares			
100,000,000 Class A Non-Voting Shares			
Issued			
3,423,366 Common Shares (July 1, 2023 – 3,423,366; December 30, 2023 – 3,423,366)	\$ 0.2	\$ 0.2	\$ 0.2
52,197,823 Class A Non-Voting Shares (July 1, 2023 – 52,493,324; December 30, 2023 – 52,197,823)	612.8	586.3	598.5
	\$ 613.0	\$ 586.5	\$ 598.7

All issued shares are fully paid. The Company does not hold any of its Common or Class A Non-Voting Shares. Neither the Common nor Class A Non-Voting Shares have a par value.

During the first half of 2024 and fiscal 2023, the Company issued and repurchased Class A Non-Voting Shares. The Company's share repurchases were made pursuant to its Normal-Course Issuer Bid (NCIB) program, in connection with its anti-dilutive policy and, in fiscal 2023, the announced 2022-23 share repurchase intention.

During the first quarter of 2024, the Toronto Stock Exchange accepted the Company's notice of intention to make an NCIB to repurchase up to 4.9 million Class A Non-Voting Shares during the period March 2, 2024 to March 1, 2025.

The following transactions occurred with respect to the Class A Non-Voting Shares:

For the (C\$ in millions)	13 Weeks Ended				26 Weeks Ended			
	June 29, 2024		July 1, 2023		June 29, 2024		July 1, 2023	
	Number	\$	Number	\$	Number	\$	Number	\$
Shares outstanding at beginning of the period	52,197,823	\$ 605.7	53,306,998	\$ 583.8	52,197,823	\$ 598.5	54,276,998	\$ 587.6
Issued under the dividend reinvestment plan and stock option plan	57,689	7.8	46,226	7.7	113,353	15.6	77,017	12.9
Repurchased <sup>1</sup>	(57,689)	(7.8)	(859,900)	(149.2)	(113,353)	(15.4)	(1,860,691)	(312.0)
Change in accrued liability for ASPP commitment	—	—	—	4.2	—	—	—	6.3
Excess of repurchase price over average cost	—	7.1	—	139.8	—	14.1	—	291.5
Shares outstanding at end of the period	52,197,823	\$ 612.8	52,493,324	\$ 586.3	52,197,823	\$ 612.8	52,493,324	\$ 586.3

<sup>1</sup> Repurchased shares, pursuant to the Company's NCIB program, have been restored to the status of authorized but unissued shares. The Company records shares repurchased on a transaction date basis

As of June 29, 2024, the Company had dividends declared and payable to holders of Class A Non-Voting Shares and Common Shares of \$97.3 million (July 1, 2023 – \$96.5 million) at a rate of \$1.7500 per share (July 1, 2023 – \$1.7250 per share).

On August 7, 2024, the Company's Board of Directors declared dividends at a rate of \$1.7500 per share payable on December 1, 2024 to shareholders of record as of October 31, 2024.

## 9. Share-Based Payments

During the 26 weeks ended June 29, 2024, the Company granted the following share-based payment awards:

### Stock Options

The Company granted 588,046 (July 1, 2023 – 249,776) stock options to certain employees. These stock options vest on a graduated basis over a three-year period, are exercisable over a term of seven years, and have an exercise price of \$132.87 (July 1, 2023 – \$167.80 and \$166.07).

## 10. Revenue

External revenue by reportable operating segment is as follows:

For the (C\$ in millions)	13 weeks ended									
	June 29, 2024					July 1, 2023				
	Retail	Financial Services	CT REIT	Adjustments	Total	Retail	Financial Services	CT REIT	Adjustments	Total
Sale of goods	\$ 3,608.3	\$ —	\$ —	\$ —	\$ 3,608.3	\$ 3,742.4	\$ —	\$ —	\$ —	\$ 3,742.4
Interest income on loans receivable	9.5	327.0	—	(5.6)	330.9	7.7	303.1	—	(3.6)	307.2
Royalties and licence fees	14.3	—	—	—	14.3	14.9	—	—	—	14.9
Services rendered	4.8	43.4	—	(1.5)	46.7	3.7	48.8	—	(1.3)	51.2
Rental income	116.7	—	15.8	—	132.5	126.3	—	13.8	—	140.1
	\$ 3,753.6	\$ 370.4	\$ 15.8	\$ (7.1)	\$ 4,132.7	\$ 3,895.0	\$ 351.9	\$ 13.8	\$ (4.9)	\$ 4,255.8

