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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 20-F

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(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 29, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 001-38027

CANADA GOOSE HOLDINGS INC.  
(Exact name of Registrant as specified in its charter)

N/A

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(Translation of Registrant's name into English)  
British Columbia

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(Jurisdiction of incorporation or organization)  
250 Bowie Ave  
Toronto, Ontario, Canada M6E 4Y2

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(Address of principal executive offices)

**David M. Forrest**  
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(Name, telephone, email and/or facsimile number and address of Company contact person)  
Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Subordinate voting shares	GOOS	New York Stock Exchange

Title of each class	Name of each exchange on which registered
Subordinate voting shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:  
None

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(Title of Class)  
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:  
None

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(Title of Class)

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report: At March 29, 2020, 58,999,182 subordinate voting shares and 51,004,076 multiple voting shares were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Note—checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.  Item 17  Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.  Yes  No

**Canada Goose Holdings Inc.**  
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## INTRODUCTION

Unless otherwise indicated, all references in this Annual Report on Form 20-F to “Canada Goose,” “we,” “our,” “us,” “the company” or similar terms refer to Canada Goose Holdings Inc. and its consolidated subsidiaries. We publish our consolidated financial statements in Canadian dollars. In this Annual Report, unless otherwise specified, all monetary amounts are in Canadian dollars, all references to “\$,” “C\$,” “CDN\$,” “CAD\$,” and “dollars” mean Canadian dollars and all references to “US\$” and “USD” mean U.S. dollars.

In connection with our initial public offering (“IPO”), we re-designated our Class A common shares into multiple voting shares. In addition, we eliminated all of our previously outstanding series of common and preferred shares and created our subordinate voting shares.

This Annual Report on Form 20-F contains our audited consolidated financial statements and related notes for the years ended March 29, 2020, March 31, 2019 and March 31, 2018 (“Annual Financial Statements”). Our Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

### Trademarks and Service Marks

This Annual Report contains references to a number of trademarks which are our registered trademarks or trademarks for which we have pending applications or common law rights. Our major trademarks include the CANADA GOOSE word mark and the ARCTIC PROGRAM & DESIGN trademark (our disc logo consisting of the colour-inverse design of the North Pole and Arctic Ocean) as well as the BAFFIN word mark and BAFFIN Half Maple Leaf design trademark.

Solely for convenience, the trademarks, service marks and trade names referred to in this Annual Report are listed without the ®, (sm) and (TM) symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. These statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as “anticipate,” “believe,” “envision,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” “contemplate” and other similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. They appear in many places throughout this Annual Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, business prospects, growth, strategies, expectations regarding industry trends and the size and growth rates of addressable markets, our business plan and growth strategies, including plans for expansion to new markets and new products, expectations for seasonal trends, and the industry in which we operate.

Certain assumptions made in preparing the forward-looking statements contained in this Annual Report include:

- our ability to continue operating our business amid the societal and economic disruption caused by the global COVID-19 (as defined below) pandemic;
- our ability to implement our growth strategies;
- our ability to maintain strong business relationships with our customers, suppliers, wholesalers and distributors;
- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property; and
- the absence of material adverse changes in our industry or the global economy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section of this Annual Report, which include, but are not limited to, the following risks:

- global disruptions, including the ongoing COVID-19 pandemic significantly affecting numerous countries;
- we may not be able to re-open our retail stores and our wholesale partners may not be able to re-open their retail stores by our peak selling season;
- we may not open retail stores or expand e-commerce access on our planned timelines;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- an economic downturn may further affect discretionary consumer spending;
- we may not be able to satisfy changing consumer preferences;
- our indebtedness may adversely affect our financial condition;
- we may not be able to compete in our markets effectively;
- we may not be able to manage our growth effectively;
- poor performance during our peak season may affect our operating results for the full year;
- global political events, including the impact of political disruptions in Hong Kong and recent protests in many North American cities;
- our ability to maintain relationships with our select number of suppliers;
- our ability to procure high quality raw materials and certain finished goods globally;
- our ability to forecast our inventory needs;
- we may be unable to protect or preserve our brand image and proprietary rights;
- our ability to manage our product distribution through our wholesale partners and international distributors;

- the success of our new store openings;
- the success of our expansion into Greater China;
- the success of our marketing programs;
- our ability to manage our exposure to data security and cyber security events;
- the risk our business is interrupted because of a disruption at our headquarters;
- fluctuations in raw material costs, interest rates and currency exchange rates; and
- we may be unable to maintain effective internal controls over financial reporting.

Although we base the forward-looking statements contained in this Annual Report on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this Annual Report. Additional impacts may arise that we are not aware of currently. The potential of such additional impacts intensifies the business and operating risks that we face, and should be considered when reading the forward-looking statements contained in this Annual Report. In addition, even if results and developments are consistent with the forward-looking statements contained in this Annual Report, those results and developments may not be indicative of results or developments in subsequent periods. As a result, any or all of our forward-looking statements in this Annual Report may prove to be inaccurate. We have included important factors in the cautionary statements included in this Annual Report on Form 20-F, particularly in Section 3.D of this Annual Report on Form 20-F titled “Risk Factors”, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. No forward-looking statement is a guarantee of future results. Moreover, we operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

You should read this Annual Report and the documents that we reference herein and have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained herein are made as of the date of this Annual Report, and we do not assume any obligation to update any forward-looking statements except as required by applicable laws.

## PART I

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

### ITEM 3. KEY INFORMATION

#### A. Selected Financial Data

See the selected financial data disclosure included under Item 5. — “Operating and Financial Review and Prospects”.

#### B. Capitalization and Indebtedness

Not applicable.

#### C. Reasons for the Offer and Use of Proceeds

Not applicable.

#### D. Risk Factors

##### Risks Related to our Business

***Our business has been and will continue to be adversely affected by the global coronavirus outbreak.***

Our global operations, and those of the third parties upon whom we rely, are experiencing disruptions from the outbreak of the novel coronavirus (“COVID-19”). To date, they include mandatory and elective shut-downs of retail and manufacturing operations, and a decrease in discretionary consumer spending. We expect to continue to have material adverse impacts on our business, financial condition and results of operations as a result of the global COVID-19 pandemic.

These and other potential impacts make it more challenging for management to estimate the future performance of our business. While we cannot predict the specific impacts to our business, financial condition and results of operations, we do expect such impacts to be significantly negative. These impacts will depend on future developments, which are highly uncertain and out of our control, including, among others, the duration and intensity of the COVID-19 pandemic, as well as the subsequent resumption of business operations and recovery of discretionary consumer spending and tourism and business travel across the globe. Additional impacts may arise that we are not aware of currently. The potential of such additional impacts intensifies the business and operating risks that we face, and should be considered when reading the additional risk factors below.



***Our growth strategy involves expansion of our DTC channel, including retail stores and on-line, which may present risks and challenges.***

Our business has evolved from one in which we only distributed products on a wholesale basis for resale by others to a multi-channel distribution model, which includes retail and online stores operated by us. As of March 29, 2020, our DTC channel includes 13 national e-commerce markets and 20 directly operated retail stores across North America, Europe, and Asia. In February 2020, we temporarily reduced operating hours for all of our retail locations in Mainland China, restoring normal operating hours in April 2020 with precautionary health measures in place, including wearing masks, temperature checks, and regular hand sanitization. Reduced operating hours put in place for our retail locations in Hong Kong as of April 2020 currently remain in effect. In March 2020, we temporarily closed all of our retail locations and production facilities in North America and Europe. As of June 2, 2020, other than our retail locations in Montreal, Canada, Paris, France and Milan, Italy, these retail locations currently remain closed. Our global DTC expansion has been the largest driver of operational and financial growth historically. We expect this to continue in the future.

Growing our e-commerce platforms and number of retail stores is essential to our future strategy. This strategy has and will continue to require significant investment in cross-functional operations and management focus, along with investment in supporting technologies and retail store spaces. If we are unable to provide a convenient and consistent experience for our customers, our ability to compete and our results of operations could be adversely affected. In addition, if our e-commerce platforms or retail store formats do not appeal to our customers, reliably function as designed, or maintain the privacy of customer data, or if we are unable to consistently meet our brand promise to our customers, we may experience a loss of customer confidence or lost sales, or be exposed to fraudulent purchases, which could adversely affect our reputation and results of operations. Furthermore, with our increasing retail footprint, we are increasingly subject to risks relating to brick and mortar store locations, such as social distancing requirements implemented by local governments as well as mandatory or elective shut-downs due to the ongoing COVID-19 pandemic resulting in lower or no foot traffic, that we will be unable to secure new leases upon desirable terms, or that lower profitability levels at new or existing retail stores will adversely affect our margins.

We are also subject to different and evolving local laws and regulatory requirements in the various jurisdictions in which we operate retail stores and online stores. In particular, we are subject to different and evolving laws and orders governing social distancing, the operation and marketing of e-commerce websites, as well as the collection, storage and use of information on consumers interacting with those websites. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different territories. If so, we may incur additional costs and may not fully realize the investment in our global DTC expansion.

***Our business depends on our strong brand, and if we are not able to maintain and enhance our brand we may be unable to sell our products, which would adversely affect our business.***

The Canada Goose name and brand image are integral to the growth of our business, and to the implementation of our strategies for expanding our business. We believe that the brand image we have developed has significantly contributed to the success of our business and is critical to maintaining and expanding our customer base. Maintaining and enhancing our brand may require us to make substantial investments in areas such as product design, store openings and operations, marketing, e-commerce, community relations and employee training, and these investments may not be successful.

We anticipate that, as our business continues to expand into new markets and new product categories and as the market becomes increasingly competitive, maintaining and enhancing our

brand may become difficult and expensive. Conversely, as we penetrate these new markets and our brand becomes more widely available, it could potentially detract from the appeal stemming from the scarcity of our brand. Our brand may also be adversely affected if our public image or reputation is tarnished by negative publicity. In addition, ineffective marketing, product diversion to unauthorized distribution channels, product defects, counterfeit products, unfair labour practices, and failure to protect the intellectual property rights in our brand are some of the potential threats to the strength of our brand, and those and other factors could rapidly and severely diminish consumer confidence in us. Maintaining and enhancing our brand will depend largely on our ability to be a leader in performance luxury outerwear and to continue to offer a range of high quality products to our customers, which we may not execute successfully. Any of these factors could harm our sales, profitability or financial condition.

A key element of our growth strategy is expansion of our product offerings into new product categories. We may be unsuccessful in designing products that meet our customers' expectations for our brand or that are attractive to new customers. If we are unable to anticipate customer preferences or industry changes, or if we are unable to modify our products on a timely basis or expand effectively into new product categories, we may lose customers. Our ability to successfully implement our growth strategy may be impacted by periods of mandatory store closures, voluntary or mandated social distancing and global economic contraction. Our brand is sold in 47 countries as of March 29, 2020 and we sold through 2,121 wholesale points of distribution during our Fall / Winter 2019 season. As we expand into new geographic markets, consumers in these new markets may be less compelled by our brand image and may not be willing to pay a higher price to purchase our products as compared to traditional outerwear. Our operating results would also suffer if our investments and innovations do not anticipate the needs of our customers, are not appropriately timed with market opportunities or are not effectively brought to market.

***A downturn in the global economy, including as a result of the COVID-19 outbreak worldwide, will likely affect, and in the case of the COVID-19 outbreak, has substantially affected and will likely continue to affect, customer purchases of discretionary items, which could materially harm our sales, profitability and financial condition.***

Many factors affect the level of consumer spending for discretionary items including performance luxury outerwear. These factors include general economic conditions, interest and tax rates, the availability of consumer credit, disposable consumer income, unemployment and consumer confidence in future economic conditions. Consumer purchases of discretionary items, such as our performance luxury outerwear, tend to decline during recessionary periods when disposable income is lower. During our history, we have experienced recessionary periods, but we cannot predict the effect of future recessionary periods on our sales and profitability. A downturn in the economy in markets in which we sell our products may materially harm our sales, profitability and financial condition.

The ongoing COVID-19 pandemic has led to a general slow-down in the global economy and reduced the amount of discretionary income available for consumers to purchase our products. We have already seen significant decreases in consumer spending as a result of the COVID-19 pandemic, and such trends may continue. These circumstances have been amplified by the significant decline in global travel that has also occurred as a result of the COVID-19 pandemic. If periods of decreased consumer spending persist, our sales could decrease, and our financial condition and results of operations could be adversely affected.

***Because our business is highly concentrated on a single, discretionary product category, performance luxury outerwear, we are vulnerable to changes in consumer preferences that could harm our sales, profitability and financial condition.***

Our business is not currently diversified and consists primarily of designing, manufacturing and distributing performance luxury outerwear. In fiscal 2020, our main product category, down-filled jackets, was made up of over 177 parka styles and 95 lightweight down styles. It represented the majority of our sales. Consumer preferences often change rapidly. Therefore, our business is substantially dependent on our ability to attract customers who are willing to pay a premium for our products. Any future shifts in consumer preferences away from retail spending for our products would also have a material adverse effect on our results of operations.

In addition, we believe that continued increases in sales of performance luxury outerwear will largely depend on customers continuing to demand technical superiority from their products. If the number of customers demanding performance luxury outerwear does not continue to increase, or if our customers are not convinced that our products are more functional or stylish than other outerwear alternatives, we may not achieve the level of sales necessary to support new growth platforms and our ability to grow our business will be severely impaired.

***Our indebtedness could adversely affect our financial condition.***

As of March 29, 2020, we had \$226.6 million of unused commitments under our Revolving Facility (as defined below) and no borrowings outstanding, had \$159.3 million of term loans under our Term Loan Facility (as defined below), and had no amounts owing under the China Loan Facility (as defined below) for total indebtedness of \$159.3 million. We also generally experience significant fluctuations in our aggregate indebtedness and working capital over our operating cycle due to the seasonality in our business. Our debt could have important consequences, including:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing;
- requiring a portion of our cash flow to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flow available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- requiring the net cash proceeds of certain equity offerings to be used to prepay our debt as opposed to other purposes;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities, are at variable rates of interest; and
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete.

The credit agreements governing our senior secured credit facilities contain a number of restrictive covenants that impose operating and financial restrictions on us, including restrictions on our ability to incur certain liens, make investments and acquisitions, incur or guarantee additional indebtedness, pay dividends or make other distributions in respect of, or repurchase or redeem our common or preferred shares, or enter into certain other types of contractual arrangements affecting our subsidiaries or indebtedness. In addition, the restrictive covenants in the credit agreement governing our Revolving Facility require us to maintain a minimum fixed charge coverage ratio if excess availability under our Revolving Facility falls below a specified threshold.

If we are unable to comply with these restrictions and covenants at times and to the extent they are applicable, including as a result of events beyond our control, we may risk an event of default under the credit facilities, which could accelerate the payment of any amounts then due, and limit

our ability to incur future borrowings under the credit facilities, either of which could have a material adverse effect on our business. In addition, in light of the impacts to our ability to generate cash from operations as a result of the ongoing COVID-19 pandemic, our results may be further negatively impacted by our payment obligations (including interest) with respect to our outstanding borrowings under our Revolving Facility.

Although the credit agreements governing our senior secured credit facilities contain restrictions on the incurrence of additional indebtedness, those restrictions are subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with those restrictions could be substantial. We may also seek to amend or refinance one or more of our debt instruments to permit us to finance our growth strategy or improve the terms of our indebtedness.

***We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our revenue and profitability.***

The market for outerwear is highly fragmented. We compete against a wide range of brands and retailers. Many of our competitors have significant competitive advantages, including larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition, greater financial resources, more established research and development processes, a longer history of store development, greater marketing resources, more established distribution processes, and other resources which we do not have.

Our competitors may be able to achieve and maintain brand affinity and market share more quickly and effectively than we can. Many of our competitors have more established and diversified marketing programs, including with respect to promotion of their brands through traditional forms of advertising, such as print media and television commercials, and through celebrity endorsements, and have substantial resources to devote to such efforts. Our competitors may also create and maintain brand affinity using traditional forms of advertising more quickly than we can. Our competitors may also be able to increase sales in their new and existing markets faster than we can by emphasizing different distribution channels than we can, such as catalog sales or an extensive retail network, and many of our competitors have substantial resources to devote toward increasing sales in such ways.

***We have grown rapidly in recent years. If we are unable to manage our operations at our current size or to manage any future growth effectively, the pace of our growth may slow.***

We have expanded our operations rapidly for many years and plan to continue our expansion efforts. Total revenue increased to \$958.1 million for fiscal 2020 from \$591.2 million for fiscal 2018, at a Compound Annual Growth Rate (“CAGR”) of 27.3%.

As we expect the impact of the ongoing COVID-19 pandemic on our business, financial condition and results of operations to be significantly negative, it is possible that growth of our operations and expansion efforts will be significantly delayed or non-existent. If our operations continue to grow, of which there can be no assurance, we will be required to continue to expand our sales and marketing, product development, manufacturing and distribution functions, to upgrade our management information systems and other processes, and to obtain more space for our expanding administrative support and other personnel. Continued or fluctuating growth could strain our resources, and we could experience operating difficulties, including difficulties in hiring, training and managing an increasing number of employees and manufacturing capacity to produce our products, and delays in production and shipments. These difficulties may result in the erosion of our brand image, divert the attention of management and key employees and impact financial and operational results. In order to continue to expand our DTC channel, we expect to add selling, general & administrative expenses to our cost base. These costs, which include lease commitments,

headcount and capital assets, could result in decreased margins if we are unable to drive commensurate DTC revenue growth.

***Our financial performance is subject to significant seasonality and variability, which could cause the price of our subordinate voting shares to decline.***

Our business is affected by a number of factors common to our industry and by other factors specific to our business model, which drive seasonality and variability. Historically, key metrics, including those related to our growth, profitability and financial condition, have fluctuated significantly across fiscal periods. We expect this to continue in the future, although the patterns of this seasonality, in light of the COVID-19 pandemic, may shift substantially as compared to historical trends in the near term.

Consumer purchases of down-filled jackets are heavily concentrated in the Fall / Winter season. As a result, the majority of our DTC revenue is recognized in the third and fourth fiscal quarter. Our wholesale revenue is weighted earlier in the second and third fiscal quarters, when most orders are shipped to wholesale partners.

At the consolidated level, our revenue is concentrated in the second and third fiscal quarters, while our operating costs are more evenly distributed throughout the year. In fiscal 2020, these two quarters represented 77.9% of total revenue. We have historically experienced reduced or negative net income in our first and fourth fiscal quarters, where we have significantly less revenue to offset our cost base. We expect our expanding DTC channel to continue increasing as a percentage of total revenue, resulting in a growing proportion of our revenue occurring during the third and fourth fiscal quarters.

Guided by expected demand in both channels, we manufacture on a linear basis throughout the fiscal year, while adding capacity to our manufacturing network, resulting in the buildup and staging of inventory for future periods. As we have moved more production in-house, we have also created an inventory buffer ahead of demand and to support the planned rationalization of third-party manufacturing capacity. These dynamics cause significant fluctuations in our working capital, cash conversion, and leverage throughout the fiscal year. At certain points in time, our inventory has increased at a significantly higher rate than our historical revenue growth in the same period.

Conversely, while we maintain a general surplus of inventory, it is possible that we will experience delays or not be able to fulfill orders generally or for specific inventory as a result of transitioning our eight manufacturing facilities in March 2020 to producing personal protective equipment (“PPE”) for frontline healthcare workers in Canada as a result of the COVID-19 pandemic. We are not experienced in the production, distribution and sale of PPE and our participation in these highly regulated activities may result in increased costs, liabilities or other unforeseen consequences that could have a negative impact on our business. If we continue to produce PPE after resuming production of outerwear, it is possible that our production capacity will be reduced even after outerwear production resumes.

Historical results, especially comparisons across fiscal quarters, should not be considered indicative of the results to be expected for any future periods. In addition to the seasonality of demand for our products, our financial performance is influenced by a number of factors which are difficult to predict and variable in nature. These include input cost volatility, the timing of consumer purchases and wholesale deliveries which very often shift between fiscal quarters, demand forecast accuracy, inventory availability and the evolution of our channel mix, as well as external trends in weather, retail traffic and discretionary consumer spending.

A number of other factors which are difficult to predict could also affect the seasonality or variability of our financial performance. Therefore, you should not rely on the results of a single fiscal quarter as an indication of our annual results or future performance.

***If we fail to attract new customers, we may not be able to increase sales.***

Our success depends, in part, on our ability to attract new customers. In order to expand our customer base, we must appeal to and attract consumers who identify with our brand and products. We have made significant investments in enhancing our brand and attracting new customers. We expect to continue to make significant investments to promote our current products to new customers and new products to current and new customers, including through our e-commerce platforms and retail store presence. Such marketing investments can be expensive and may not result in increased sales. Further, as our brand becomes more widely known, we may not attract new customers as we have in the past. If we are unable to attract new customers, we may not be able to increase our sales.

***Our business may be adversely affected by global climate change trends.***

A significant portion of our business is highly dependent on cold-weather seasons and patterns to generate consumer demand for our products. Consumer demand for our products may be negatively affected to the extent global weather patterns trend warmer, reducing typical patterns of cold-weather events or increasing weather volatility, which could have an adverse effect on our financial condition, results of operations or cash flows.

***Our plans to improve and expand our product offerings may not be successful, and implementation of these plans may divert our operational, managerial and administrative resources, which could harm our competitive position and reduce our revenue and profitability.***

In addition to our global DTC expansion plans, we are growing our business by expanding our product offerings outside down-filled jackets, including windwear, rainwear, knitwear and footwear. The principal risks to our ability to successfully carry out our plans to expand our product offering include:

- the success of new products and new product lines will depend on market demand and there is a risk that new products and new product lines will not deliver expected results, which could negatively impact our future sales and results of operations;
- if our expanded product offerings fail to maintain and enhance our distinctive brand identity, our brand image may be diminished and our sales may decrease;
- implementation of these plans may divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems; and
- incorporation of novel materials or features into our products may not be accepted by our customers or may be considered inferior to similar products offered by our competitors.

In addition, our ability to successfully carry out our plans to expand our product offerings may be affected by economic and competitive conditions, changes in consumer spending patterns (including reductions in discretionary consumer spending as a result of the COVID-19 pandemic) and changes in consumer preferences and styles. These plans could be abandoned, could cost more than anticipated and could divert resources from other areas of our business, any of which could negatively impact our competitive position and reduce our revenue and profitability.

***Unexpected obstacles in new markets may limit our expansion opportunities and cause our business and growth to suffer.***

Our future growth depends in part on our expansion efforts outside of North America, including in developing markets. We have limited experience with regulatory environments and market

practices outside of this region, and we may not be able to penetrate or successfully operate in any new market, as a result of unfamiliar regulation or other unexpected barriers to entry. In connection with our expansion efforts we may encounter obstacles, including cultural and linguistic differences, differences in regulatory environments, economic or governmental instability, labour practices and market practices, difficulties in keeping abreast of market, business and technical developments, and foreign customers' tastes and preferences. In developing markets, potential challenges include relatively higher risk of political instability, economic volatility, crime, corruption and social unrest. For example, the political disruptions in Hong Kong which began in 2019 negatively impacted our customers and employees in Hong Kong, reduced consumer spending, and adversely impacted our business and results of operations in Hong Kong. Such challenges may be exacerbated in many cases by uncertainties regarding how local law is applied and enforced, and with respect to judiciary and administrative mechanism. Furthermore, global events such as pandemics, the related governmental, private sector and individual consumer responsive actions and any subsequent waves of outbreaks of COVID-19 after the management of the initial outbreak, could reduce store traffic and consumer spending, result in temporary or permanent closures of stores, offices, and factories, and could negatively impact the flow of goods. For example, in response to the ongoing COVID-19 pandemic, local and national governments in many countries have implemented regional quarantines and mandated the closure of nonessential businesses, which has halted store traffic in certain markets and significantly disrupted consumer spending.

We may also encounter difficulty expanding into new international markets because of limited brand recognition leading to delayed acceptance of our outerwear by customers in these new international markets. Our failure to develop our business in new international markets or disappointing growth or inadequate management of risks outside of existing markets could harm our business and results of operations.

***We rely on a limited number of third-party suppliers to provide high quality raw materials.***

Our products require high quality raw materials, including cotton, polyester, wool, down and coyote fur. The price of raw materials depends on a wide variety of factors largely beyond the control of Canada Goose. A shortage, delay or interruption of supply for any reason, including delays caused by the ongoing COVID-19 pandemic, could negatively impact our ability to fulfill orders and have an adverse impact on our financial results.

In addition, while our suppliers, in turn, source from a number of sub-suppliers, we rely on a very small number of direct suppliers for certain raw materials. As a result, any disruption to these relationships could have an adverse effect on our business. Events that adversely affect our suppliers could impair our ability to obtain inventory in the quantities and at the quality that we require. Such events include difficulties or problems with our suppliers' businesses, finances, labour relations, ability to import raw materials, costs, production, insurance and reputation, as well as natural disasters, public health emergencies or other catastrophic occurrences. Our supply of fabrics and raw materials, for example, could be disrupted by the impact of the ongoing COVID-19 pandemic, and the related government and private sector responsive actions such as border closures, restrictions on product shipments, and travel restrictions. A significant slowdown in the retail industry as a whole as a result of the ongoing COVID-19 pandemic, may also result in bankruptcies or permanent closures of some of our suppliers and third party vendors. Furthermore, there can be no assurance that our suppliers will continue to provide fabrics and raw materials or provide products that are consistent with our standards.

More generally, if we need to replace an existing supplier, additional supplies or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, and any new supplier may not meet our strict quality requirements. In the event we are required to find new sources of supply, we may encounter delays in production, inconsistencies in

quality and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of our raw materials could have an adverse effect on our ability to meet customer demand for our products and result in lower sales and profitability both in the short and long-term.

***We could experience significant disruptions in supply from our current sources.***

We generally do not enter into long-term formal written agreements with our suppliers, and typically transact business with our suppliers on an order-by-order basis. There can be no assurance that there will not be a disruption in the supply of raw materials and certain finished goods from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality at an acceptable price, or at all. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products, including as a result of the COVID-19 pandemic, could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue and operating income both in the short and long-term.

***Our business and results of operations could be harmed if we are unable to accurately forecast demand for our products.***

To ensure adequate inventory supply, we forecast inventory needs, which are subject to seasonal and quarterly variations in consumer demand. If we fail to accurately forecast demand, we may experience excess inventory levels or a shortage of product. Our ability to forecast accurately has become increasingly important as we have expanded our DTC channel globally and could be affected by many factors outside of our control, including an increase or decrease in consumer demand for our products or for products of our competitors, our failure to accurately forecast consumer acceptance of new products, product introductions by competitors, unanticipated changes in general market conditions and, therefore, consumer spending in the sector (for example, because of unexpected effects on inventory supply and consumer demand caused by the current COVID-19 pandemic), and weakening of economic conditions or consumer confidence in future economic conditions. In our wholesale channel, a majority of orders delivered in a given fiscal year are received in the prior fiscal year, enabling us to manufacture inventory relative to a defined order book. In the DTC channel, we manufacture according to our forecasts of consumer demand. As we have moved more production in-house, we have created an inventory buffer ahead of demand and to support the planned rationalization of third-party manufacturing capacity. If we overestimate the demand for our products, we could face inventory levels in excess of demand, which could result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would harm our gross margins and our brand management efforts. The impact of an overestimation is expected to increase as a larger portion of our sales comes through our DTC channel, and as we expand our product offerings. If we underestimate the demand for our products, we may not be able to produce products to meet our wholesale partner requirements, and this could result in delays in the shipment of our products and our failure to satisfy demand, as well as damage to our reputation and wholesale partner relationships. In addition, failures to accurately predict the level of demand for our products could harm our profitability and financial condition.

***If we are unable to establish and protect our trademarks and other intellectual property rights, counterfeiters may produce copies of our products and such counterfeit products could damage our brand image.***

We expect that there is a high likelihood that counterfeit products or other products infringing on our intellectual property rights will continue to emerge, seeking to benefit from the consumer demand for Canada Goose products. These counterfeit products do not provide the functionality



of our products and we believe they are of substantially lower quality, and if customers are not able to differentiate between our products and counterfeit products, this could damage our brand image. In order to protect our brand, we devote significant resources to the registration and protection of our trademarks and to anti-counterfeiting efforts worldwide. We actively pursue entities involved in the trafficking and sale of counterfeit merchandise through legal action or other appropriate measures. In spite of our efforts, counterfeiting still occurs and, if we are unsuccessful in challenging a third-party's rights related to trademark, copyright or other intellectual property rights, this could adversely affect our future sales, financial condition and results of operations. We cannot guarantee that the actions we have taken to curb counterfeiting and protect our intellectual property will be adequate to protect the brand and prevent counterfeiting in the future or that we will be able to identify and pursue all counterfeiters who may seek to benefit from our brand.

***Competitors have and will likely continue to attempt to imitate our products and technology and divert sales. If we are unable to protect or preserve our intellectual property rights, brand image and proprietary rights, our business may be harmed.***

As our business has expanded, our competitors have imitated, and will likely continue to imitate, our product designs and branding, which could harm our business and results of operations. Competitors who flood the market with products seeking to imitate our products could divert sales and dilute the value of our brand. We believe our trademarks, copyrights and other intellectual property rights are extremely important to our success and our competitive position.

However, enforcing rights to our intellectual property may be difficult and costly, and we may not be successful in stopping infringement of our intellectual property rights, particularly in foreign countries, which could make it easier for competitors to capture market share. Intellectual property rights necessary to protect our products and brand may also be unavailable or limited in certain countries. Furthermore, our efforts to enforce our trademarks, copyrights and other intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our trademark and other intellectual property rights. Continued sales of competing products by our competitors could harm our brand and adversely impact our business, financial condition and results of operations.

***Labour-related matters, including labour disputes, may adversely affect our operations.***

As of March 29, 2020, less than 7% of our employees are members of labour unions, comprised of employees at 3 of our 8 in-house manufacturing facilities. The exposure to unionized labour in our workforce presents an increased risk of strikes and other labour disputes, and our ability to alter labour costs will be subject to collective bargaining, which could adversely affect our results of operations. In addition, potential labour disputes at independent factories where our goods are produced, shipping ports, or transportation carriers create risks for our business, particularly if a dispute results in work slowdowns, lockouts, strikes or other disruptions during our peak manufacturing, shipping and selling seasons. Any potential labour dispute, either in our own operations or in those of third parties, on whom we rely, could materially affect our costs, decrease our sales, harm our reputation or otherwise negatively affect our sales, profitability or financial condition.

The majority of our workforce is composed of manufacturing employees based in the provinces of Ontario, Manitoba and Québec, a sizeable portion of whom are paid wage rates based on the applicable provincial minimum wage. Many jurisdictions, including certain Canadian provinces, either have increased or plan to increase their minimum wage and other benefits requirements, which may materially increase our manufacturing costs. Minimum wage increases such as the foregoing may not only increase the wages of our minimum wage employees, but also the wages paid to our other hourly or salaried employees who, in recognition of their tenure, performance, responsibilities and other similar considerations, historically received a rate of pay exceeding the

applicable minimum wage. Further, if we fail to pay such higher wages, we could suffer increased employee turnover. It is difficult to predict when such increases may take place and any such increase could have a material adverse effect on our business, financial condition, results of operations and prospects.

Further, the risks to our business due to a pandemic or other public health emergency, such as the ongoing COVID-19 pandemic, include risks to employee health and safety, prolonged restrictive measures put in place in order to control the crisis and limitations on travel, which may result in temporary shortages of staff or unavailability of certain employees or consultants with key expertise or knowledge of our business and, impact on workforce productivity.

***We rely significantly on information technology systems for our distribution systems and other critical business functions, and are increasing our reliance on these functions as our DTC channel expands. Any failure, inadequacy, or interruption of those systems could harm our ability to operate our business effectively.***

We rely on information systems to effectively manage all aspects of our business, including merchandise planning, manufacturing, allocation, distribution, sales and financial reporting. Our reliance on these systems, and their importance to our business, will increase as we expand our DTC channel and global operations. We rely on a number of third parties to help us effectively manage these systems. If information systems we rely on fail to perform as expected, our business could be disrupted. The failure of us or our vendors to manage and operate our information technology systems as expected could disrupt our business, result in our not providing adequate product, losing sales or market share, and reputational harm, causing our business to suffer. Any such failure or disruption could have a material adverse effect on our business.

Our information technology systems and vendors also may be vulnerable to damage or interruption from circumstances beyond our or their control, including fire, flood, natural disasters, systems failures, network or communications failures, power outages, public health emergencies, security breaches, cyber-attacks and terrorism. For example, we have implemented a work-from-home policy due to the COVID-19 outbreak for our corporate workforce in North America and Europe. This increase in working remotely could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations. We maintain disaster recovery procedures intended to mitigate the risks associated with such events, but there is no guarantee that these procedures will be adequate in any particular circumstance. As a result, such an event could materially disrupt, and have a material adverse effect on, our business.

***We partially depend on our wholesale partners to display and present our products to customers in our wholesale channel, and our failure to maintain and further develop our relationships with our wholesale partners could harm our business.***

We sell our products in our wholesale channel either directly or indirectly, through distributors and to wholesale partners. Our wholesale partners service customers by stocking and displaying our products, and explaining our product attributes. Our relationships with these partners are important to the authenticity of our brand and the marketing programs we continue to deploy. Our failure to maintain these relationships with our wholesale partners or financial difficulties experienced by these wholesale partners could harm our business.

Our sales depend, in part, on wholesale partners effectively displaying our products, including providing attractive space in their stores, including shop-in-shops, and training their sales personnel to sell our products. If our wholesale partners reduce or terminate those activities, we may experience reduced sales of our products, resulting in lower revenue and gross margins, which would harm our profitability and financial condition.

If we lose any of our wholesale partners, or if they reduce their purchases of our existing or new products, or their number of stores or operations are reduced, or they promote products of our competitors over ours, or they suffer financial difficulty or insolvency, our sales would be harmed. The recent decline in the overall retail sector, including ongoing disruptions related to COVID-19, has been challenging for our wholesale partners. Further, our ability to secure credit insurance may be negatively impacted due to the COVID-19 pandemic, resulting in us undertaking additional risk related to collecting payments from our wholesale partners on time, or at all. Such conditions, among other things, have resulted, and in the future may result, in financial difficulties leading to restructurings, bankruptcies, liquidations and other unfavorable events for our wholesale partners and may cause such partners to reduce or discontinue orders of our products or be unable to pay us for products they have purchased from us. This has caused us to negotiate shortened payment terms and reduce credit limits in certain cases. If the overall retail environment continues to decline or if one or more of our wholesale partners is unable or unwilling to meet our payment terms, our business and results of operations could be harmed.

***A significant portion of our sales are to wholesale partners, directly and through distributors.***

A significant portion of our sales are made to wholesale partners, either directly or indirectly, through distributors, who may decide to emphasize products from our competitors, to redeploy their retail floor space to other product categories, or to take other actions that reduce their purchases of our products. We do not receive long-term purchase commitments from our wholesale partners, and confirmed orders received from our wholesale partners may be difficult to enforce. Factors that could affect our ability to maintain or expand our sales to these wholesale partners include: (a) failure to accurately identify the needs of our customers; (b) lack of customer acceptance of new products or product expansions; (c) unwillingness of our wholesale partners and customers to attribute premium value to our new or existing products or product expansions relative to competing products; (d) failure to obtain shelf space from our wholesale partners; and (e) new, well-received product introductions by competitors.

We cannot assure you that our wholesale partners will continue to purchase and carry our products in accordance with current practices or carry any new products that we develop particularly in light of the ongoing COVID-19 pandemic. A significant slowdown in the retail industry as a whole as a result of pandemics or other public health emergencies, such as the COVID-19 pandemic, has resulted in and may continue to result in bankruptcies or permanent closures of some of our wholesale partners. If these risks occur, they could harm our brand as well as our results of operations and financial condition.

***Our marketing programs, e-commerce initiatives and use of customer information are governed by an evolving set of laws and enforcement trends and unfavorable changes in those laws or trends, or our failure to comply with existing or future laws, could substantially harm our business and results of operations.***

We collect, process, maintain and use data, including sensitive information on individuals, available to us through online activities and other customer interactions in our business. Our current and future marketing programs may depend on our ability to collect, maintain and use this information, and our ability to do so is subject to evolving and increasingly demanding international, U.S., Canadian, European and other laws and enforcement trends. For example, the European Union's comprehensive General Data Privacy Regulation (the "GDPR"), which became fully effective in May 2018. The GDPR requires companies to satisfy new requirements regarding the handling of personal and sensitive data, including its use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. Failure to comply with GDPR requirements could result in significant penalties. We strive to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection, including those relating to

the use of data for marketing purposes. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, may conflict with other rules, may conflict with our practices or fail to be observed by our employees or business partners. If so, we may suffer damage to our reputation and be subject to proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts to defend our practices, distract our management or otherwise have an adverse effect on our business.

Certain of our marketing practices rely upon e-mail to communicate with consumers on our behalf. We may face risk if our use of e-mail is found to violate the applicable law. We post our privacy policy and practices concerning the use and disclosure of user data on our websites. Any failure by us to comply with our posted privacy policy or other privacy-related laws and regulations could result in proceedings which could potentially harm our business. In addition, as data privacy and marketing laws change, we may incur additional costs to ensure we remain in compliance. If applicable data privacy and marketing laws become more restrictive at the international, federal, provincial or state levels, our compliance costs may increase, our ability to effectively engage customers via personalized marketing may decrease, our investment in our e-commerce platform may not be fully realized, our opportunities for growth may be curtailed by our compliance burden and our potential reputational harm or liability for security breaches may increase.

***Data security breaches and other cyber security events could result in disruption to our operations or financial losses and could negatively affect our reputation, credibility and business.***

As with other companies, we are subject to risks associated with data security breaches and other cyber security events. We collect, process, maintain and use personal information relating to our customers and employees, and rely on third parties for the operation of our e-commerce site and for the various social media tools and websites we use as part of our marketing strategy. Any attempted or actual unauthorized disclosure of personally identifiable information regarding our employees, customers or website visitors could harm our reputation and credibility, reduce our e-commerce sales, impair our ability to attract website visitors, reduce our ability to attract and retain customers and could result in litigation against us or the imposition of significant fines or penalties.

Our on-line activities, including our e-commerce websites, also may be subject to denial of service or other forms of cyber attacks. While we have taken measures we believe are reasonable to protect against those types of attacks, those measures may not adequately protect our on-line activities from such attacks. If a denial of service attack or other cyber event were to affect our e-commerce sites or other information technology systems, our business could be disrupted, we may lose sales or valuable data, and our reputation may be adversely affected. Additionally, new and evolving data protection legislation such as the GDPR impose new requirements such as shorter notification timeframes that could increase the risks associated with data security breaches.

We have procedures and technology in place designed to safeguard our customers' debit and credit cards and our customers' and employees' other personal information, and we continue to devote significant resources to network security, backup and disaster recovery, and other security measures. Nevertheless, these security measures cannot provide absolute security or guarantee that we will be successful in preventing or responding to every such breach or disruption.

Recently, data security breaches suffered by well-known companies and institutions have attracted a substantial amount of media attention, prompting new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security, as well as increased data protection obligations imposed on merchants by credit card issuers. As a result, we may become subject to more extensive requirements to protect the customer information that we process in connection with the purchase of our products, resulting in increased compliance costs.

***A significant portion of our business functions operate out of our headquarters in Toronto. As a result, our business is vulnerable to disruptions due to local weather, economics and other factors.***

All of our significant business functions reside at our headquarters in Toronto, Canada. Events such as public health emergencies, including the ongoing COVID-19 pandemic, extreme local weather, natural disasters, transportation strikes, acts of terrorism, significant economic disruptions or unexpected damage to the facility have resulted and could result in an unexpected disruption to our business as a whole. If a disruption of this type should occur, our ability to conduct our business could be adversely affected or interrupted entirely and adversely affect our financial and operating results.

***Our success is substantially dependent on the continued service of our senior management.***

Our success is substantially dependent on the continued service of our senior management, including Dani Reiss, who is our President and Chief Executive Officer. The loss of the services of our senior management could make it more difficult to successfully operate our business and achieve our business goals. We also may be unable to retain existing management, technical, sales and client support personnel that are critical to our success, which could result in harm to our customer and employee relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs.