For the (C\$ in millions)	26 weeks ended									
	June 29, 2024					July 1, 2023				
	Retail	Financial Services	CT REIT	Adjustments	Total	Retail	Financial Services	CT REIT	Adjustments	Total
Sale of goods	\$ 6,598.3	\$ —	\$ —	\$ —	\$ 6,598.3	\$ 6,927.0	\$ —	\$ —	\$ —	\$ 6,927.0
Interest income on loans receivable	18.4	652.9	—	(9.0)	662.3	14.8	607.2	—	(6.8)	615.2
Royalties and licence fees	27.7	—	—	—	27.7	28.9	—	—	—	28.9
Services rendered	10.2	96.4	—	(3.0)	103.6	7.5	104.3	—	(2.5)	109.3
Rental income	234.7	—	31.0	—	265.7	253.7	—	28.9	—	282.6
	\$ 6,889.3	\$ 749.3	\$ 31.0	\$ (12.0)	\$ 7,657.6	\$ 7,231.9	\$ 711.5	\$ 28.9	\$ (9.3)	\$ 7,963.0

Retail revenue breakdown is as follows:

For the (C\$ in millions)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	Canadian Tire	\$ 2,278.1	\$ 2,394.0	\$ 4,076.1
SportChek	441.7	461.0	829.4	881.8
Mark's	343.8	353.9	631.9	647.9
Helly Hansen <sup>1</sup>	137.3	135.6	329.5	344.0
Petroleum	550.9	549.0	1,018.8	1,030.4
Other and intersegment eliminations <sup>1</sup>	1.8	1.5	3.6	2.1
	\$ 3,753.6	\$ 3,895.0	\$ 6,889.3	\$ 7,231.9

<sup>1</sup> Helly Hansen revenue represents external revenue only.

## Major Customers

The Company does not rely on any one customer.

## 11. Cost of Producing Revenue

For the (C\$ in millions)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
	Inventory cost of sales <sup>1</sup>	\$ 2,549.9	\$ 2,645.8	\$ 4,650.9
Net impairment loss on loans receivable	124.7	118.1	250.0	216.6
Finance costs	34.3	25.2	66.7	47.3
Other	16.5	18.3	32.5	33.3
	\$ 2,725.4	\$ 2,807.4	\$ 5,000.1	\$ 5,232.7

<sup>1</sup> Inventory cost of sales includes depreciation for the 13 and 26 weeks ended June 29, 2024 of \$5.7 million (July 1, 2023 – \$6.6 million) and \$12.4 million (July 1, 2023 – \$17.5 million), respectively.

Inventory write-downs as a result of net realizable value being lower than cost, recognized in the 13 and 26 weeks ended June 29, 2024 were \$14.4 million (July 1, 2023 – \$29.3 million) and \$32.9 million (July 1, 2023 – \$74.2 million), respectively.

Inventory write-downs recognized in prior periods and reversed in the 13 and 26 weeks ended June 29, 2024 were \$1.8 million (July 1, 2023 – \$2.5 million) and \$2.9 million (July 1, 2023 – \$3.6 million), respectively. The reversal of write-downs was the result of actual losses being lower than previously estimated.

The write-downs and reversals are included in Inventory cost of sales, with the exception of the write-downs resulting from the fire at the A.J. Billes Distribution Centre which were recognized in Other expense (income) in the Consolidated Statements of Income in 2023.

## 12. Selling, General and Administrative Expenses

For the (C\$ in millions)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Personnel expenses	\$ 386.8	\$ 401.7	\$ 771.1	\$ 812.4
Occupancy	127.2	135.2	254.0	263.0
Marketing and advertising	98.0	93.4	182.1	176.7
Information systems	89.6	89.0	193.4	175.5
Other	142.9	210.0	292.1	372.9
	\$ 844.5	\$ 929.3	\$ 1,692.7	\$ 1,800.5

## 13. Depreciation and Amortization

For the (C\$ in millions)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Depreciation of property and equipment and investment property <sup>1</sup>	\$ 77.5	\$ 71.5	\$ 151.5	\$ 139.9
Depreciation of right-of-use assets	82.4	86.6	168.8	178.0
Amortization of intangible assets	30.0	30.7	60.2	63.0
	\$ 189.9	\$ 188.8	\$ 380.5	\$ 380.9

<sup>1</sup> Refer to Note 11 for depreciation included in Cost of producing revenue.