We have not obtained key man life insurance policies on any members of our senior management team. As a result, we would not be protected against the associated financial loss if we were to lose the services of members of our senior management team.

***We rely on payment cards to receive payments, and are subject to payment-related risks.***

For our DTC sales, as well as for sales to certain wholesale partners, we accept a variety of payment methods, including credit cards, debit cards and electronic funds transfers. Accordingly, we are, and will continue to be, subject to significant and evolving regulations and compliance requirements relating to payment card processing. This includes laws governing the collection, processing and storage of sensitive consumer information, as well as industry requirements such as the Payment Card Industry Data Security Standard (“PCI-DSS”). These laws and obligations may require us to implement enhanced authentication and payment processes that could result in increased costs and liability, and reduce the ease of use of certain payment methods. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time. We rely on independent service providers for payment processing, including credit and debit cards. If these independent service providers become unwilling or unable to provide these services to us or if the cost of using these providers increases, our business could be harmed. We are also subject to payment card association operating rules and agreements, including PCI-DSS, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for losses incurred by card issuing banks or consumers, subject to fines and higher transaction fees, lose our ability to accept credit or debit card payments from our consumers, or process electronic fund transfers or facilitate other types of payments. Any failure to comply could significantly harm our brand, reputation, business, and results of operations.

***If our independent manufacturers or our suppliers fail to use ethical business practices and fail to comply with changing laws and regulations or our applicable guidelines, our brand image could be harmed due to negative publicity.***

Our core values, which include developing the highest quality products while operating with integrity, are an important component of our brand image, which makes our reputation sensitive to allegations

of unethical or improper business practices, whether real or perceived. We do not control our suppliers and manufacturers or their business practices. Accordingly, we cannot guarantee their compliance with our guidelines or the law. A lack of compliance could lead to reduced sales or recalls or damage to our brand or cause us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations.

In addition, many of our products include materials that are heavily regulated in many jurisdictions. Certain jurisdictions in which we sell have various regulations related to manufacturing processes and the chemical content of our products, including their component parts. Monitoring compliance by our manufacturers and suppliers is complicated, and we are reliant on their compliance reporting in order to comply with regulations applicable to our products. This is further complicated by the fact that expectations of ethical business practices continually evolve and may be substantially more demanding than applicable legal requirements. Ethical business practices are also driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such regulations or expectations might develop in the future and cannot be certain that our guidelines or current practices would satisfy all parties who are active in monitoring our products or other business practices worldwide.

***Our current and future products may experience quality problems from time to time that can result in negative publicity, litigation, product recalls and warranty claims, which could result in decreased revenue and operating margin, and harm to our brand.***

There can be no assurance we will be able to detect, prevent, or fix all defects that may affect our products. Failure to detect, prevent, or fix defects, or the occurrence of real or perceived quality, health or safety problems or material defects in our current and future products, could result in a variety of consequences, including a greater number of product returns than expected from customers and our wholesale partners, litigation, product recalls, and credit, warranty or other claims, among others, which could harm our brand, sales, profitability and financial condition. We stand behind every Canada Goose product with a warranty against defects with reasonable use, for the expected lifetime of the product. Because of this comprehensive warranty, quality problems could lead to increased warranty costs, and divert the attention of our manufacturing facilities. Such problems could hurt our premium brand image, which is critical to maintaining and expanding our business. Any negative publicity or lawsuits filed against us related to the perceived quality and safety of our products could harm our brand and decrease demand for our products.

***Our business could be adversely affected by protestors or activists.***

We have been the target of protestors and activists in the past, and may continue to be in the future. Our products include certain animal products, including goose and duck down in all of our down-filled parkas and coyote fur on the hoods of some of our parkas, which has drawn the attention of animal welfare activists. We have been, and may in the future, also be impacted by widespread protests such as the protests related to economic justice in France beginning in 2018, the political disruptions in Hong Kong beginning in 2019 and the recent protests that have occurred in many North American cities.

Protestors can disrupt sales at our stores, cause or prolong store closures, and lead to property damage. Protestors can also use social media or other campaigns to sway public opinion against our products. In addition, such activism could influence laws or regulations applicable to the jurisdictions in which we operate, including laws and regulations related to the use of animal by-products. If any such activists are successful, our sales and results of operations may be adversely affected.

***The cost of raw materials could increase our cost of goods sold and cause our results of operations and financial condition to suffer.***

The raw materials used in our supply chain include synthetic fabrics and natural products, including cotton, polyester, down and coyote fur. Significant price fluctuations or shortages in the cost of these raw materials may increase our cost of goods sold and cause our results of operations and financial condition to suffer. In particular, in our experience, pricing for fur products tends to be unpredictable. If we are unable to secure coyote fur for our jackets at a reasonable price or in accordance with our standards, we may have to alter or discontinue selling some of our designs, or attempt to pass along the cost to our customers, any of which could adversely affect our results of operations and financial condition. Furthermore, any fluctuations or shortages in the availability of reclaimed coyote fur may delay plans to use only reclaimed fur in our outerwear starting in 2022.

Additionally, increasing costs of labour, freight and energy could increase our and our suppliers' cost of goods. If our suppliers are affected by increases in their costs of labour, freight and energy, (for example, because of the unexpected disruption of movement of freight caused by the ongoing COVID-19 pandemic) they may attempt to pass these cost increases on to us. If we pay such increases, we may not be able to offset them through increases in our pricing, which could adversely affect our results of operation and financial condition.

***Fluctuations in foreign currency exchange rates could harm our results of operations as well as the price of our subordinate voting shares.***

The presentation currency for our consolidated financial statements is the Canadian dollar. Because we recognize sales in U.S. dollars, Euros, British pounds, Swiss francs, Hong Kong dollars and Chinese yuan, if any of these currencies weakens against the Canadian dollar it would have a negative impact on our local operating results upon translation of those results into Canadian dollars for the purposes of financial statement consolidation. Although we engage in short-term hedging transactions for a portion of our foreign currency denominated cash flows to mitigate foreign exchange risks, depending upon changes in future currency rates, including those fluctuations derived from the broader impact on the global economy caused by the ongoing COVID-19 pandemic, such gains or losses could have a significant, and potentially adverse, effect on our results of operations. Foreign exchange variations have been significant in the past and current foreign exchange rates may not be indicative of future exchange rates. Significant variations in foreign exchange rates may also make hedging contracts ineffective for hedge accounting purposes in future periods.

Our earnings per share are reported in Canadian dollars, and accordingly may be translated into U.S. dollars by analysts or our investors. As a result, the perceived value of an investment in our subordinate voting shares to a U.S. shareholder will fluctuate as the U.S. dollar rises and falls against the Canadian dollar. Our decision to declare a dividend depends on results of operations reported in Canadian dollars. As a result, U.S. and other shareholders seeking U.S. dollar total returns, including increases in the share price and dividends paid, are subject to foreign exchange risk as the U.S. dollar rises and falls against the Canadian dollar.

***Political uncertainty and an increase in trade protectionism could have a material adverse effect on our business, results of operation and financial condition.***

As a prominent Canadian brand, geopolitical events that involve Canada may have an impact on our business and share price. In addition, our brand and Canadian heritage may be detrimental to the company in the context of geopolitical disputes aimed at Canada or actors or situations with significant actual or perceived connection to Canada. We sell a significant portion of our products to customers outside of Canada and changes, potential changes or uncertainties in regulatory and economic conditions or laws and policies governing foreign trade, manufacturing, and development

and investment in the territories and countries where we operate, could adversely affect our business and consolidated financial statements. Recent events, including the U.S. presidential election and “Brexit” in the U.K., have resulted in substantial regulatory uncertainty regarding international trade and trade policy. For example, in November 2018, the United States, Mexico and Canada signed the United States-Mexico-Canada Agreement (“USMCA”) (in Canada, known as the Canada-United-States-Mexico Agreement (“CUSMA”), which succeeds the North American Free Trade Agreement (“NAFTA”). USMCA/CUSMA has been ratified by the legislature of each of the United States, Canada and Mexico. The impact of USMCA/CUSMA on our business and operations is uncertain. In addition, beginning in 2018, the U.S. imposed tariffs on certain imports from China and other countries, resulting in retaliatory tariffs by China and other countries. In January 2020, a “Phase One” agreement was signed between the United States and China reducing or removing certain tariffs, but negotiations remain ongoing, the outcome of which is uncertain. This uncertainty and potential governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for our products, our costs, customers, suppliers and/or the Canadian, U.S. or world economy or certain sectors thereof and, thus, to adversely impact our business.

***Because of our international operations, which we are expanding as our DTC channel expands, we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery and anti-kickback laws.***

We source an increasingly significant portion of our products from outside Canada. The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other similar anti-bribery and anti-kickback laws and regulations generally prohibit companies and their intermediaries from making improper payments government officials for the purpose of obtaining or retaining business. While we take steps to ensure that our distributors, consultant and personnel comply with applicable law, we cannot assure you that we will be successful in preventing our employees or other agents from taking actions in violation of these laws or regulations. Such violations, or allegations of such violations, could disrupt our business and result in a material adverse effect on our financial condition, results of operations and cash flows.

***We may become involved in legal or regulatory proceedings and audits.***

Our business requires compliance with many laws and regulations, including labour and employment, sales and other taxes, customs, and consumer protection laws and ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise, and the operation of stores and warehouse facilities. Failure to comply with these laws and regulations could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines and penalties. We have in the past and may become involved in legal proceedings or audits, including government and agency investigations, and consumer, employment, tort and other litigation. The outcome of some of these legal proceedings, audits, and other contingencies could require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition. Additionally, defending against these lawsuits and proceedings may be necessary, which could result in substantial costs and diversion of management’s attention and resources, harming our financial condition. There can be no assurance that any pending or future legal or regulatory proceedings and audits will not harm our business, financial condition and results of operations.

***We are subject to many hazards and operational risks that can disrupt our business, some of which may not be insured or fully covered by insurance.***

Our operations are subject to many hazards and operational risks inherent to our business, including: general business risks, product liability, product recall and damage to third parties, our



infrastructure or properties caused by fires, floods and other natural disasters, power losses, telecommunications failures, terrorist attacks, public health emergencies, human errors and similar events.

Our insurance coverage may be inadequate to cover our liabilities related to such hazards or operational risks. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim, or a claim in excess of the insurance coverage limits maintained by us could harm our business, results of operations and financial condition.

***Any failure to maintain effective internal control over financial reporting could have a material adverse effect on our ability to produce accurate and timely financial statements, which could harm our operating results, financial condition, and cash flows, our ability to operate our business and our reputation.***

The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and to expend resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. The measures we take may not be sufficient to satisfy our obligations as a public company and if we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations.

We previously disclosed in our Annual Report on Form 20-F for the year ended March 31, 2019, material weaknesses in our internal control over financial reporting primarily related to control deficiencies within various aspects of our control environment. As a result of these control deficiencies, we concluded that our internal control over financial reporting was not effective for the fiscal year ended March 31, 2019. During fiscal 2020, we completed a series of actions and measures that effectively remediated the previously disclosed material weakness and concluded that as of March 29, 2020 our internal control over financial reporting was effective. See Item 15. - "Controls and Procedures" of this Annual Report. We cannot provide assurances that material weaknesses or significant deficiencies will not occur in the future and that we will be able to remediate such weaknesses or deficiencies in a timely manner, which could have a material adverse effect on our ability to produce accurate and timely financial statements, which could harm our operating results, financial condition, and cash flows, our ability to operate our business and our reputation.

If we identify any material weakness in the future, it could negatively impact the company's ability to prepare its future financial statements in conformity with IFRS. If the company were unable to prepare its future financial statements in conformity with IFRS, we may be unable to report our financial results accurately, which could increase operating costs, trigger an event of default under our credit agreements and harm our business, including our investors' perception of our business, our share price and our ability to finance our operations.

***Failure to maintain adequate financial and management processes and controls could lead to errors in our financial reporting, which could harm our business and cause a decline in our share price.***

Reporting obligations as a public company and our anticipated growth have placed and are likely to continue to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel. In addition, we are required to document and test our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify the effectiveness of our internal controls. If any material weaknesses

in our internal controls are identified in the future, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in our share price. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in our share price and harm our ability to raise capital. Failure to accurately report our financial performance on a timely basis could also jeopardize our continued listing on the Toronto Stock Exchange (“TSX”), the New York Stock Exchange (“NYSE”) or any other exchange on which our subordinate voting shares may be listed. Delisting of our subordinate voting shares from any exchange would reduce the liquidity of the market for our subordinate voting shares, which would reduce the price of our subordinate voting shares and increase the volatility of our share price.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in our reported financial information, which in turn could result in a reduction in the trading price of the subordinate voting shares.

### **Risks Related to Our Subordinate Voting Shares**

***The dual-class structure contained in our articles has the effect of concentrating voting control and the ability to influence corporate matters with Bain Capital and our President and Chief Executive Officer, who held our shares prior to our initial public offering.***

Our multiple voting shares have 10 votes per share and our subordinate voting shares have 1 vote per share. As of March 29, 2020, shareholders who hold multiple voting shares (Bain Capital and our President and Chief Executive Officer (including their respective affiliates)), together hold approximately 89.6% of the voting power of our outstanding voting shares and therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions.

In addition, because of the 10-to-1 voting ratio between our multiple voting shares and subordinate voting shares, the holders of our multiple voting shares will control a majority of the combined voting power of our voting shares even where the multiple voting shares represent a substantially reduced percentage of our total outstanding shares. The concentrated voting control of holders of our multiple voting shares limits the ability of holders of our subordinate voting shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amending of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of multiple voting shares will have the ability to influence or control many matters affecting us and actions may be taken that holders of our subordinate voting shares may not view as beneficial. The market price of our subordinate voting shares could be adversely affected due to the significant influence and voting power of the holders of multiple voting shares. Additionally, the significant voting interest of holders of multiple voting shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the subordinate voting shares,

might otherwise receive a premium for the subordinate voting shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of multiple voting shares.

Future transfers by holders of multiple voting shares, other than permitted transfers to such holders' respective affiliates or direct family members or to other permitted holders, will result in those shares automatically converting to subordinate voting shares, which will have the effect, over time, of increasing the relative voting power of those holders of multiple voting shares who retain their multiple voting shares.

***Bain Capital continues to have significant influence over us in the future, including control over decisions that require the approval of shareholders, which could limit shareholders' ability to influence the outcome of matters submitted to shareholders for a vote.***

We are currently controlled by Bain Capital. As of March 29, 2020, Bain Capital beneficially owned approximately 60.5% of our outstanding multiple voting shares, or approximately 54.3% of the combined voting power of our multiple voting and subordinate voting shares outstanding. In addition, our President and Chief Executive Officer beneficially owns approximately 39.5% of our outstanding multiple voting shares, or approximately 35.4% of the combined voting power of our outstanding voting shares. As long as Bain Capital owns or controls at least a majority of our outstanding voting power, it will have the ability to exercise substantial control over all corporate actions requiring shareholder approval, irrespective of how our other shareholders may vote, including the election and removal of directors and the size of our board of directors, any amendment of our certificate of incorporation, notice of articles and articles, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. Even if its ownership falls below 50% of the voting power of our outstanding voting shares, Bain Capital will continue to be able to strongly influence or effectively control our decisions. Bain Capital's multiple voting shares convert automatically to subordinate voting shares at the time that Bain Capital and its affiliates no longer beneficially own at least 15% of the outstanding subordinate voting shares and multiple voting shares on a non-diluted basis. Even once Bain Capital's multiple voting shares convert into subordinate voting shares we may continue to be a controlled company so long as an entity controlled by our President and Chief Executive Officer continues to hold multiple voting shares.

Additionally, Bain Capital's interests may not align with the interests of our other shareholders. Bain Capital is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Bain Capital may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

***We are a controlled company within the meaning of the NYSE listing rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. Our shareholders will not have the same protections afforded to shareholders of companies that are subject to such requirements.***

We are a controlled company within the meaning of the corporate governance standards of the NYSE. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that:

- we have a compensation committee that is composed entirely of independent directors; and
- we have a nominating and governance committee that is composed entirely of independent directors.

***As a foreign private issuer, we are exempt from certain U.S. securities law disclosure requirements that apply to a domestic U.S. issuer, which may limit the information publicly available to our shareholders.***

As a foreign private issuer we are not required to comply with all of the periodic disclosure and current reporting requirements of the Securities Exchange Act of 1934, as amended (“Exchange Act”) and therefore there may be less publicly available information about us than if we were a U.S. domestic issuer. For example, we are not subject to the proxy rules in the United States and disclosure with respect to our annual meetings and any special meeting of shareholders will be governed by Canadian requirements. In addition, our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules thereunder. Furthermore, as a foreign private issuer, we may take advantage of certain provisions in the NYSE listing rules that allow us to follow Canadian law for certain governance matters.

***Our articles, and certain Canadian legislation contain provisions that may have the effect of delaying or preventing a change in control.***

Certain provisions of our articles, together or separately, could discourage potential acquisition proposals, delay or prevent a change in control and limit the price that certain investors may be willing to pay for our subordinate voting shares. For instance, our articles contain provisions that establish certain advance notice procedures for nomination of candidates for election as directors at shareholders’ meetings. A non-Canadian must file an application for review with the Minister responsible for the Investment Canada Act and obtain approval of the Minister prior to acquiring control of a “Canadian business” within the meaning of the Investment Canada Act, where prescribed financial thresholds are exceeded. Furthermore, acquisitions of our subordinate voting shares and multiple voting shares may be reviewed pursuant to the Competition Act (Canada). This legislation permits the Commissioner of Competition, or Commissioner, to review any acquisition or establishment, directly or indirectly, including through the acquisition of shares, of control over or of a significant interest in us. Otherwise, there are no limitations either under the laws of Canada or British Columbia, or in our articles on the rights of non-Canadians to hold or vote our subordinate voting shares and multiple voting shares. Any of these provisions may discourage a potential acquirer from proposing or completing a transaction that may have otherwise presented a premium to our shareholders.

***Because we are a corporation incorporated in British Columbia and some of our directors and officers are resident in Canada, it may be difficult for investors in the United States to enforce civil liabilities against us based solely upon the federal securities laws of the United States. Similarly, it may be difficult for Canadian investors to enforce civil liabilities against our directors and officers residing outside of Canada.***

We are a corporation incorporated under the laws of British Columbia with our principal place of business in Toronto, Canada. Some of our directors and officers and the auditors or other experts named herein are residents of Canada and all or a substantial portion of our assets and those of such persons are located outside the United States. Consequently, it may be difficult for U.S. investors to effect service of process within the United States upon us or our directors or officers or such auditors who are not residents of the United States, or to realize in the United States upon judgments of courts of the United States predicated upon civil liabilities under the Securities Act. Investors should not assume that Canadian courts: (1) would enforce judgments of U.S. courts obtained in actions against us or such persons predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or blue sky laws of any state within the United States or (2) would enforce, in original actions, liabilities against us or such persons predicated upon the U.S. federal securities laws or any such state securities or blue sky laws.

Similarly, some of our directors and officers are residents of countries other than Canada and all or a substantial portion of the assets of such persons are located outside Canada. As a result, it may be difficult for Canadian investors to initiate a lawsuit within Canada against these non-Canadian residents. In addition, it may not be possible for Canadian investors to collect from these non-Canadian residents judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for Canadian investors to succeed in a lawsuit in the United States, based solely on violations of Canadian securities laws.

***Changes in U.S. tax laws and regulations or trade rules may impact our effective tax rate and may adversely affect our business, financial condition and operating results.***

Changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate, which could adversely affect our business, financial condition and operating results. Additionally, the current U.S. administration has introduced greater uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between the United States and other countries. Major developments in tax policy or trade relations, such as the renegotiation of the North American Free Trade Agreement or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our growth opportunities, business and results of operations.

The U.S. legislation commonly known as the Tax Cuts and Jobs Act comprehensively changed the U.S. federal income tax system. This law and related future legislation, regulations and rulings could adversely affect the U.S. federal income tax treatment of us and the U.S. Holders of our subordinate voting shares. The interpretation and application of many provisions of this law are unclear. U.S. Holders should consult their own tax advisors in that regard.

***There could be adverse tax consequence for our shareholders in the United States if we are a passive foreign investment company.***

Under United States federal income tax laws, if a company is, or for any past period was, a passive foreign investment company ("PFIC") it could have adverse United States federal income tax consequences to U.S. shareholders even if the company is no longer a PFIC. The determination of whether we are a PFIC is a factual determination made annually based on all the facts and

circumstances and thus is subject to change, and the principles and methodology used in determining whether a company is a PFIC are subject to interpretation. We do not believe that we currently are or have been a PFIC, and we do not expect to be a PFIC in the future, but we cannot assure you that we will not be a PFIC in the future. United States purchasers of our subordinate voting shares are urged to consult their tax advisors concerning United States federal income tax consequences of holding our subordinate voting shares if we are considered to be a PFIC.

If we are a PFIC, U.S. holders would be subject to adverse U.S. federal income tax consequences, such as ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws or regulations. Whether or not U.S. holders make a timely qualified electing fund (“QEF”) election or mark-to-market election may affect the U.S. federal income tax consequences to U.S. holders with respect to the acquisition, ownership and disposition of our subordinate voting shares and any distributions such U.S. holders may receive. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to our subordinate voting shares.

***Canada Goose Holdings Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiary for cash to fund its operations and expenses, including future dividend payments, if any.***

As a holding company, our principal source of cash flow is distributions from our main operating subsidiary, Canada Goose Inc. Therefore, our ability to fund and conduct our business, service our debt and pay dividends, if any, in the future will depend on the ability of our subsidiary to generate sufficient cash flow to make upstream cash distributions to us. Our subsidiary is a separate legal entity, and although it is wholly-owned and controlled by us, it has no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise. The ability of our subsidiary to distribute cash to us will also be subject to, among other things, restrictions that may be contained in our subsidiary agreements (as entered into from time to time), availability of sufficient funds in such subsidiary and applicable laws and regulatory restrictions. Claims of any creditors of our subsidiary generally will have priority as to the assets of such subsidiary over our claims and claims of our creditors and shareholders. To the extent the ability of our subsidiary to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt and pay dividends, if any, could be harmed.

***If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our subordinate voting shares adversely, the price and trading volume of our subordinate voting shares could decline.***

The trading market for our subordinate voting shares is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us or may cover us in the future change their recommendation regarding our subordinate voting shares adversely, or provide more favorable relative recommendations about our competitors, the price of our subordinate voting shares would likely decline. If any analyst who covers us or may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our subordinate voting shares to decline.

***Our constating documents permit us to issue an unlimited number of subordinate voting shares and multiple voting shares without additional shareholder approval.***

Our articles permit us to issue an unlimited number of subordinate voting shares and multiple voting shares. We anticipate that we will, from time to time, issue additional subordinate voting shares in

the future. Subject to the requirements of the NYSE and the TSX, we will not be required to obtain the approval of shareholders for the issuance of additional subordinate voting shares. Although the rules of the TSX generally prohibit us from issuing additional multiple voting shares, there may be certain circumstances where additional multiple voting shares may be issued, including upon receiving shareholder approval. Any further issuances of subordinate voting shares or multiple voting shares will result in immediate dilution to existing shareholders and may have an adverse effect on the value of their shareholdings. Additionally, any further issuances of multiple voting shares may significantly lessen the combined voting power of our subordinate voting shares due to the 10-to-1 voting ratio between our multiple voting shares and subordinate voting shares.

#### **ITEM 4. INFORMATION ON THE COMPANY**

##### **A. History and Development of the Company**

Founded in a small warehouse in Toronto in 1957, Canada Goose has grown into one of the world's leading makers of performance luxury apparel. Our products are informed by the rugged demands of the Arctic and inspired by relentless innovation and uncompromised craftsmanship. From the coldest places on Earth to global fashion capitals, people are proud to wear Canada Goose.

We are deeply involved in every stage of our business as a designer, manufacturer, distributor and retailer of outerwear, knitwear and accessories for men, women and children. This vertically integrated business model allows us to directly control the quality of our products while capturing higher margins. As of March 29, 2020, our products are sold through our DTC channel, which has e-commerce operations in 13 countries and 20 retail stores, and our wholesale channel, which is comprised of select wholesale partners and distributors in 47 countries.

In December 2013, we partnered with Bain Capital through a sale of a 70% equity interest in our business (the "Acquisition"). In connection with such sale, Canada Goose Holdings Inc. was incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on November 21, 2013. The initial public offering of our subordinate voting shares in the United States and Canada was completed on March 21, 2017.

In November 2018, we acquired the business of Baffin Inc. ("Baffin"), a Canadian designer and manufacturer of performance outdoor and industrial footwear. Field-tested and trusted in extreme cold weather conditions, Baffin products are predominantly sold through distributors and retailers in Canada and the United States. As a wholly-owned subsidiary, Baffin is managed and operated on a stand-alone basis, with distinct products, sales channels, and customers. In the future, we intend to develop a separate Canada Goose footwear offering leveraging Baffin's expertise, infrastructure and technology.

Our principal office is located at 250 Bowie Avenue, Toronto, Ontario, Canada, M6E 4Y2 and our telephone number is (416) 780-9850. Our registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8. Our website address is [www.canadagoose.com](http://www.canadagoose.com). Information contained on, or accessible through, our website is not a part of this Annual Report and the inclusion of our website address in this Annual Report is an inactive textual reference. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. Corporation Service Company, located at 251 Little Falls Drive, Wilmington, Delaware, is the company's agent for service of process in the United States.

## Our Competitive Strengths

We believe that the following strengths are central to the power of our brand and business model:

**Authentic brand.** For decades, we have helped explorers, scientists, athletes and film crews embrace the elements in some of the harshest environments in the world. Our stories are real and are best told through the unfiltered lens of Goose People, our brand ambassadors. The journeys, achievements and attitudes of these incredible adventurers embody our core belief that greatness is out there and they inspire our customers to chart their own course.

**Uncompromised craftsmanship.** We develop superior functional products centered around protection from the elements and adaptability for a wide range of uses, climates and environments. Our expertise in matching our technical fabrics with the optimal blends of down enables us to create warmer, lighter and more durable products. The superior quality and performance of our products also extends into freedom of movement, breathability and protection from wind and rain.

**Beloved and coveted globally.** We believe that Canada Goose is the reference parka in the performance luxury space. On a global basis, consumer research shows that we are consistently amongst the highest in our competitive set for awareness and affinity. In a market which is largely fragmented and regional, the international breadth of our brand equity is a significant point of strength.

**Proudly made in Canada.** Our Canadian heritage and commitment to local manufacturing are at the heart of our business and brand. While many companies in our industry outsource to offshore manufacturers, we are deeply committed to producing our core down-filled jackets in Canada. We believe that our recognized Made-in-Canada leadership is valued by our customers and difficult to replicate.

**Vertically integrated.** We directly control the design, innovation, development, engineering and testing of our products, which we believe allows us to achieve greater operating efficiencies and deliver superior product quality. We manage our production through a combination of in-house manufacturing facilities and long-standing relationships with third party sub-contractors. This gives us distinct advantages including the ability to scale our operations and achieve higher margins.

**Multi-channel distribution.** Our distribution strategy allows us to reach customers how and where they want to shop, through two distinct and complementary channels. In our most important markets, our DTC channel allows us to have direct and unfiltered relationships with our customers, while realizing more favourable margins. In a world that is increasingly digital, our e-commerce platform is strong and dynamic, offering the full breadth of our product offering, available anytime. The response to our retail stores, which we began opening in the Fall of 2016, has also demonstrated that our customers value physical and immersive experiences, such as our cold rooms, in an exceptional service environment. We are also evaluating and experimenting with omni-channel elements in our retail stores. This includes the Journey at CF Sherway Gardens in Toronto, which combines guided digital and physical experiences with inventory-free online shopping and same-day home delivery. Canada Goose also recognizes that many consumers value shopping in multi-brand environments. Our complementary wholesale channel, which represented 2,121 points of distribution during the Fall / Winter 2019 season, plays an important role in our business, extending the reach and influence of our distribution. We work closely with our curated network of best-in-



class partners and distributors, to ensure the highest standards of customer experience and brand storytelling.

**Proven management team.** Dani Reiss, our President and Chief Executive Officer since 2001, has led the transformation of Canada Goose from a small Canadian jacket manufacturer to a global luxury brand. Mr. Reiss has played a central role in transitioning the business into a consumer-facing brand, developing our international markets and building a world-class team of senior business leaders. Our current management team has established our innovative multi-channel distribution model, rapidly scaled Made-in-Canada manufacturing and successfully evolved our product offering beyond the parka.

## **B. Business Overview**

### **Our Growth Strategies**

**Pursue global growth.** We believe that we have a significant opportunity to grow demand, distribution and penetration, in both existing and new geographic markets.

*Strengthen brand affinity.* Driving interest from new customers and building deeper connections with those who already know us is central to our market development strategy. While our brand is recognized and coveted globally, we have potential to meaningfully increase awareness, consideration and conversion. Through authentic storytelling and unique experiences, amplified by our digital-first approach, we plan to continue introducing Canada Goose to the world, activating local markets to support our distribution, and encouraging our fans to explore the full breadth of our offering.

*Enhance our wholesale network.* With a focus on providing a compelling and consistent brand experience, we plan to strengthen our relationships with best-in-class wholesale partners and distributors, while strategically editing down total points of distribution. Through a wide range of collaborations in areas such as assortment planning, merchandising, creative content, events and campaigns, we are working closely with our wholesale network to build awareness and affinity for the long term, while driving traffic and full price sell through.

*Continue our DTC rollout.* Since opening our first e-commerce site in Canada in August of 2014, we have achieved annual DTC revenue of \$525.0 million in fiscal 2020, which represents 54.8% of total revenue. Alongside our complementary wholesale channel, we intend to continue expanding our retail stores and e-commerce operations on a global basis.

*Drive higher penetration globally.* While we plan to continue expanding our business in Canada, we have a larger long-term opportunity globally. In recent years, we have had early success developing a wide range of geographies including the United States, the United Kingdom and Greater China. Building on this momentum, we plan to drive further penetration gains in major international markets where we already enjoy strong demand, through brand building and distribution expansion.

The following table presents our revenue in each of our geographic segments over the past three fiscal years:

In CAD \$millions	Fiscal year ended			'18 - '20
	March 29, 2020	March 31, 2019	March 31, 2018	CAGR
Canada	293.1	293.3	228.8	13.2%
United States	279.0	251.1	184.2	23.1%
Asia	199.9	112.1	36.1	135.3%
Europe and Rest of World	186.1	174.0	142.1	14.4%
<b>Total</b>	<b>958.1</b>	<b>830.5</b>	<b>591.2</b>	<b>27.3%</b>

Canada, which is our most developed market in terms of brand affinity and distribution, was our largest geographic segment by revenue in fiscal 2020. Comparatively, in the United States and our Rest of World segment, which is comprised of key markets in Western Europe and Asia, we estimate that the addressable populations of potential local and travelling Canada Goose consumers are much larger. This is supported by broader luxury outerwear and apparel spending levels in these regions. With penetration at an earlier stage of development in these markets, we believe that we have substantial runway to increase the size of our business globally.

**Enhance and expand our product offering.** As a product-led, function-first brand we will continue to evolve and expand our product offering across styles, uses and climates. Giving people new ways to experience Canada Goose builds deeper brand loyalty, drives higher penetration and expands our geographic appeal.

*Fall / Winter.* While our long-standing styles continue to grow, we are also broadening our jacket offering through innovation and new styles. With outerwear becoming a more prominent part of wardrobes, we intend to continue responding to demand for more choice and variety with new down-filled jackets that address a wider range of silhouettes, colours, fits, uses and weather conditions.

*Spring.* We plan to continue successfully building out our Spring collections in categories such as lightweight down, rainwear and windwear. While keeping our customers warm, comfortable and protected across three seasons, these extensions also increase our relevance in markets with more temperate climates.

*Beyond outerwear.* Our strategy is to selectively and carefully respond to customer demand for complementary functional products in adjacent categories. As a product-led, function-first brand, we are focused on going places which stay true to our heritage and where we have the right capabilities to create exceptional products that are undeniably authentic Canada Goose. Outside of outerwear, we currently offer collections of knitwear and accessories, which we intend to thoughtfully expand in offering and distribution going forward. We are also developing a strategy and internal capabilities for a cold weather footwear offering, which we plan to commercially release in the medium to longer term.

**Drive higher margins.** As we scale our business, we plan to continue leveraging our brand and business model to drive operational efficiencies and higher margins in the following ways:

*Channel mix.* As our mix further shifts towards the DTC channel, we expect to continue to capture incremental gross margin and realize higher operating margins. A jacket sale in our DTC channel

provides significantly greater contribution to segment operating income as compared to a sale of the same product in our wholesale channel.

*Price optimization.* We believe that we have a significant degree of pricing power with our products and we plan to continue optimizing our pricing to capture their full value to consumers. In addition, we intend to continue offering new styles at higher price points, which is incrementally beneficial to gross margin over the longer term as volumes and production efficiencies scale.

*Manufacturing.* We intend to continue increasing in-house domestic jacket production relative to third-party manufacturing to realize efficiencies, with efficiencies over time expected to offset the price inflation of inputs to manufacturing, and capture incremental gross margin to fund strategic investments in new product. In fiscal 2020, 53% of total down-filled jacket production was in-house, as compared to 47% in fiscal 2019.

## **Our Products**

### *Outerwear*

Since 1957, Canada Goose has been making purpose-driven products known for unparalleled warmth and functionality to thrive in some of the most extreme conditions in the world.

Over time, our product offering has evolved significantly. We leverage our tactical industrial heritage to inspire, develop and refine functional outerwear for extreme conditions and beyond. Recognizing that our consumers want to bring the functionality of our Arctic parkas into their everyday lives, we have expanded our offering for a wider range of audiences, including urban explorers and discerning luxury consumers. True to our heritage, we partner with Goose People as a source of inspiration and real-world testing. For example, while developing our award-winning HyBridge Lite product, Ray Zahab, extreme adventure athlete, put the jacket to the test while running the Sahara. The Skreslet Parka, co-designed by Laurie Skreslet, the first Canadian to summit Everest, inspired our Altitude line of mountaineering products.

We have also expanded into functional outerwear for shoulder seasons and more temperate climates. Canada Goose's authentic, adaptable and function-first approach to design delivers true protection from unpredictable weather anywhere. Our collection of raincoats, windwear and lightweight jackets are designed to offer unparalleled performance on their own - and unmatched adaptability when worn as a system.

### *Knitwear*

Canada Goose introduced its first Knitwear Collection in 2017, pairing the natural moisture wicking and temperature regulating properties of premium ultra-fine Merino wool with the function-first focus at the core of all of our products. Our knitwear uses Thermal Mapping™ technology for maximum comfort by increasing breathability where your body needs it most. This technique combines loose and tight stitches to increase airflow to the parts of the body that generate the most heat or require more insulation.

### *Accessories*

Canada Goose's accessories are designed to transition seamlessly from weekday commutes to weekend retreats. Our collection of scarves and beanies are made in Italy from premium ultra-fine Merino wool and our gloves are available in reinforced leather that resists abrasion or in heavy duty fleece and down-filled styles for ultimate warmth in colder climates.

## *Thermal Experience Index™*

From hiking trails to embarking on an urban adventure, or exploring the coldest places on Earth, Canada Goose has developed the Thermal Experience Index (TEI) to help consumers select the right product for them no matter the adventure. The five-point system breaks down each piece into a category, activity and suggested temperature. TEI categorizes warmth from lightweight pieces to parkas made for extreme weather systems; ranging from five degrees Celsius (40 degrees Fahrenheit) to negative 30 degrees Celsius (negative 25 degrees Fahrenheit) and below.

## **Sourcing and Manufacturing**

Uncompromised craftsmanship begins with sourcing the right raw materials. We use premium fabrics and finishings that are built to last. Our blends of down and fabrics enable us to create warmer, lighter and more durable products across seasons and applications. Our products are made with down because it is recognized as one of the world's best natural insulators.

In 2019, we committed to the Responsible Down Standard ("RDS") and we intend to be 100% RDS-certified by 2021. The RDS aims to ensure that down and feathers come from animals that have not been subjected to unnecessary harm. Under this standard, Canada Goose will join with other brands and supply chain members to respect the Five Freedoms (as referenced by the RDS) of the animals that provide the down and feathers in our garments.

For five decades, our parkas have featured wild coyote fur sourced from western Canada and the United States. Natural fur provides functionality in extreme environments and is an integral feature of authentic Arctic outerwear. In 2020, Canada Goose announced a bold new initiative that will introduce reclaimed fur into our supply chain. We plan to begin making parkas using reclaimed fur and end the purchasing of new fur in 2022. Customers should begin to see reclaimed fur in some of our products as early as Fall 2022.

As of March 29, 2020, we operate eight Canada Goose manufacturing facilities in Toronto, Winnipeg and Greater Montreal and one Baffin manufacturing facility in Stoney Creek, Ontario. As of March 29, 2020, we also work with 22 Canadian subcontractors and 8 international manufacturing partners who offer specialized expertise, which provides us with flexibility to scale our production and effectively offer a broader range of product categories. We have been recognized by the Government of Canada for supporting the apparel manufacturing industry in Canada.

## **Intellectual Property**

We own the trademarks used in connection with the marketing, distribution and sale of all of our products in the United States, Canada and in the other countries in which our products are sold. Our major trademarks include the CANADA GOOSE word mark and the ARCTIC PROGRAM & DESIGN trademark (our disc logo consisting of the colour-inverse design of the North Pole and Arctic Ocean). In addition to the registrations in Canada and the United States, our word mark and design are registered in other jurisdictions which cover approximately 60 countries. Furthermore, in certain jurisdictions we register as trademarks certain elements of our products, such as fabric, warmth categorization and style names such as our Snow Mantra parka.

We enforce our trademarks and we have taken several measures to protect our customers from counterfeiting activities. Since 2011, we have sewn a unique hologram, designed exclusively for us, into every jacket and accessory as proof of authenticity. Additionally, our website has a tool for potential online customers to verify the integrity of third party retailers that purport to sell our products. We are also active in enforcing rights on a global basis to our trademarks and taking action against counterfeiters, online and in physical stores.

## Seasonality

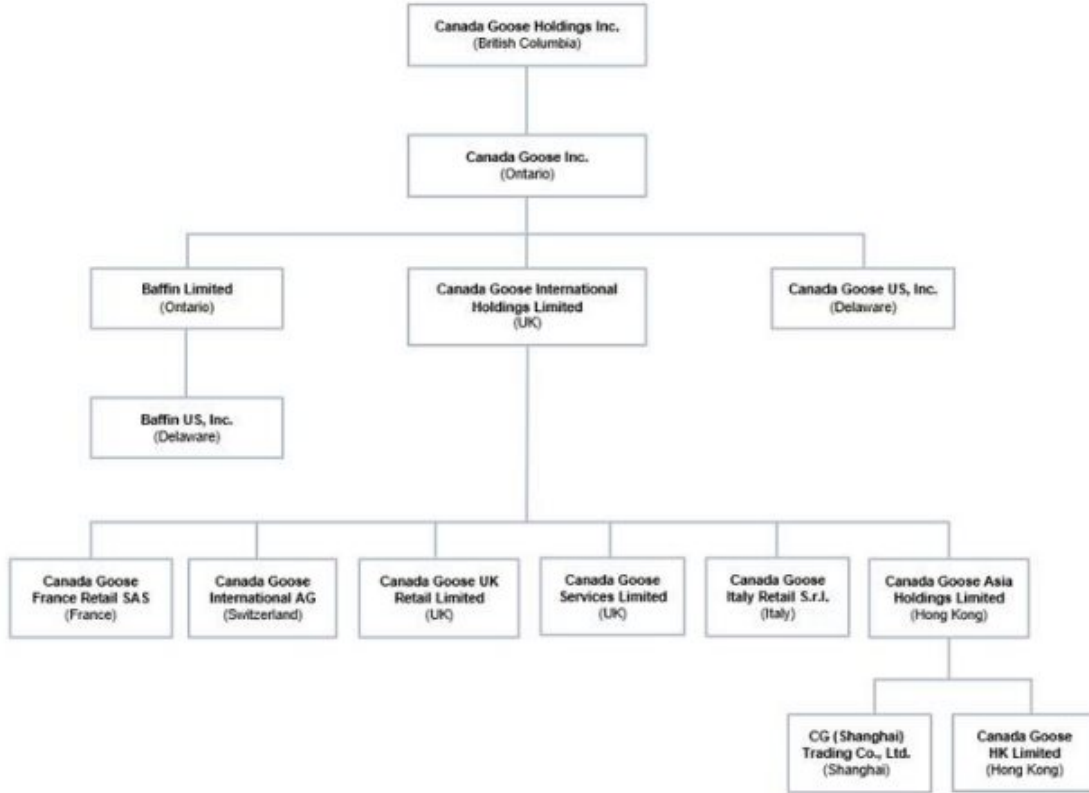
Our business is seasonal in nature. See Item 5.A - “Operating and Financial Review and Prospects” - “Management’s Discussion and Analysis of Financial Results” - “Factors Affecting our Performance” - “Seasonality” and Item 3.D - “Risk Factors” - “Risks Related to our Business” for a discussion.