## 14. Net Finance Costs

For the (C\$ in millions)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Finance income	\$ (11.6)	\$ (7.4)	\$ (22.1)	\$ (13.5)
Finance income on lease receivables <sup>1</sup>	(1.2)	(1.1)	(2.4)	(2.3)
Finance costs	77.0	60.5	153.5	114.7
Finance costs on lease liabilities	25.4	25.4	51.1	51.5
	\$ 89.6	\$ 77.4	\$ 180.1	\$ 150.4

<sup>1</sup> Relates to properties where the Company is an intermediate lessor in a sublease arrangement classified as a finance sublease under IFRS 16.

## 15. Income Taxes

Income tax (benefit) expense recognized in other comprehensive income is as follows:

For the (C\$ in millions)	13 weeks ended		26 weeks ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net fair value gains (losses) on hedging instruments entered into for cash flow hedges not subject to basis adjustment	\$ (9.1)	\$ 13.0	\$ (0.9)	\$ 2.2
Deferred cost of hedging not subject to basis adjustment – Changes in fair value of the time value of an option in relation to time-period-related hedged items	8.7	(0.8)	8.1	0.6
Reclassification of losses (gains) to income	(2.1)	0.2	(2.2)	0.4
Net fair value gains (losses) on hedging instruments entered into for cash flow hedges subject to basis adjustment	6.9	(14.9)	23.4	(13.2)
	\$ 4.4	\$ (2.5)	\$ 28.4	\$ (10.0)

In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. While the Company has determined that its tax filing positions are appropriate and supportable, occasionally certain matters are reviewed and challenged by the tax authorities.

There have been no material changes in ongoing income tax audits by tax authorities as disclosed in Note 16 to the 2023 Consolidated Financial Statements and Notes.

The Company regularly reviews the potential for adverse outcomes with respect to tax matters. The Company believes that their ultimate disposition will not have a material adverse effect on its liquidity, consolidated financial position, or Net income because the Company has determined that it has adequate provision for these tax matters. Should the ultimate tax liability materially differ from the provision, the Company's effective tax rate and its earnings could be affected positively or negatively in the period in which the matters are resolved.

## 16. Notes to the Condensed Interim Consolidated Statements of Cash Flows

Cash and cash equivalents, comprise the following:

(C\$ in millions)	June 29, 2024	July 1, 2023	December 30, 2023
As at			
Cash	\$ 395.6	\$ 250.3	\$ 258.1
Cash equivalents	38.8	161.7	29.1
Restricted cash and cash equivalents <sup>1</sup>	20.8	20.8	24.0
Total cash and cash equivalents <sup>2</sup>	\$ 455.2	\$ 432.8	\$ 311.2

<sup>1</sup> Restricted cash and cash equivalents of \$17.1 million (July 1, 2023 – \$17.6 million and December 30, 2023 – \$19.8 million) relates to GCCT and is restricted for the purpose of paying principal and interest to note holders and additional funding costs. \$3.7 million (July 1, 2023 – \$3.2 million and December 30, 2023 – \$4.2 million) represents Helly Hansen's operational items.

<sup>2</sup> Included in Cash and cash equivalents are amounts held in reserve in support of CTB's liquidity and regulatory requirements.

The total cash outflow for leases during the 13 and 26 weeks ended June 29, 2024 was \$148.1 million (July 1, 2023 – \$126.3 million) and \$242.1 million (July 1, 2023 – \$283.2 million), respectively.

### Capital and Other Commitments

As at June 29, 2024, the Company had capital commitments for the acquisition of property and equipment, investment property, and intangible assets for an aggregate cost of approximately \$190.1 million (July 1, 2023 – \$162.5 million).

## 17. Financial Instruments

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### 17.1 Fair Value of Financial Instruments

Fair values have been determined for measurement and/or disclosure purposes based on the following:

Cash and cash equivalents, Trade and other receivables, Loans receivable, Bank indebtedness, Trade and other payables, Short-term borrowings, and Loans are carried at amounts that approximate their fair value either due to their short-term nature or because they are derivatives carried at fair value.

Long-term receivables and other assets are carried at amounts that approximate their fair value because their carrying amounts reflect current market interest rates or because they are derivatives carried at fair value.

Fair values of financial instruments reflect the credit risk of the Company and counterparties when appropriate.