## Government Regulation

In Canada and in the other jurisdictions in which we operate, we are subject to labour and employment laws, laws governing advertising, privacy and data security laws, safety regulations and other laws, including consumer protection regulations that apply to retailers and/or the promotion and sale of merchandise and the operation of stores and warehouse facilities. Our products sold outside of Canada are subject to tariffs, treaties and various trade agreements as well as laws affecting the importation of consumer goods. We monitor changes in these laws, regulations, treaties and agreements, and believe that we are in material compliance with applicable laws.

## C. Organizational Structure

The following chart reflects our organizational structure (including the jurisdiction of formation or incorporation of the various entities).



#### **D. Property, Plants and Equipment**

We maintain leased facilities for our corporate headquarters and to conduct our principal manufacturing and retail activities, which we believe are in good condition and working order.

In Canada, we lease 19 properties, comprised of nine retail stores, one office, showroom and manufacturing facility, seven additional manufacturing facilities, one warehouse and one logistics facility. Our manufacturing, warehouse and logistics properties range in size from 50,000-170,000 square feet. In the United States, we lease six properties comprised of five retail stores and one office and showroom. In Europe, we lease four properties comprised of three retail stores and one office and showroom. In Asia, we lease nine properties comprised of six retail stores and three offices.

#### **ITEM 4A. UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

The following tables set forth our selected consolidated financial data. The selected historical consolidated financial data below should be read in conjunction with our Annual Financial Statements (Item 18), as well as Item 4. - "Information on the Company" of this Annual Report.

We have derived the statements of operations data for the years ended March 29, 2020, March 31, 2019 and March 31, 2018 and the consolidated financial position information as at March 29, 2020 and March 31, 2019 from our Annual Financial Statements included elsewhere in this Annual Report. The statements of operations data for the years ended March 31, 2017 and March 31, 2016 and the consolidated financial position information as at March 31, 2018, March 31, 2017, and March 31, 2016 have been derived from our audited consolidated financial statements, which are not included in this Annual Report. Our Annual Financial Statements have been prepared in accordance with IFRS and are presented in millions of Canadian dollars except where otherwise indicated. Our historical results are not necessarily indicative of the results that should be expected in any future period.

CAD \$ millions (except per share data)	For the year ended				
	March 29, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
<b>Statement of Operations Data:</b>					
Revenue	958.1	830.5	591.2	403.8	290.8
Cost of sales	364.8	313.7	243.6	191.7	145.2
Gross profit	593.3	516.8	347.6	212.1	145.6
Selling, general and administrative expenses	350.5	302.1	200.1	165.0	100.1
Depreciation and amortization	50.7	18.0	9.4	6.6	4.5
Operating income	192.1	196.7	138.1	40.5	41.0
Net interest and other finance costs	28.4	14.2	12.9	10.0	8.0
Income before income taxes	163.7	182.5	125.2	30.5	33.0
Income tax expense	12.0	38.9	29.1	8.9	6.5
Net income	151.7	143.6	96.1	21.6	26.5
Other comprehensive income (loss)	2.8	0.7	(1.8)	(0.6)	(0.7)
Total comprehensive income	154.5	144.3	94.3	21.0	25.8
<b>Earnings per share</b>					
Basic	\$ 1.38	\$ 1.31	\$ 0.90	\$ 0.22	\$ 0.26
Diluted	\$ 1.36	\$ 1.28	\$ 0.86	\$ 0.21	\$ 0.26
<b>Weighted average number of shares outstanding</b>					
Basic	109,892,031	109,422,574	107,250,039	100,262,026	100,000,000
Diluted	111,168,788	111,767,584	111,519,238	102,023,196	101,692,301

CAD \$ millions	March 29, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
<b>Financial Position Information:</b>					
Cash	31.7	88.6	95.3	9.7	7.2
Net working capital <sup>(1)</sup>	327.1	188.0	72.1	89.2	97.5
Total assets	1,112.7	725.4	548.4	380.9	353.0
Total non-current liabilities	391.2	189.7	171.2	170.4	160.3
Shareholders' equity	520.2	399.1	243.6	146.1	142.7

<sup>(1)</sup> Net working capital is a non-IFRS financial measure. See "Non-IFRS Financial Measures" for a description of these measures.

## CANADA GOOSE HOLDINGS INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the fourth quarter and year ended March 29, 2020

*The following Management's Discussion and Analysis ("MD&A") for Canada Goose Holdings Inc. ("us," "we," "our," "Canada Goose" or the "Company") is dated June 2, 2020 and provides information concerning our results of operations and financial condition for the fourth quarter and year ended March 29, 2020 ("fiscal 2020"). You should read this MD&A together with our audited consolidated financial statements and the related notes for the year ended March 29, 2020 ("Annual Financial Statements"). Additional information about Canada Goose is available on our website at [www.canadagoose.com](http://www.canadagoose.com), on the SEDAR website at [www.sedar.com](http://www.sedar.com), and on the EDGAR section of the U.S. Securities and Exchange Commission (the "SEC") website at [www.sec.gov](http://www.sec.gov), including this Annual Report on Form 20-F.*

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. These statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as "anticipate," "believe," "envision," "estimate," "expect," "forecast," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "contemplate" and other similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. They appear in many places throughout this MD&A and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, business prospects, growth, strategies, expectations regarding industry trends and the size and growth rates of addressable markets, our business plan and our growth strategies, including plans for expansion to new markets and new products, expectations for seasonal trends, and the industry in which we operate.

Certain assumptions made in preparing the forward-looking statements contained in this MD&A include:

- our ability to continue operating our business amid the societal and economic disruption caused by the global COVID-19 (as defined below) pandemic;
- our ability to implement our growth strategies;
- our ability to maintain strong business relationships with our customers, suppliers, wholesalers and distributors;
- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property; and
- the absence of material adverse changes in our industry or the global economy.



By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section of our Annual Report and other risk factors described herein, which include, but are not limited to, the following risks:

- global disruptions, including the ongoing COVID-19 pandemic significantly affecting numerous countries;
- we may not be able to re-open our retail stores and our wholesale partners may not be able to re-open their retail stores by our peak selling season;
- we may not open retail stores or expand e-commerce access on our planned timelines;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- an economic downturn may further affect discretionary consumer spending;
- we may not be able to satisfy changing consumer preferences;
- our indebtedness may adversely affect our financial condition;
- we may not be able to compete in our markets effectively;
- we may not be able to manage our growth effectively;
- poor performance during our peak season may affect our operating results for the full year;
- global political events, including the impact of political disruptions in Hong Kong and recent protests in many North American cities;
- our ability to maintain relationships with our select number of suppliers;
- our ability to procure high quality raw materials and certain finished goods globally;
- our ability to forecast our inventory needs;
- we may be unable to protect or preserve our brand image and proprietary rights;
- our ability to manage our product distribution through our wholesale partners and international distributors;
- the success of our new store openings;
- the success of our expansion into Greater China;
- the success of our marketing programs;
- our ability to manage our exposure to data security and cyber security events;
- the risk our business is interrupted because of a disruption at our headquarters;
- fluctuations in raw material costs, interest rates and currency exchange rates; and
- we may be unable to maintain effective internal controls over financial reporting.

Although we base the forward-looking statements contained in this MD&A on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this MD&A. Additional impacts may arise that we are not aware of currently. The potential of such additional impacts intensifies the business and operating risks which we face, and these should be considered when reading the forward-looking statements contained in this



MD&A. In addition, even if results and developments are consistent with the forward-looking statements contained in this MD&A, those results and developments may not be indicative of results or developments in subsequent periods. As a result, any or all of our forward-looking statements in this MD&A may prove to be inaccurate. No forward-looking statement is a guarantee of future results. Moreover, we operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

You should read this MD&A and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained herein are made as of the date of this MD&A, and we do not assume any obligation to update any forward-looking statements except as required by applicable laws.

## **BASIS OF PRESENTATION**

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and are presented in millions of Canadian dollars, except where otherwise indicated. Certain financial measures contained in this MD&A are non-IFRS financial measures and are discussed further under “Non-IFRS Financial Measures” below.

All references to “\$”, “CAD” and “dollars” refer to Canadian dollars, “USD” and “US\$” refer to U.S. dollars, “GBP” refer to British pounds sterling, “EUR” refer to euros, “CHF” refer to Swiss francs, “CNY” refer to Chinese yuan, “RMB” refer to Chinese renminbi and “HKD” refer to Hong Kong dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this MD&A may not reconcile due to rounding. This MD&A and the accompanying Annual Financial Statements are presented in millions of Canadian dollars.

All references to “fiscal 2018” are to the Company’s year ended March 31, 2018; to “fiscal 2019” are to the Company’s year ended March 31, 2019; to “fiscal 2020” are to the Company’s year ended March 29, 2020; and to “fiscal 2021” are to the Company’s year ending March 28, 2021.

## **CHANGE IN FISCAL YEAR EFFECTIVE APRIL 1, 2019**

Effective April 1, 2019, the Company changed its fiscal year from a calendar basis of twelve months ended March 31 to a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks. The additional week in a 53 week fiscal year is added to the fourth quarter. The Company’s first 53 week fiscal year will occur in 2022. Fiscal 2020 comprises four fiscal quarters ending on June 30, 2019, September 29, 2019, December 29, 2019 and March 29, 2020. The Company has not adjusted financial results for quarters prior to fiscal 2020. In the Annual Financial Statements and in this MD&A, the term “fourth quarter ended March 29, 2020” refers to the 13 week period ended March 29, 2020 (91 days) and the term “fourth quarter ended March 31, 2019” refers to the three months ended March 31, 2019 (90 days). The term “year ended March 29, 2020” refers to the 52-week period ended March 29, 2020 (364 days), the term “year ended March 31, 2019” refers to the twelve months ended March 31, 2019 (365 days), and the term “year ended March 31, 2018” refers to the twelve months ended March 31, 2018 (365 days).

## SUMMARY OF FINANCIAL PERFORMANCE

The following table summarizes results of operations for the years ended March 29, 2020, March 31, 2019 and March 31, 2018 and the fourth quarters ended March 29, 2020 and March 31, 2019, and expresses the percentage relationship to revenues of certain financial statement captions. See “Results of Operations” for additional details and for the comparison discussions between the years ended March 29, 2020 and March 31, 2019. For the comparison discussions between the years ended March 31, 2019 and March 31, 2018, please refer to Item 5. “Operating and Financial Review and Prospects” of our Annual Report on Form 20-F for the year ended March 31, 2019, filed with the SEC on May 29, 2019.

CAD \$ millions (except per share data)	For the year ended			For the fourth quarter ended	
	March 29, 2020	March 31, 2019	March 31, 2018	March 29, 2020	March 31, 2019
<b>Statement of Operations data:</b>					
Revenue	958.1	830.5	591.2	140.9	156.2
Gross profit	593.3	516.8	347.6	93.6	102.4
<i>Gross margin</i>	61.9%	62.2%	58.8%	66.4 %	65.6%
Operating income	192.1	196.7	138.1	(17.2)	11.7
Net income	151.7	143.6	96.1	2.5	9.0
<b>Earnings per share</b>					
Basic	\$ 1.38	\$ 1.31	\$ 0.90	\$ 0.02	\$ 0.08
Diluted	\$ 1.36	\$ 1.28	\$ 0.86	\$ 0.02	\$ 0.08
<b>Other data:<sup>(1)</sup></b>					
EBIT	192.1	196.7	138.1	(17.2)	11.7
Adjusted EBIT	207.4	206.9	136.4	(9.7)	13.0
<i>Adjusted EBIT margin</i>	21.6%	24.9%	23.1%	(6.9)%	8.3%
Adjusted net income (loss)	147.2	151.6	94.1	(13.3)	10.0
Adjusted net income (loss) per basic share	\$ 1.34	\$ 1.39	\$ 0.88	\$ (0.12)	\$ 0.09
Adjusted net income (loss) per diluted share	\$ 1.32	\$ 1.36	\$ 0.84	\$ (0.12)	\$ 0.09

CAD \$ millions	March 29, 2020	March 31, 2019	March 31, 2018
<b>Financial Position:</b>			
Cash	31.7	88.6	95.3
Net working capital <sup>(1)</sup>	327.1	188.0	72.1
Total assets	1,112.7	725.4	548.4
Total non-current liabilities	391.2	189.7	171.2
Shareholders' equity	520.2	399.1	243.6

<sup>(1)</sup> EBIT, adjusted EBIT, adjusted EBIT margin, adjusted net income (loss), adjusted net income (loss) per basic and diluted share, and net working capital are non-IFRS financial measures. See “Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

## Segments

Canada Goose reporting segments align with our sales channels: Direct-to-Consumer (“DTC”), Wholesale, and Other. We measure each reportable operating segment’s performance based on revenue and operating income. Our DTC segment includes sales to customers through our 13 national e-commerce markets and 20 directly operated retail stores across North America, Europe, and Asia. Through our wholesale segment, we sell to a mix of retailers, including major luxury department stores, outdoor specialty stores, individual shops, and to international distributors.

In the fourth quarter of fiscal 2020, the Company revised the previous Unallocated segment to the Other segment. The Other segment includes sales and costs not directly allocated to the DTC or Wholesale channels, such as sales to employees and selling, general and administrative expenses not directly allocated to the DTC or Wholesale segments. The Other segment includes the cost of marketing expenditures to build brand awareness across all segments, corporate costs in support of manufacturing operations, other corporate costs and foreign exchange gains and losses not specifically associated with DTC or Wholesale segment operations. It also includes overhead costs resulting from the temporary closure of our manufacturing facilities in March 2020 due to COVID-19. Comparative information has been restated to conform with the presentation adopted in the current year.

## Factors Affecting our Performance

We believe that our performance depends on many factors including those discussed below.

- *COVID-19 pandemic.* The ongoing COVID-19 pandemic is significantly affecting countries in which we operate. The measures aimed at limiting its expansion include government orders that require the closure of non-essential businesses and people to remain at home in Canada, the United States, and in many other countries globally. In February 2020, we temporarily reduced operating hours for all of our retail locations in Mainland China. Although normal operating hours for these locations were restored in April 2020, with precautionary health measures in place, traffic trends remain below pre-pandemic levels. Reduced operating hours put in place for our retail locations in Hong Kong as of April 2020 currently remain in effect. In March 2020, we temporarily closed all of our retail locations in North America and Europe as well as our North American manufacturing facilities. Other than our retail locations in Montreal, Canada, Paris, France and Milan, Italy, these retail locations currently remain closed. Further openings are being evaluated on a staged region-by-region basis, based on regulatory guidelines and supporting traffic trends as well as the health and safety of employee and guests. In April 2020, we partially reopened our eight manufacturing facilities across Canada for the domestic production of personal protective equipment (“PPE”). We have also experienced a significant reduction to wholesale shipments due to COVID-19 disruptions to partner operations. We expect these circumstances to have significant adverse consequences on our results of operations for the first quarter of fiscal 2021 and these circumstances are likely to negatively impact future fiscal periods as disruptions and prolonged consequences associated with the COVID-19 pandemic continue. Prolonged disruptions could also affect our ability to procure raw materials and certain finished goods globally and have delayed and may further delay or reduce our DTC expansion plans.

During fiscal 2020, we created an inventory buffer ahead of demand and to support the planned rationalization of third-party manufacturing capacity as we move more production in-house. These elevated finished goods inventory levels enable the Company to conserve cash and meet demand in the short-term as stores re-open and we undertake a staggered and gradual resumption of production.

In addition, our liquidity position is enhanced by available borrowing capacity, the calculation of which includes inventory, from our senior secured asset-based revolving credit facility (the

“Revolving Facility”) and the uncommitted loan facility in China (the “Short-term Borrowings”). As of May 26, 2020, the Revolving Facility also includes the first-in, last-out revolving facility (“FILO Revolving Facility”). Refer to the “Financial Condition, Liquidity and Capital Resources” and “Subsequent Events” sections of this MD&A for additional details.

- *Global political events and other disruptions.* We are conscious of risks related to social, economic and political instability, including geopolitical tensions, regulatory matters, market volatility and social unrest that are affecting consumer spending in certain countries and travel corridors. We have been, and may in the future, be impacted by widespread protests such as the political disruptions in Hong Kong which began in 2019 and the recent protests that have occurred in many North American cities. The events in Hong Kong have severely impacted the level of tourism in the region, retail traffic in its public spaces, and store operating hours, negatively affecting our retail store performance and our Greater China expansion strategy. Moreover, tourists and other travelers from Greater China account for an important portion of the global demand for luxury products, including premium outerwear. To the extent that such disruptions persist, we expect that our operations and traffic at our retail stores will continue to be impacted in Hong Kong, and may also be impacted in certain North American cities.
- *Market development.* Our market development strategy has been a key driver of our recent revenue growth and we plan to continue to execute our global expansion strategy, though such expansion has been delayed and may be delayed further due to COVID-19. Across our various markets, we intend to continue increasing brand awareness and activating local markets while expanding our distribution globally.
- *Growth in our DTC Channel.* We intend to continue expanding retail and e-commerce access globally, though such expansion has been delayed and may be delayed further due to COVID-19. This is expected to further alter the seasonality of our financial performance, as customers tend to purchase goods in retail stores and on e-commerce sites at a higher rate in our third and fourth fiscal quarters, compared to the wholesale channel, where products are primarily delivered to wholesale partners in the second and third quarters ahead of their peak selling season.
- *New Products.* We intend to continue investing in innovation and the development and introduction of new products across styles, uses and climates. This includes our Fall/Winter and Spring collections of parkas, lightweight down jackets, rainwear, windwear, knitwear and accessories. Additionally, in connection with the acquisition of the business of Baffin Inc. (the “Baffin Vendor”), in November 2018 (the “Baffin acquisition”), we continue to sell Baffin branded footwear through Baffin’s own distinct sales channels. We are also planning to develop a separate Canada Goose footwear offering in the medium to longer term, leveraging Baffin’s infrastructure, processes and technology. We expect that certain new products may carry a lower gross margin per unit relative to our long-standing styles which are produced in significantly higher volumes.

- *Seasonality.* We experience seasonal fluctuations in our revenue and operating results and have historically realized a significant portion of our annual wholesale revenue during our second and third fiscal quarters, and our annual DTC revenue in our third and fourth fiscal quarters. We generated 77.9%, 75.8%, and 74.2% of our consolidated revenues in the combined second and third fiscal quarters of fiscal 2020, fiscal 2019, and fiscal 2018, respectively. Because of seasonal fluctuations in revenue and fixed costs associated with our business, particularly the headcount growth and premises costs associated with our expanding DTC channel, we typically experience negative and substantially reduced net income and adjusted EBIT<sup>(1)</sup> in the first and fourth quarters, respectively. As a result of our seasonality, changes that impact gross margin and adjusted EBIT<sup>(1)</sup> can have a disproportionate impact on the quarterly results when they are recorded in our off-peak revenue periods.