#### ***Investments in Debt Securities***

The fair values of financial assets are determined using a combination of discounted cash flow models using inputs for which market-observable prices exist, and where available, comparison to similar instruments and other valuation models.

#### ***Derivatives***

The fair value of derivatives is estimated using readily observable market inputs and standard valuation models, as follows:

Foreign exchange forward contracts are estimated by discounting the difference between the contractual forward price and the current forward price and applying a risk-free rate to reflect the maturity of the contract.

Interest rate swaps and swaptions, are estimated using data inputs on the measurement date and are verified against external valuation sources.

Equity derivatives are calculated referencing share price movements adjusted for interest, using market interest rates specific to the terms of the underlying derivative contracts, and are verified against external valuation sources.

#### ***Redeemable Financial Instrument***

From October 1, 2014 through October 31, 2023, Scotiabank held an option to sell, requiring the Company to purchase, all of Scotiabank's interest in CTFS Holdings Limited. As a result, the Company recognized a redeemable financial instrument, held at FVTPL, through October 31, 2023. The Company repurchased these shares which extinguished the redeemable financial instrument in 2023.



## 17.2 Fair Value of Financial Assets and Financial Liabilities Classified Using the Fair Value Hierarchy

The Company uses a fair value hierarchy to categorize the inputs used to measure the fair value of financial assets and financial liabilities.

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy:

(C\$ in millions)

As at		June 29, 2024		July 1, 2023		December 30, 2023	
	Category	Level		Level		Level	
Trade and other receivables	FVTPL <sup>1</sup>	2	\$ 15.3	2	\$ 36.4	2	\$ 14.0
Trade and other receivables	Effective hedging instruments	2	69.4	2	103.9	2	62.7
Long-term receivables and other assets	FVTPL <sup>1</sup>	2	0.1	2	—	2	—
Long-term receivables and other assets	Effective hedging instruments	2	44.9	2	91.0	2	44.8
Trade and other payables	FVTPL <sup>1</sup>	2	8.8	2	10.7	2	34.9
Trade and other payables	Effective hedging instruments	2	7.7	2	32.6	2	28.6
Redeemable financial instrument	FVTPL	—	—	3	567.0	—	—
Other long-term liabilities	FVTPL <sup>1</sup>	2	—	2	0.2	2	0.8
Other long-term liabilities	Effective hedging instruments	2	2.4	2	16.1	2	15.5

<sup>1</sup> Relates to derivatives not designated as hedging instruments.

There were no transfers in either direction between levels for the financial instruments during the 13 and 26 weeks ended June 29, 2024 or the 13 and 26 weeks ended July 1, 2023.

## 17.3 Fair Value Measurement of Investments, Debt, and Deposits

The fair value measurement of investments, debt, and deposits is categorized within Level 2 of the fair value hierarchy described in Note 34.2 to the Company's 2023 Consolidated Financial Statements and Notes. The fair values of the Company's investments, debt, and deposits compared to the carrying amounts are as follows:

As at	June 29, 2024		July 1, 2023		December 30, 2023	
(C\$ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short-term investments	\$ 163.2	\$ 164.1	\$ 178.1	\$ 178.4	\$ 177.2	\$ 177.8
Long-term investments	68.6	69.7	62.5	63.0	108.2	110.0
Debt	4,954.6	4,937.8	4,203.4	4,050.6	4,964.5	4,950.1
Deposits	3,537.7	3,525.9	3,175.3	3,098.0	3,364.3	3,355.5

The difference between the fair values and the carrying amounts (excluding transaction costs, which are included in the carrying amount of debt) is due to changes in market interest rates for similar instruments. The fair values are determined by discounting the associated future cash flows using current market interest rates for items of similar risk.

## 18. Contingencies

### Legal Matters

The Company is party to a number of legal and regulatory proceedings and has determined that each such proceeding constitutes a routine matter incidental to the business it conducts, and the ultimate disposition of the proceedings will not have a material effect on its consolidated Net income, cash flows, or financial position.

### **Insurance Recoveries**

The Company has notified its insurers of a loss caused by the fire at the A.J. Billes Distribution Centre on March 15, 2023. The Company continues to assess contingent assets in relation to claim categories beyond remediation, inventory, and property and equipment. Any additional recoveries will be recognized when the losses are estimable, and receipt is virtually certain; however, the financial effect is not practicable to disclose. Refer to Note 2 to the Company's 2023 Consolidated Financial Statements and Notes for information regarding ongoing estimation uncertainty.