<sup>(1)</sup> *Adjusted EBIT is a non-IFRS measure. See “Non-IFRS Financial Measures” for a description of these measures.*

Guided by expected demand and wholesale orders, we have manufactured on a linear basis throughout the fiscal year. Net working capital requirements typically increase as inventory builds. We finance these needs through a combination of cash on hand and borrowings on the Revolving Facility and the Short-term Borrowings. Cash flows from operations are typically highest in the third and fourth fiscal quarters of the fiscal year due to revenue from the DTC channel and the collection of receivables from wholesale revenue earlier in the year.

- *Developments in international trade.* We continue to prepare for the impact on our operations in Europe and the U.K. as a result of the British exit from the European Union (“Brexit”). We do not expect any consequences, positive or negative, emanating from the United States-Mexico-Canada Agreement (“USMCA”). The Company continues to benefit from reduced tariffs on certain of our products imported into Europe under the Canada-European Union Comprehensive Economic and Trade Agreement (“CETA”) which entered into force provisionally on September 21, 2017 and is pending ratification by certain EU countries. We monitor developments in international trade in countries where we operate that could have an impact on our business.
- *Foreign Exchange.* We sell a significant portion of our products to customers outside of Canada, which exposes us to fluctuations in foreign currency exchange rates. In fiscal years 2020, 2019, and 2018, we generated 62.3%, 58.0%, and 53.7%, respectively, of our revenue in currencies other than Canadian dollars. Historically, most of our wholesale revenue was derived from orders made prior to the beginning of the fiscal year. This high degree of visibility into our anticipated future cash flows from wholesale operations is now less certain given the current economic environment. Most of our raw materials are sourced outside of Canada, primarily in U.S. dollars, and selling, general, and administrative (“SG&A”) expenses are typically denominated in the currency of the country in which they are incurred. As part of our risk management program, we have entered into foreign exchange derivative contracts to manage certain of our exposures to exchange rate fluctuations for future foreign currency transactions, which is intended to reduce the variability of our operating costs and future cash flows denominated in local currencies. We continue to monitor our risk management program to take into account the prevailing global uncertainty of COVID-19.

We are exposed to translation and transaction risks associated with foreign currency exchange fluctuations on the Chinese renminbi denominated principal and interest amounts payable on our Short-term Borrowings and U.S. dollar denominated principal and interest amounts payable on our Revolving Facility and senior secured term loan facility (the “Term Loan Facility”). The Company has entered into foreign exchange cross-currency swap and forward contracts to hedge a portion of the exposure to foreign currency exchange and interest rate risk on the

principal amount of the Term Loan Facility. See “Quantitative and Qualitative Disclosures about Market Risk - Foreign Exchange Risk” below.

The main foreign currency exchange rates that impact our business and operations as at and for the year ended March 29, 2020 and for the year ended March 31, 2019 are summarized below:

Currency	Foreign currency exchange rate to \$1.00 CAD					
	Fiscal 2020					
	Average Rate					Closing Rate
	Q1	Q2	Q3	Q4	2020	March 29, 2020
USD/CAD	1.3375	1.3206	1.3200	1.3442	1.3306	1.4056
EUR/CAD	1.5032	1.4677	1.4617	1.4811	1.4784	1.5525
GBP/CAD	1.7190	1.6280	1.7004	1.7185	1.6915	1.7353
CHF/CAD	1.3345	1.3394	1.3338	1.3887	1.3491	1.4666
CNY/CAD	0.1960	0.1882	0.1874	0.1925	0.1910	0.1981
HKD/CAD	0.1706	0.1687	0.1687	0.1730	0.1702	0.1813

Currency	Foreign currency exchange rate to \$1.00 CAD					
	Fiscal 2019					
	Average Rate					Closing Rate
	Q1	Q2	Q3	Q4	2019	March 31, 2019
USD/CAD	1.2912	1.3069	1.3214	1.3292	1.3122	1.3363
EUR/CAD	1.5390	1.5204	1.5080	1.5094	1.5192	1.5002
GBP/CAD	1.7567	1.7039	1.6992	1.7315	1.7228	1.7418
CHF/CAD	1.3108	1.3291	1.3274	1.3329	1.3251	1.3421
CNY/CAD	0.2024	0.1920	0.1911	0.1970	0.1956	0.1991
HKD/CAD	0.1645	0.1666	0.1688	0.1694	0.1673	0.1702

Source: Bank of Canada

## IFRS 16 Impact on Results of Operations

The adoption of IFRS 16, *Leases* replacing IAS 17, *Leases* has had a significant impact on certain financial metrics in fiscal 2020. The Company adopted the standard on April 1, 2019 using the modified retrospective approach with the cumulative effect of initial application recorded in opening retained earnings. Prior year results have not been restated, as permitted by the standard.

Under IFRS 16, depreciation expense on right-of-use assets and interest expense on lease liabilities replace rent expense, which was previously recognized under IAS 17 on a straight-line basis in operating income over the term of a lease. Depreciation is recognized on a straight-line basis while interest expense declines over the lease term. Compared to the previous standard, lease-related expenses are higher in the earlier years as interest expense is recognized on an amortized cost basis, and lower in the later years of the lease term.



The following table presents our results of operations for the year ended March 29, 2020, both including and excluding the impacts of IFRS 16, compared with reported results for the year ended March 31, 2019, without restatement and as reported under IAS 17. Basis points (“bps”) expresses the change between percentages.

CAD \$ millions (except per share data)	For the year ended March 29, 2020			For the year ended March 29, 2020	For the year ended March 31, 2019		
	As reported (IFRS 16)	IFRS 16 Impact		Excluding IFRS 16 <sup>(1)</sup>	As reported (IAS 17)	\$ Change	% Change
		Depreciation and interest	Rent expense				
<b>Revenue</b>	958.1			958.1	830.5	127.6	15.4%
Cost of sales	364.8	(4.8)	5.8	365.8	313.7	(52.1)	(16.6)%
<b>Gross profit</b>	593.3			592.3	516.8	75.5	14.6%
<i>Gross margin</i>	61.9%			61.8%	62.2%		(40) bps
Selling, general and administrative expenses	350.5	—	32.1	382.6	302.1	(80.5)	(26.6)%
<i>SG&amp;A expenses as % of revenue</i>	36.6%			39.9%	36.4%		(350) bps
Depreciation and amortization	50.7	(28.2)	—	22.5	18.0	(4.5)	(25.0)%
<b>Operating income</b>	192.1			187.2	196.7	(9.5)	(4.8)%
<i>Operating margin</i>	20.1%			19.5%	23.7%		(420) bps
Net interest and other finance costs	28.4	(8.4)	—	20.0	14.2	(5.8)	(40.8)%
<b>Income before income taxes</b>	163.7			167.2	182.5	(15.3)	(8.4)%
Income tax expense	12.0			12.2	38.9	26.7	68.6%
<i>Effective tax rate</i>	7.3%			7.3%	21.3%		1,400 bps
<b>Net income</b>	151.7			155.0	143.6	11.4	7.9%
<b>Earnings per share</b>							
Basic	\$ 1.38			\$ 1.41	\$ 1.31	0.10	7.6%
Diluted	\$ 1.36			\$ 1.40	\$ 1.28	0.12	9.4%
<b>Other data:<sup>(2)</sup></b>							
Adjusted net income	147.2			149.1	151.6	(2.5)	(1.6)%
Adjusted net income per basic share	\$ 1.34			\$ 1.36	\$ 1.39	(0.03)	(2.2)%
Adjusted net income per diluted share	\$ 1.32			\$ 1.34	\$ 1.36	(0.02)	(1.5)%

<sup>(1)</sup> Presented using IAS 17, as if IFRS 16 had not been adopted, for comparative purposes only.

<sup>(2)</sup> Adjusted net income, and adjusted net income per basic and diluted share are non-IFRS measures. See “Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

The following table presents our results of operations for the fourth quarter ended March 29, 2020, both including and excluding the impacts of IFRS 16, compared with reported results for the fourth quarter ended March 31, 2019, without restatement and as reported under IAS 17.

CAD \$ millions (except per share data)	For the fourth quarter ended March 29, 2020	IFRS 16 Impact		For the fourth quarter ended March 29, 2020	For the fourth quarter ended March 31, 2019	\$ Change	% Change
	As reported (IFRS 16)	Depreciation and interest	Rent expense	Excluding IFRS 16 <sup>(1)</sup>	As reported (IAS 17)		
<b>Revenue</b>	140.9			140.9	156.2	(15.3)	(9.8)%
Cost of sales	47.3	(1.3)	1.6	47.6	53.8	6.2	11.5%
<b>Gross profit</b>	93.6			93.3	102.4	(9.1)	(8.9)%
<i>Gross margin</i>	66.4 %			66.2 %	65.6 %		60 bps
Selling, general and administrative expenses	95.9	—	8.7	104.6	85.0	(19.6)	(23.1)%
<i>SG&amp;A expenses as % of revenue</i>	68.1 %			74.2 %	54.4 %		(1,980) bps
Depreciation and amortization	14.9	(7.8)	—	7.1	5.7	(1.4)	(24.6)%
<b>Operating income</b>	(17.2)			(18.4)	11.7	(30.1)	(257.3)%
<i>Operating margin</i>	(12.2)%			(13.1)%	7.5 %		(2,060) bps
Net interest and other finance costs	4.5	(2.1)	—	2.4	3.1	0.7	22.6%
<b>(Loss) income before income taxes</b>	(21.7)			(20.8)	8.6	(29.4)	(341.9)%
Income tax (recovery) expense	(24.2)			(23.1)	(0.4)	22.7	5,675.0%
<i>Effective tax rate</i>	111.5 %			111.5 %	(5.1)%		(11,660) bps
<b>Net income</b>	2.5			2.3	9.0	(6.7)	(74.4)%
<b>Earnings per share</b>							
Basic	\$ 0.02			\$ 0.02	\$ 0.08	(0.06)	(75.0)%
Diluted	\$ 0.02			\$ 0.02	\$ 0.08	(0.06)	(75.0)%
<b>Other data:<sup>(2)</sup></b>							
Adjusted net loss	(13.3)			(14.5)	10.0	(24.5)	(245.0)%
Adjusted net loss per basic share	\$ (0.12)			\$ (0.13)	\$ 0.09	(0.22)	(244.4)%
Adjusted net loss per diluted share	\$ (0.12)			\$ (0.13)	\$ 0.09	(0.22)	(244.4)%

<sup>(1)</sup> Presented using IAS 17, as if IFRS 16 had not been adopted, for comparative purposes only.

<sup>(2)</sup> Adjusted net (loss) income, and adjusted net (loss) income per basic and diluted share are non-IFRS measures. See “Non-IFRS Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.

*Income for the year and fourth quarter ended March 29, 2020, excluding IFRS 16 compared to income as reported*

To explain the impact of the initial application of IFRS 16 and facilitate comparison with the results for the year and fourth quarter ended March 31, 2019 without restatement of the prior year, the Company has presented its results of operations for the year and fourth quarter ended March 29, 2020 on the basis of the previous accounting standard.

Under both approaches, changes in financial performance are the result of the growth in business activity; the results for the current year measured in terms of earnings per share and adjusted net income per basic share, and the change between years, are not significantly different, although the cost of leasing is accounted for differently. Lease related costs are characterized as rent under the previous standard and as depreciation and interest expense under IFRS 16, and are included in different components of the financial results.

Elsewhere in this MD&A, the Company compares the reported financial results under IFRS 16 with the reported financial results for the prior year without restatement. Changes as a result of the change in lease accounting are explained for the income statement components that are affected.

See “Changes in Accounting Policies” below, for further details on the impact from adopting this standard.

## **Components of Our Results of Operations**

### *Revenue*

DTC revenue comprises sales through our e-commerce operations and retail stores. Revenue through e-commerce operations and retail stores is recognized upon delivery of the goods to the customer and when consideration is received, net of an estimated provision for sales returns.

Wholesale revenue comprises sales to third party resellers, which includes retailers and distributors of our products. Wholesale revenue from the sale of goods, net of an estimated provision for sales returns, discounts and allowances, is recognized when the control of the goods has been transferred to the reseller, which, depending on the terms of the agreement with the reseller, occurs when the products have been shipped to the reseller, are picked up from our third party warehouse, or arrive at the reseller’s facilities.

Other revenue comprises sales not directly allocated to the DTC or wholesale channels, such as sales to employees.

### *Gross Profit*

Gross profit is our revenue less cost of sales. Cost of sales comprises the cost of manufacturing our products, including raw materials, direct labour and overhead, plus freight, duties and non-refundable taxes incurred in delivering the goods to distribution centres managed by third parties or to our retail stores. It also includes costs incurred in our production, design and merchandise departments, depreciation on our manufacturing right-of-use assets and plant assets as well as rent expense related to our manufacturing facilities (in prior fiscal years), inventory provisions, and allowances related to obsolescence and shrinkage. The primary drivers of our cost of sales are the costs of raw materials (which are sourced in both Canadian dollars and U.S. dollars), manufacturing labour rates in the provinces of Canada, and the allocation of overhead. Gross margin measures our gross profit as a percentage of revenue. Inventory acquired in connection with the Baffin acquisition (November 2018) was recorded at its fair value, measured as net realizable value, less costs to sell. As the opening inventory has been sold, the gross profit otherwise recognized without the inventory valuation adjustment has been reduced by the associated gross profit and gross margin.

## *SG&A Expenses*

SG&A expenses consist of selling costs to support our customer relationships and to deliver our products to our e-commerce customers, retail stores and wholesale partners. It also includes our marketing and brand investment activities and the corporate infrastructure required to support our ongoing operations. Foreign exchange gains and losses are recorded in SG&A and comprise the translation of assets and liabilities denominated in currencies other than the functional currency of the Company or its subsidiaries, including cash balances, the Short-term Borrowings, the Term Loan Facility, a portion of our Revolving Facility, mark-to-market adjustments on derivative contracts, gains or losses associated with our term loan hedges, and realized gains on settlement of foreign currency denominated assets and liabilities.

Selling costs, other than headcount-related costs, generally correlate to revenue timing and therefore experience similar seasonal trends. As a percentage of sales, we expect these selling costs to change as our business evolves. This change has been and is expected to be primarily driven by the expansion of our retail network, including the investment required to support e-commerce sites and retail stores. Retail store costs are mostly fixed and are incurred throughout the year.

General and administrative expenses represent costs incurred in our corporate offices, primarily related to marketing, personnel costs (including salaries, variable incentive compensation, benefits, and share-based compensation), technology support, and other professional service costs required to support our ongoing operations. We have invested considerably in this area to support the growing volume and complexity of our business and anticipate continuing to do so in the future.

## *Depreciation and amortization*

Depreciation and amortization represent the economic benefit incurred in using the Company's property, plant and equipment, and intangible assets and, beginning in fiscal 2020, right-of-use assets.

## *Operating Income*

Operating income is our gross profit less SG&A expenses and depreciation and amortization.

## *Net Interest and Other Finance Costs*

Net interest and other finance costs represents interest expense on our borrowings including the Short-term Borrowings, the Revolving Facility, the Term Loan Facility, and, beginning in fiscal 2020, lease liabilities, as well as standby fees, net of interest income.

## *Income Taxes*

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. The primary regions that determine the effective tax rate are Canada, Switzerland, the U.S., the U.K., Greater China, France, and Italy.

## RESULTS OF OPERATIONS

### For the year ended March 29, 2020 compared to the year ended March 31, 2019

The following table summarizes results of operations and expresses the percentage relationship to revenue of certain financial statement captions.

CAD \$ millions (except share and per share data)	For the year ended		\$ Change	% Change
	March 29, 2020	March 31, 2019		
<b>Statement of Income data:</b>				
<b>Revenue</b>	958.1	830.5	127.6	15.4%
Cost of sales	364.8	313.7	(51.1)	(16.3)%
<b>Gross profit</b>	593.3	516.8	76.5	14.8%
<i>Gross margin</i>	61.9%	62.2%		(30) bps
Selling, general and administrative expenses	350.5	302.1	(48.4)	(16.0)%
<i>SG&amp;A expenses as % of revenue</i>	36.6%	36.4%		(20) bps
Depreciation and amortization	50.7	18.0	(32.7)	(181.7)%
<b>Operating income</b>	192.1	196.7	(4.6)	(2.3)%
<i>Operating margin</i>	20.1%	23.7%		(360) bps
Net interest and other finance costs	28.4	14.2	(14.2)	(100.0)%
<b>Income before income taxes</b>	163.7	182.5	(18.8)	(10.3)%
Income tax expense	12.0	38.9	26.9	69.2%
<i>Effective tax rate</i>	7.3%	21.3%		1,400 bps
<b>Net income</b>	151.7	143.6	8.1	5.6%
Other comprehensive income	2.8	0.7	2.1	300.0%
<b>Comprehensive income</b>	154.5	144.3	10.2	7.1%
<b>Earnings per share</b>				
Basic	\$ 1.38	\$ 1.31	0.07	5.3%
Diluted	\$ 1.36	\$ 1.28	0.08	6.3%
<b>Weighted average number of shares outstanding</b>				
Basic	109,892,031	109,422,574		
Diluted	111,168,788	111,767,584		
<b>Other data:(1)</b>				
EBIT	192.1	196.7	(4.6)	2.3%
Adjusted EBIT	207.4	206.9	0.5	0.2%
<i>Adjusted EBIT margin</i>	21.6%	24.9%		(330) bps
Adjusted net income	147.2	151.6	(4.4)	(2.9)%
Adjusted net income per basic share	\$ 1.34	\$ 1.39	(0.05)	(3.6)%
Adjusted net income per diluted share	\$ 1.32	\$ 1.36	(0.04)	(2.9)%

(1) EBIT, adjusted EBIT, adjusted EBIT margin, adjusted net income, and adjusted net income per basic and diluted share are non-IFRS measures. See "Non-IFRS Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

## Revenue

Revenue for the year ended March 29, 2020 increased by \$127.6m, or 15.4%, to \$958.1m from \$830.5m for the year ended March 31, 2019. On a constant currency<sup>(1)</sup> basis, revenue increased by 15.9% for the year ended March 29, 2020 compared to the year ended March 31, 2019. Revenue generated from our DTC channel represented 54.8% of total revenue for the year ended March 29, 2020 compared to 51.9% for the year ended March 31, 2019.

CAD \$ millions	For the year ended		\$ Change			% Change	
	March 29, 2020	March 31, 2019	As reported	Foreign exchange impact	In constant currency <sup>(1)</sup>	As reported	In constant currency
DTC	525.0	431.3	93.7	2.7	96.4	21.7%	22.4%
Wholesale	424.0	394.7	29.3	1.9	31.2	7.4%	7.9%
Other	9.1	4.5	4.6	0.1	4.7	102.2%	104.4%
Total revenue	958.1	830.5	127.6	4.7	132.3	15.4%	15.9%

<sup>(1)</sup> Constant currency revenue is a non-IFRS financial measure. See "Non-IFRS Financial Measures" for a description of this measure.

### DTC

Revenue from our DTC channel for the year ended March 29, 2020 was \$525.0m compared to \$431.3m for the year ended March 31, 2019. The increase of \$93.7m was driven by the incremental revenue from new retail stores that were not open in the year ended March 31, 2019. Revenues were negatively impacted by political disruptions in Hong Kong and global COVID-19 disruptions in the third and fourth quarters of fiscal 2020, respectively. These matters resulted in lower levels of tourism, retail traffic, and consumer spending, in addition to frequent reductions to regular store operating hours and unplanned store closures, all impacting revenue.

### Wholesale

Revenue from our wholesale channel for the year ended March 29, 2020 was \$424.0m compared to \$394.7m for the year ended March 31, 2019. The increase of \$29.3m was driven by incremental revenue contributed by Baffin, which was acquired in November 2018, higher pricing, and higher order values from international distributors. This was partially offset by a significant reduction to shipments in the fourth quarter of fiscal 2020 due to COVID-19 disruptions to partner operations.

### Other

Revenue from our other channel for the year ended March 29, 2020 was \$9.1m compared to \$4.5m for the year ended March 31, 2019 due to higher sales to employees.

## Revenue by geography

CAD \$ millions	For the year ended		\$ Change			% Change	
	March 29, 2020	March 31, 2019	As reported	Foreign exchange impact	In constant currency <sup>(1)</sup>	As reported	In constant currency <sup>(1)</sup>
Canada	293.1	293.3	(0.2)	—	(0.2)	(0.1)%	(0.1)%
United States	279.0	251.1	27.9	(1.0)	26.9	11.1 %	10.7 %
Asia	199.9	112.1	87.8	2.4	90.2	78.3 %	80.5 %
Europe and Rest of World	186.1	174.0	12.1	3.1	15.2	7.0 %	8.7 %
Total revenue	958.1	830.5	127.6	4.5	132.1	15.4 %	15.9 %

<sup>(1)</sup> Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures” for a description of this measure.

Revenue increased across Asia, the United States, and Europe and Rest of World for the year ended March 29, 2020 compared to the year ended March 31, 2019 driven by incremental revenues generated from new retail stores. There was an increase in the proportion of revenue generated in Asia due to the expansion of DTC operations in Greater China.

### Gross Profit

Gross profit and gross margin for the year ended March 29, 2020 were \$593.3m and 61.9%, respectively, compared to \$516.8m and 62.2%, respectively, for fiscal 2019. The increase in gross profit reflects revenue trends noted above. The slight decrease in gross margin was attributable to lower wholesale gross margin, partially offset by favourable channel mix, with a higher proportion of DTC revenue. Costs in the year also included \$1.2m resulting from the temporary closure of our manufacturing facilities in March 2020 due to COVID-19.

CAD \$ millions	For the year ended					
	March 29, 2020		March 31, 2019		\$ Change	% Change
	Gross profit	Gross margin	Gross profit	Gross margin		
DTC	395.0	75.2%	324.6	75.3 %	70.4	21.7%
Wholesale	197.8	46.7%	192.5	48.8 %	5.3	2.8%
Other	0.5	5.5%	(0.3)	(6.7)%	0.8	266.7%
Total gross profit	593.3	61.9%	516.8	62.2 %	76.5	14.8%

### DTC

Gross profit in our DTC channel was \$395.0m for the year ended March 29, 2020 compared to \$324.6m for the year ended March 31, 2019. The increase in DTC channel gross profit of \$70.4m includes the incremental gross profit generated from new retail stores. DTC gross margin slightly decreased to 75.2% in the year ended March 29, 2020 from 75.3%. The change in gross margin (-10 bps) was driven by higher costs (-130 bps), including both input costs and incremental costs from the expansion of in-house manufacturing capacity. This was partially offset by a higher volume of parka sales (+100 bps).

### Wholesale

Gross profit in our wholesale channel was \$197.8m for the year ended March 29, 2020 compared to \$192.5m for the year ended March 31, 2019. The \$5.3m increase in gross profit was attributable to revenue growth. Wholesale gross margin decreased to 46.7% in the year ended March 29, 2020

from 48.8%. The change in gross margin (-210 bps) was driven by higher costs (-220 bps), including both input costs and incremental costs from the expansion of in-house manufacturing capacity, and unfavourable product mix, reflecting the higher growth of lower margin non-parka sales (-180 bps). This was partially offset by higher pricing which had a favourable impact (+130 bps).

#### Other

Gross profit in our other channel was \$0.5m for the year ended March 29, 2020 compared to gross profit of \$(0.3)m for the year ended March 31, 2019. The increase in gross profit and gross margin was attributable to higher employee sales, partially offset by \$1.2m of overhead costs resulting from the temporary closure of our manufacturing facilities in March 2020 due to COVID-19. These costs would otherwise have been recognized in inventory.

#### SG&A Expenses

SG&A expenses were \$350.5m for the year ended March 29, 2020 compared to \$302.1m for the year ended March 31, 2019. SG&A expenses for the year ended March 31, 2019 included rent expense of \$17.8m with no comparable charge for the year ended March 29, 2020 as a result of the adoption of IFRS 16 in fiscal 2020. The increase of \$48.4m or 16.0% (\$66.2m or 23.3% excluding rent expense) was driven by an increased investment in marketing to support the brand and build consumer demand and the expansion of our retail and customer support network. This also included an increase in warranty costs due to higher sales volumes as well as higher realized foreign exchange losses compared to fiscal 2019. We also recognized costs of \$2.4m related to the implications of COVID-19 in fiscal 2020 and \$2.1m of transaction costs in fiscal 2019 for the Secondary Offerings in June and November 2018.

CAD \$ millions	For the year ended					
	March 29, 2020		March 31, 2019		\$ Change	% Change
	Reported	% of segment revenue	Reported	% of segment revenue		
DTC	107.4	20.5%	93.9	21.8%	(13.5)	(14.4)%
Wholesale	49.9	11.8%	39.1	9.9%	(10.8)	(27.6)%
Other	193.2		169.1		(24.1)	(14.3)%
Total SG&A expenses	350.5	36.6%	302.1	36.4%	(48.4)	(16.0)%

#### DTC

SG&A expenses in our DTC channel for the year ended March 29, 2020 were \$107.4m compared to \$93.9m for the year ended March 31, 2019, an increase of \$13.5m, or 14.4%. SG&A expenses as a percentage of segment revenue decreased to 20.5% from 21.8% in the comparative year. Taking into account \$14.9m of rent expense in the year ended March 29, 2020, SG&A expenses increased by \$28.4m or 35.9%. The increase was attributable to new retail stores and higher customer support and warranty costs due to sales volume growth. In addition, COVID-19 related temporary store closure costs of \$0.7m were recognized in fiscal 2020. Pre-store opening costs (rent expense) of \$2.2m were recognized in SG&A in the year ended March 31, 2019, compared to \$7.3m of pre-store opening costs (depreciation and interest expense) in the current fiscal year.

#### Wholesale

SG&A expenses in our wholesale channel were \$49.9m for the year ended March 29, 2020 compared to \$39.1m for the year ended March 31, 2019, an increase of \$10.8m or 27.6%. SG&A expenses as a percentage of segment revenue increased to 11.8% from 9.9% in the comparative year. Taking into account \$1.1m of rent expense in the year ended March 31, 2019, SG&A expenses increased by \$11.9m or 31.3%. This reflects an increase of warranty costs of \$3.8m due to higher



sales volumes, as well as a rise in headcount costs of \$2.3m and other fixed costs to support sales and operations.

#### *Other*

SG&A expenses in our other channel, which include unallocated corporate expenses, were \$193.2m for the year ended March 29, 2020 compared to \$169.1m for the year ended March 31, 2019. The increase of \$24.1m or 14.3% was a result of an increased investment in marketing of \$13.8m to support the brand and build consumer demand and \$9.6m of higher realized foreign exchange losses largely arising from gains on the settlement of U.S. dollar denominated transactions in the comparative year. Costs in the comparative year also included \$2.1m of transaction costs for the Secondary Offerings in June and November 2018.

#### **Depreciation and amortization**

Depreciation and amortization was \$50.7m for the year ended March 29, 2020 compared to \$18.0m for the year ended March 31, 2019, an increase of \$32.7m. Of the increase, \$28.2m was attributable to the adoption of IFRS 16 resulting in depreciation charges on right-of-use assets during fiscal 2020. Excluding depreciation on right-of-use assets, depreciation and amortization increased by \$4.5m, or 25.0%, driven by the expansion of our retail network and information technology-related expenditures to support growth. Depreciation expense on right-of-use assets of \$6.1m and \$1.0m related to pre-store opening costs for new retail locations in fiscal 2020 and COVID-19 temporary store closures, respectively.

CAD \$ millions	For the year ended		\$ Change	% Change
	March 29, 2020	March 31, 2019		
	Reported	Reported		
DTC	38.6	7.4	(31.2)	(421.6)%
Wholesale	2.8	2.3	(0.5)	(21.7)%
Other	9.3	8.3	(1.0)	(12.0)%
Total depreciation and amortization	50.7	18.0	(32.7)	(181.7)%

Effective April 1, 2019, the Company changed its measure of segment operating income to include depreciation and amortization on assets, including right-of-use assets in the current period, used in those segments. Prior to the first quarter of fiscal 2020, depreciation and amortization were not allocated to the Company's operating segments. Prior period operating income by segment has been restated to include depreciation and amortization to conform with the presentation adopted in the current year.

#### **Operating Income and Margin**

Operating income and operating margin were \$192.1m and 20.1% for the year ended March 29, 2020 compared to \$196.7m and 23.7% for the year ended March 31, 2019. Operating income and operating margin decreased as a result of lower DTC and wholesale operating margins and higher corporate expenses in the Other segment.

Operating income for the year ended March 29, 2020 included depreciation on right-of-use assets of \$28.2m, of which \$6.1m related to pre-store opening costs for new retail stores. The comparable rent expense in the year ended March 31, 2019 was \$17.8m, including \$1.4m of pre-store opening costs for new retail stores in fiscal 2019. In addition, \$4.6m of costs related to the impact of COVID-19 were recognized in fiscal 2020. Excluding these costs in both years, operating income slightly increased to \$202.8m from \$198.1m and operating margin slightly decreased to 21.2% from 23.8% in the comparative year.

CAD \$ millions	For the year ended				\$ Change	% Change
	March 29, 2020		March 31, 2019			
	Operating income (loss)	Operating margin	Operating income (loss)	Operating margin		
<b>Segment:</b>						
DTC	249.0	47.4%	223.3	51.8%	25.7	11.5 %
Wholesale	145.1	34.2%	151.1	38.3%	(6.0)	(4.0)%
Other	(202.0)		(177.7)		(24.3)	(13.7)%
Total operating income	192.1	20.1%	196.7	23.7%	(4.6)	(2.3)%

### *DTC*

DTC segment operating income was \$249.0m for the year ended March 29, 2020 compared to operating income of \$223.3m for the year ended March 31, 2019, an increase of \$25.7m. Excluding pre-store opening and temporary store closure costs (SG&A and depreciation) of \$8.2m and \$1.7m, respectively (year ended March 31, 2019 - \$1.4m and nil, respectively), the DTC segment generated operating income of \$258.9m, an increase of \$34.2m on a comparable basis to the prior year. This was attributable to the increase in revenue and gross profit driven by the expansion of our retail network, partially offset by fixed operating costs related to new stores. Operating margin for the DTC segment decreased to 47.4% in the year ended March 29, 2020 from 51.8% in the comparative period. Excluding pre-store opening and temporary store closure costs in both periods, the DTC operating margin decreased to 49.3% from 52.1%. This decline reflects reduced revenue due to COVID-19 impacts on fixed cost leverage and profitability across the channel, and lower profitability levels for current year store openings.

### *Wholesale*

Wholesale segment operating income was \$145.1m for the year ended March 29, 2020 compared to \$151.1m for the year ended March 31, 2019. Increased SG&A and depreciation and amortization in excess of the increase in gross profit resulted in a decrease of \$6.0m in operating income and a decline in operating margin to 34.2% from 38.3% in the comparative year.

### *Other*

Other segment operating loss was \$202.0m for the year ended March 29, 2020 compared to \$177.7m for the year ended March 31, 2019 driven by the increase in SG&A expenses discussed previously.

### ***Net Interest and Other Finance Costs***

Net interest and other finance costs were \$28.4m for the year ended March 29, 2020 and included the acceleration of the expense of unamortized costs in connection with the refinancing of the Term Loan Facility of \$7.0m (year ended March 31, 2019 - \$nil) and \$8.4m of interest on lease liabilities (year ended March 31, 2019 - \$nil). Excluding the acceleration of unamortized costs in connection with the refinancing of the Term Loan Facility and interest on lease liabilities, net interest and other

finance costs decreased to \$13.0m for the year ended March 29, 2020 from \$14.2m for the comparative year.

### ***Income Taxes***

Income tax expense was \$12.0m for the year ended March 29, 2020 compared to \$38.9m for the year ended March 31, 2019. For the year ended March 29, 2020, the effective and statutory tax rates were 7.3% and 25.5%, respectively, compared to 21.3% and 25.4% for the year ended March 31, 2019, respectively.

The effective tax rates for both the year ended March 29, 2020 and year ended March 31, 2019 were lower than their corresponding statutory tax rates.

For the year ended March 29, 2020, the effective tax rate was lower as a result of a one-time change in tax law related to Swiss tax reform effective January 1, 2020 and the differences in tax rates in our foreign jurisdictions. For the year ended March 31, 2019, the lower rate was due to the difference in tax rates in our foreign jurisdictions.

### ***Net Income***

Net income for the year ended March 29, 2020 was \$151.7m compared to \$143.6m for the year ended March 31, 2019, driven by the factors described above.

**For the fourth quarter ended March 29, 2020 compared to the fourth quarter ended March 31, 2019**

The following table summarizes results of operations and expresses the percentage relationship to revenues of certain financial statement captions.

CAD \$ millions (except share and per share data)	For the fourth quarter ended		\$ Change	% Change
	March 29, 2020	March 31, 2019		
<b>Statement of Income data:</b>				
<b>Revenue</b>	140.9	156.2	(15.3)	(9.8)%
Cost of sales	47.3	53.8	6.5	12.1%
<b>Gross profit</b>	93.6	102.4	(8.8)	(8.6)%
<i>Gross margin</i>	66.4 %	65.6 %		80 bps
Selling, general and administrative expenses	95.9	85.0	(10.9)	(12.8)%
<i>SG&amp;A expenses as % of revenue</i>	68.1 %	54.4 %		(1,370) bps
Depreciation and amortization	14.9	5.7	(9.2)	(161.4)%
<b>Operating (loss) income</b>	(17.2)	11.7	(28.9)	(247.0)%
<i>Operating margin</i>	(12.2)%	7.5 %		(1,970) bps
Net interest and other finance costs	4.5	3.1	(1.4)	(45.2)%
<b>Income before income taxes</b>	(21.7)	8.6	(30.3)	(352.3)%
Income tax recovery	(24.2)	(0.4)	23.8	5,950.0%
<i>Effective tax rate</i>	111.5 %	(5.1)%		11,660 bps
<b>Net income</b>	2.5	9.0	(6.5)	(72.2)%
Other comprehensive income (loss)	4.8	(3.0)	7.8	260.0%
<b>Comprehensive income</b>	7.3	6.0	1.3	21.7%
<b>Earnings per share</b>				
Basic	\$ 0.02	\$ 0.08	\$ (0.06)	(75.0)%
Diluted	\$ 0.02	\$ 0.08	\$ (0.06)	(75.0)%
<b>Weighted average number of shares outstanding</b>				
Basic	109,846,029	109,867,553		
Diluted	110,809,126	111,606,200		
<b>Other data:(1)</b>				
EBIT	(17.2)	11.7	(28.9)	(247.0)%
Adjusted EBIT	(9.7)	13.0	(22.7)	(174.6)%
<i>Adjusted EBIT margin</i>	(6.9)%	8.3 %		(1,520) bps
Adjusted net income	(13.3)	10.0	(23.3)	(233.0)%
Adjusted net income per basic share	\$ (0.12)	\$ 0.09	\$ (0.21)	(233.3)%
Adjusted net income per diluted share	\$ (0.12)	\$ 0.09	\$ (0.21)	(233.3)%

<sup>(1)</sup> EBIT, adjusted EBIT, adjusted EBIT margin, adjusted net income, and adjusted net income per basic and diluted share are non-IFRS measures. See "Non-IFRS Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

## Revenue

Revenue for the fourth quarter ended March 29, 2020 decreased by \$15.3m, or 9.8%, to \$140.9m from \$156.2m for the fourth quarter ended March 31, 2019 due to disruptions as a result of reduced tourism, temporary store closures, store hour reductions, shipment reductions and other general economic conditions related to COVID-19. On a constant currency<sup>(1)</sup> basis, revenue decreased by 8.8% for the fourth quarter ended March 29, 2020 compared to the fourth quarter ended March 31, 2019. Revenue generated from our DTC channel represented 81.1% of total revenue for the fourth quarter ended March 29, 2020 compared to 78.4% for the fourth quarter ended March 31, 2019.

CAD \$ millions	For the fourth quarter ended		\$ Change			% Change	
	March 29, 2020	March 31, 2019	As reported	Foreign exchange impact	In constant currency <sup>(1)</sup>	As reported	In constant currency <sup>(1)</sup>
DTC	114.2	122.4	(8.2)	1.5	(6.7)	(6.7)%	(5.5)%
Wholesale	25.0	33.0	(8.0)	0.1	(7.9)	(24.2)%	(23.9)%
Other	1.7	0.8	0.9	—	0.9	112.5 %	112.5 %
Total revenue	140.9	156.2	(15.3)	1.6	(13.7)	(9.8)%	(8.8)%

<sup>(1)</sup> Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures” for a description of these measures.

### DTC

Revenue from our DTC channel was \$114.2m for the fourth quarter ended March 29, 2020 compared to \$122.4m for the fourth quarter ended March 31, 2019. The decrease of \$8.2m was driven by the negative impact of COVID-19 disruptions to operations, traffic, and consumer purchasing globally.

### Wholesale

Revenue from our wholesale channel was \$25.0m for the fourth quarter ended March 29, 2020 compared to \$33.0m for the fourth quarter ended March 31, 2019. The decrease of \$8.0m was driven by shipment timing relative to the same period in fiscal 2019 and a significant reduction to shipments due to COVID-19 disruptions to partner operations.

### Other

Revenue from our other channel was \$1.7m for the fourth quarter ended March 29, 2020 compared to \$0.8m fourth quarter ended March 31, 2019 due to higher sales to employees.

## Revenue by geography

CAD \$ millions	For the fourth quarter ended		\$ Change			% Change	
	March 29, 2020	March 31, 2019	As reported	Foreign exchange impact	In constant currency <sup>(1)</sup>	As reported	In constant currency <sup>(1)</sup>
Canada	42.1	54.5	(12.4)	—	(12.4)	(22.8)%	(22.8)%
United States	35.1	47.4	(12.3)	0.4	(11.9)	(25.9)%	(25.1)%
Asia	38.2	32.5	5.7	1.1	6.8	17.5 %	20.9 %
Europe and Rest of World	25.5	21.8	3.7	0.1	3.8	17.0 %	17.4 %
<b>Total revenue</b>	<b>140.9</b>	<b>156.2</b>	<b>(15.3)</b>	<b>1.6</b>	<b>(13.7)</b>	<b>(9.8)%</b>	<b>(8.8)%</b>

<sup>(1)</sup> Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures” for a description of these measures.

Revenue decreases in Canada and the United States were partially offset by revenue increases across Asia and Europe and Rest of World for the fourth quarter ended March 29, 2020 compared to the fourth quarter ended March 31, 2019. Incremental revenues in Asia and Europe and Rest of World reflect new retail stores offset by the impact of COVID-19. Declines in North America across all channels resulted in a continued geographic shift towards Asia and Europe and Rest of World.

### Gross Profit

Gross profit and gross margin for the fourth quarter ended March 29, 2020 were \$93.6m and 66.4%, respectively, compared to \$102.4m and 65.6%, respectively, for the same quarter in fiscal 2019. The decrease in gross profit reflects revenue trends noted above. The increase in gross margin was driven by channel mix, as DTC channel gross profit increased to 92.1% of total gross profit in fiscal 2020 from 87.9% in fiscal 2019. Costs in the period also included \$1.2m of overhead costs resulting from the temporary closure of our manufacturing facilities in March 2020 due to COVID-19. Excluding these COVID-19 costs, gross profit and gross margin were \$94.8m and 67.3%, respectively.

CAD \$ millions	For the fourth quarter ended					
	March 29, 2020		March 31, 2019		\$ Change	% Change
	Gross profit	Gross margin	Gross profit	Gross margin		
DTC	86.2	75.5 %	90.0	73.5%	(3.8)	(4.2)%
Wholesale	9.1	36.4 %	12.4	37.6%	(3.3)	(26.6)%
Other	(1.7)	(100.0)%	—	—%	(1.7)	— %
<b>Total gross profit</b>	<b>93.6</b>	<b>66.4 %</b>	<b>102.4</b>	<b>65.6%</b>	<b>(8.8)</b>	<b>(8.6)%</b>

### DTC

Gross profit in our DTC channel was \$86.2m for the fourth quarter ended March 29, 2020 compared to \$90.0m for the fourth quarter ended March 31, 2019. The decrease in DTC channel gross profit was attributable to the decline of revenues as a result of temporary store closures and reduced store hours due to COVID-19. DTC gross margin increased to 75.5% in the fourth quarter ended March 29, 2020 from 73.5% in the comparative quarter. The change in gross margin (+200 bps) was driven by the favourable impact of higher pricing (+110 bps) and the positive impact of a geographic shift towards Asia and Europe and Rest of World (+70 bps). In addition, product mix

had a favourable impact (+50 bps), with a higher proportion of parkas sold in the quarter due to the COVID-19 impact on Spring collection sales, which carry lower margins.

#### Wholesale

Gross profit in our wholesale channel was \$9.1m for the fourth quarter ended March 29, 2020 compared to \$12.4m for the fourth quarter ended March 31, 2019. The \$3.3m decrease in gross profit was attributable to shipment timing relative to the same period in fiscal 2019. Wholesale gross margin decreased to 36.4% in the fourth quarter ended March 29, 2020 from 37.6% in the comparative quarter. The change in gross margin (-120 bps) was driven by higher costs (-660 bps), including both input costs and incremental costs from the expansion of in-house manufacturing capacity. This was partially offset by favourable product and geography mix (+380 bps) as a result of higher parka sales, lower Spring collection sales due to COVID-19, and shifts to Asia and Europe and Rest of World. In addition, higher pricing had a favourable impact (+170 bps).

#### Other

Gross profit in our other channel was \$(1.7)m for the fourth quarter ended March 29, 2020 compared to gross profit of \$nil for the fourth quarter ended March 31, 2019. The decrease in gross profit and gross margin was attributable to \$1.2m of overhead costs resulting from the temporary closure of our manufacturing facilities due to COVID-19. These costs would otherwise have been recognized in inventory.

#### SG&A Expenses

SG&A expenses were \$95.9m for the fourth quarter ended March 29, 2020 compared to \$85.0m for the fourth quarter ended March 31, 2019. Rent expense of \$5.3m was included in SG&A expenses for the fourth quarter ended March 31, 2019 with no comparable charge for the fourth quarter ended March 29, 2020 as a result of the adoption of IFRS 16 in fiscal 2020. The increase of \$10.9m or 12.8% (\$16.2m or 20.3% excluding rent expense for the fourth quarter ended March 31, 2019) was driven by higher realized foreign exchange losses and increased warranty costs, partially offset by a reduction in performance-based compensation. In fiscal 2020, we also recognized costs of \$2.4m related to the implications of COVID-19.

CAD \$ millions	For the fourth quarter ended					
	March 29, 2020		March 31, 2019		\$ Change	% Change
	Reported	% of segment revenue	Reported	% of segment revenue		
DTC	30.7	26.9%	28.2	23.0%	(2.5)	(8.9)%
Wholesale	13.5	54.0%	9.1	27.6%	(4.4)	(48.4)%
Other	51.7		47.7		(4.0)	(8.4)%
Total SG&A expenses	95.9	68.1%	85.0	54.4%	(10.9)	(12.8)%

#### DTC

SG&A expenses in our DTC channel were \$30.7m for the fourth quarter ended March 29, 2020 compared to \$28.2m for the fourth quarter ended March 31, 2019, an increase of \$2.5m or 8.9%. SG&A expenses as a percentage of segment revenue increased to 26.9% in the fourth quarter ended March 29, 2020 from 23.0% in the comparative period. Taking into account \$4.4m of rent expense in the fourth quarter of fiscal 2019, SG&A expenses increased by \$6.9m or 29.0%. The increase was driven by incremental operating costs of new retail stores and higher warranty costs. In addition, COVID-19 related temporary store closure costs of \$0.7m were recognized in fiscal 2020.

## Wholesale

SG&A expenses in our wholesale channel were \$13.5m for the fourth quarter ended March 29, 2020 compared to \$9.1m for the fourth quarter ended March 31, 2019, an increase of \$4.4m or 48.4%. SG&A expenses as a percentage of segment revenue increased to 54.0% for the fourth quarter ended March 29, 2020 from 27.6% in the comparative period. Taking into account \$0.3m in rent expense in the fourth quarter ended March 31, 2019, SG&A expenses increased by \$4.7m or 53.4%. The increase was a result of higher warranty costs as well as a rise in headcount and other fixed costs to support sales and operations.

## Other

SG&A expenses in our other channel, which include unallocated corporate expenses, were \$51.7m for the fourth quarter ended March 29, 2020 compared to \$47.7m for the fourth quarter ended March 31, 2019. The increase of \$4.0m was attributable to \$8.8m of higher realized foreign exchange losses, partially offset by a reduction of \$5.3m in performance-based compensation. Costs in the period also included Baffin acquisition costs of \$0.4m compared to \$0.6m in the fourth quarter ended March 31, 2019.

## Depreciation and amortization

Depreciation and amortization was \$14.9m for the fourth quarter ended March 29, 2020 compared to \$5.7m for the fourth quarter ended March 31, 2019, an increase of \$9.2m. Of the increase, \$7.8m was attributable to the adoption of IFRS 16 resulting in depreciation charges on right-of-use assets during the fourth quarter of fiscal 2020. Excluding depreciation on right-of-use assets, depreciation and amortization increased by \$1.4m, or 24.6%, driven by the expansion of our retail network and information technology-related expenditures to support growth. Depreciation expense on right-of-use assets of \$0.4m and \$1.0m in the quarter related to pre-store opening costs for new retail locations in fiscal 2020 and COVID-19 temporary store closures, respectively.

CAD \$ millions	For the fourth quarter ended		\$ Change	% Change
	March 29, 2020	March 31, 2019		
	Reported	Reported		
DTC	11.9	2.4	(9.5)	(395.8)%
Wholesale	0.7	0.8	0.1	12.5 %
Other	2.3	2.5	0.2	8.0 %
Total depreciation and amortization	14.9	5.7	(9.2)	(161.4)%

Effective April 1, 2019, the Company changed its measure of segment operating income to include depreciation and amortization on assets, including right-of-use assets in the current period, used in those segments. Prior to the first quarter of fiscal 2020, depreciation and amortization were not allocated to the Company's operating segments. Prior period operating income by segment has been restated to include depreciation and amortization to conform with the presentation adopted in the current year.

## Operating (Loss) Income and Margin

Operating loss and operating margin were \$17.2m and (12.2)% for the fourth quarter ended March 29, 2020 compared to operating income and operating margin of \$11.7m and 7.5% for the fourth quarter ended March 31, 2019. Operating income and operating margin decreased due to the decline in revenue and increase in SG&A expenses discussed previously.



Operating loss for the fourth quarter ended March 29, 2020 included depreciation on right-of-use assets of \$7.8m, of which \$0.4m related to pre-store opening costs for new retail stores in fiscal 2020. The comparable rent expense in the fourth quarter ended March 31, 2019 was \$5.3m, with no pre-store opening costs for new retail stores in fiscal 2019. In addition, \$4.6m of costs related to the impact of COVID-19 were recognized in fiscal 2020. Excluding these costs in both years, operating loss and operating margin decreased to \$12.2m and operating margin increased to (8.7)%.

CAD \$ millions	For the fourth quarter ended				\$ Change	% Change
	March 29, 2020		March 31, 2019			
	Operating income (loss)	Operating margin	Operating income (loss)	Operating margin		
<b>Segment:</b>						
DTC	43.6	38.2 %	59.4	48.5%	(15.8)	(26.6)%
Wholesale	(5.1)	(20.4)%	2.5	7.6%	(7.6)	(304.0)%
Other	(55.7)		(50.2)		(5.5)	(11.0)%
	<u>(17.2)</u>	<u>(12.2)%</u>	<u>11.7</u>	<u>7.5%</u>	<u>(28.9)</u>	<u>(247.0)%</u>

### *DTC*

DTC segment operating income was \$43.6m for the fourth quarter ended March 29, 2020 compared to \$59.4m for the fourth quarter ended March 31, 2019, a decrease of \$15.8m. Excluding pre-store opening and temporary store closure costs (SG&A and depreciation) of \$0.6m and \$1.7m, respectively, with no comparable charges in the fourth quarter ended March 31, 2019, the DTC segment generated operating income of \$45.9m, a decrease of \$13.5m on a comparable basis to the prior year. This was attributable to the increase in revenue and gross profit, partially offset by fixed operating costs associated with new retail stores and depreciation charges on store right-of-use-assets. Operating margin for the DTC segment was 38.2% in the fourth quarter ended March 29, 2020 compared to 48.5% in the comparative period. Excluding pre-store opening and temporary store closure costs in both periods, the DTC operating margin was 40.2% compared to 48.5% in the comparative period. This was driven by the increased SG&A expenses and the COVID-19 impact on revenue discussed previously.

### *Wholesale*

Wholesale segment operating loss was \$5.1m for the fourth quarter ended March 29, 2020 compared to operating income of \$2.5m for the fourth quarter ended March 31, 2019. The decrease of \$7.6m was driven by lower gross profit attributable to the decrease in revenue and the increase in SG&A expenses discussed previously. Operating margin in the wholesale segment was (20.4)% for the fourth quarter ended March 29, 2020 compared to 7.6% in the fourth quarter ended March 31, 2019. The decrease in operating margin was driven by the decline in revenue and increase in SG&A expenses as a percentage of sales discussed previously.

### *Other*

Other segment operating loss increased to \$55.7m for the fourth quarter ended March 29, 2020 compared to \$50.2m for the fourth quarter ended March 31, 2019 driven by the decline in gross profit and increase in SG&A expenses discussed previously.

### **Net Interest and Other Finance Costs**

Net interest and other finance costs were \$4.5m for the fourth quarter ended March 29, 2020 and included \$2.1m of interest on lease liabilities. Excluding interest on lease liabilities, net interest

and other finance costs decreased to \$2.4m for the fourth quarter ended March 29, 2020 from \$3.1m for the comparative period.

### Income Taxes

Income tax recovery was \$24.2m for the fourth quarter ended March 29, 2020 compared to \$0.4m for the fourth quarter ended March 31, 2019. For the fourth quarter ended March 29, 2020, the effective and statutory tax rates were 111.5% and 25.5%, respectively, compared to (5.1)% and 25.4% for the fourth quarter ended March 31, 2019.

The effective tax rate for the fourth quarter ended March 29, 2020 was higher than the corresponding statutory tax rate while the effective tax rate for the fourth quarter ended March 31, 2019 was lower than the corresponding statutory tax rate.

For the fourth quarter ended March 29, 2020, the effective tax rate was higher than the statutory rate as a result of a one-time change in tax law related to Swiss tax reform effective January 1, 2020 and the differences in tax rates in our foreign jurisdictions. For the fourth quarter ended March 31, 2019, the effective tax rate was lower than the statutory rate due to the difference in tax rates in our foreign jurisdictions.

### Net Income

Net income for the fourth quarter ended March 29, 2020 was \$2.5m compared to \$9.0m for the fourth quarter ended March 31, 2019, driven by the factors described above.

### Quarterly Financial Information

CAD \$ millions (except per share data)	Fiscal 2020				Fiscal 2019			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Revenue								
DTC	114.2	301.8	74.2	34.8	122.4	235.3	50.4	23.2
Wholesale	25.0	145.3	218.1	35.6	33.0	161.4	178.8	21.5
Other	1.7	5.0	1.7	0.7	0.8	2.6	1.1	0.0
Total	140.9	452.1	294.0	71.1	156.2	399.3	230.3	44.7
% of fiscal year revenue	14.7%	47.2%	30.7%	7.4%	18.8%	48.1%	27.7%	5.4%
Net income (loss)	2.5	118.0	60.6	(29.4)	9.0	103.4	49.9	(18.7)
Earnings (loss) per share								
Basic	\$ 0.02	\$ 1.08	\$ 0.55	\$ (0.27)	\$ 0.08	\$ 0.94	\$ 0.46	\$ (0.17)
Diluted	\$ 0.02	\$ 1.07	\$ 0.55	\$ (0.27)	\$ 0.08	\$ 0.93	\$ 0.45	\$ (0.17)
Adjusted EBIT <sup>(1)</sup>	(9.7)	163.8	79.2	(25.9)	13.0	144.7	66.5	(17.3)
Adjusted net income (loss) per diluted share <sup>(1)</sup>	\$ (0.12)	\$ 1.08	\$ 0.57	\$ (0.21)	\$ 0.09	\$ 0.96	\$ 0.46	\$ (0.15)

<sup>(1)</sup> Adjusted EBIT and adjusted net income (loss) per diluted share are non-IFRS financial measures. See "Non-IFRS Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

Revenue in our wholesale segment is highest in our second and third quarters as we fulfill wholesale customer orders in time for the Fall and Winter retail seasons, and, in our DTC segment, in the third and fourth quarters. Our net income is typically negative in the first quarter and reduced in the fourth quarter as we invest ahead of our peak season.

## *Revenue*

Over the last eight quarters, revenue has been impacted by the following:

- timing of store openings;
- launch and expansion of international e-commerce sites;
- customer demand and increased manufacturing flexibility through a shift to in-house production, which has an impact on the timing of wholesale order shipments;
- timing of end-consumer purchasing in the DTC segment and the availability of new products;
- successful execution of global pricing strategy;
- shift in mix of revenue from wholesale to DTC, which has impacted the seasonality of our financial performance;
- shift in geographic mix of sales to increase sales outside of Canada;
- fluctuation of foreign currencies relative to the Canadian dollar;
- acquisition of Baffin on November 1, 2018;
- political disruptions in Hong Kong beginning in June 2019; and
- the global COVID-19 pandemic beginning in the fourth quarter of fiscal 2020.

## *Net Income (Loss)*

Over the last eight quarters, net income (loss) has been affected by the following factors:

- impact of the items affecting revenue, as discussed above;
- increase and timing of our investment in brand, marketing, and administrative support as well as increased investment in property, plant, and equipment and intangible assets to support growth initiatives;
- increase in fixed SG&A costs associated with our business, particularly the headcount growth and premises costs associated with our expanding DTC channel, resulting in negative and reduced net income in our seasonally low-revenue first and fourth quarters, respectively;
- impact of foreign exchange;
- fluctuations in average cost of borrowings to address growing net working capital requirements and higher seasonal borrowings in the first and second quarters of each fiscal year to address the seasonal nature of revenue;
- pre-store opening costs incurred, timing of leases signed, and opening of stores;
- beginning in the first quarter of fiscal 2020, the adoption of the IFRS 16 lease accounting standard with no restatement of prior reporting periods, as permitted by the standard;
- the nature and timing of transaction costs in connection with secondary offerings of shares, the Baffin acquisition, and amendments to long-term debt agreements;
- the proportion of taxable income in non-Canadian jurisdictions;
- political disruptions in Hong Kong beginning in June 2019; and
- the global COVID-19 pandemic beginning in the fourth quarter of fiscal 2020.

## NON-IFRS FINANCIAL MEASURES

CAD \$ millions (except per share data)	For the year ended		For the fourth quarter ended	
	March 29, 2020	March 31, 2019	March 29, 2020	March 31, 2019
EBIT	192.1	196.7	(17.2)	11.7
Adjusted EBIT	207.4	206.9	(9.7)	13.0
<i>Adjusted EBIT margin</i>	21.6%	24.9%	(6.9)%	8.3%
EBITDAR	255.2	242.8	1.9	25.9
Adjusted EBITDAR	263.4	251.6	8.0	27.2
Adjusted net income (loss)	147.2	151.6	(13.3)	10.0
Adjusted net income (loss) per basic share	\$ 1.34	\$ 1.39	\$ (0.12)	\$ 0.09
Adjusted net income (loss) per diluted share	\$ 1.32	\$ 1.36	\$ (0.12)	\$ 0.09
Free operating cash flow	(24.5)	24.1	(42.6)	(15.3)

CAD \$ millions	March 29, 2020	March 31, 2019
Net debt	(355.5)	(63.8)
Net working capital	327.1	188.0

*EBIT, adjusted EBIT, adjusted EBIT margin, EBITDAR, adjusted EBITDAR, adjusted net income, and adjusted net income per basic and diluted share*

EBIT, adjusted EBIT, adjusted EBIT margin, adjusted net income and adjusted net income per basic and diluted share are financial measures that are not defined under IFRS. We use these non-IFRS financial measures and believe they enhance an investor's understanding of our financial and operating performance from period to period, because they exclude certain material non-cash items and certain other adjustments we believe are not reflective of our ongoing operations and our performance. Accordingly, we use these metrics to measure our core financial and operating performance for business planning purposes and as a component in the determination of incentive compensation for salaried employees. In addition, we believe investors use both IFRS and non-IFRS measures (EBIT, adjusted EBIT, adjusted EBIT margin, adjusted net income and adjusted net income per basic and diluted share) to assess management's past, current and future decisions associated with our priorities and our allocation of capital, as well as to analyze how our business operates in, or responds to, swings in economic cycles or to other events that impact the apparel industry. However, these measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies in our industry. These financial measures are not intended to represent and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as measures of liquidity.

For the year ended March 29, 2020, we believe that identifying certain costs directly resulting from the impact of the COVID-19 pandemic and excluding these amounts from our calculation of the non-IFRS measures described above helps management and investors assess the impact of COVID-19 on our business as well as our general economic performance during the period. During the periods presented, these were comprised of overhead costs recognized during the temporary closure of our manufacturing facilities, temporary store closure costs including depreciation and

interest expenses, and unrealized losses on foreign exchange hedges deemed ineffective for hedge accounting purposes as a result of uncertainties in future cash flows among our international operations.

In prior periods, the Company reported EBITDA, adjusted EBITDA and EBITDA margin as operating performance measures. Upon adoption of IFRS 16 for lease accounting for fiscal 2020 and future years, the Company has replaced EBITDA, adjusted EBITDA and EBITDA margin with EBIT, adjusted EBIT, and adjusted EBIT margin in its non-IFRS disclosure. With the capitalization of right-of-use assets and lease liabilities and the replacement of rent expense with depreciation and interest, the Company believes that EBITDA measures are no longer meaningful for assessing operating profit and operating profitability.

For purposes of reporting net debt leverage, the Company has substituted adjusted EBITDAR (earnings before interest, taxes, depreciation, amortization and in fiscal 2019, rent expense) for EBITDA after the adoption of IFRS 16 for lease accounting.

EBIT, adjusted EBIT, adjusted EBIT margin, EBITDAR, adjusted EBITDAR, adjusted net income and adjusted net income per basic and diluted share have important limitations as analytical tools and should not be considered in isolation or as a substitute for any standardized measure under IFRS. For example, these financial measures:

- exclude certain tax and rent payments that may reduce cash available to us;
- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our net working capital needs; and
- do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt.

Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

#### *Constant currency revenue*

Because we are a global company, the comparability of revenue reported in Canadian dollars is also affected by foreign currency exchange rate fluctuations when the underlying currencies in which we transact change in value over time compared to the Canadian dollar. These currencies include U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan and Hong Kong dollars. These rate fluctuations can have a significant effect on our reported results. Therefore, in addition to financial measures prepared in accordance with IFRS, our revenue discussions often contain references to constant currency measures, which are calculated by translating the prior year reported amounts into comparable amounts using a single foreign exchange rate for each currency calculated based on the current period exchange rates. This measure should not be considered in isolation or as a substitute for any standardized measure under IFRS. We present constant currency financial information, which is a non-IFRS financial measure, as a supplement to our reported operating results. We use constant currency information to provide a framework to assess how our business and geographic segments performed excluding the effects of foreign currency exchange rate fluctuations. We believe this information is useful to investors to facilitate comparisons of operating results and better identify trends in our businesses. See the Revenue section of the “Results of Operations” for a reconciliation of reported revenue and revenue on a constant currency basis.

Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

### *Net debt and net debt leverage*

Net debt and net debt leverage are financial measures that are not defined under IFRS. We use, and believe that certain investors and analysts use, these non-IFRS financial measures to determine a company's financial leverage and ability to meet its debt obligations. We define net debt as total indebtedness, net of cash, and net debt leverage as the ratio of net debt to adjusted EBITDAR, measured on a trailing 52 or 53-week period. These measures should not be considered in isolation or as a substitute for any standardized measure under IFRS. See "Financial Condition, Liquidity and Capital Resources - Indebtedness" below for a table providing the calculation of net debt and discussion of net debt leverage.

Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

### *Net working capital and net working capital turnover*

Net working capital and net working capital turnover are financial measures not defined under IFRS. We use, and believe that certain investors and analysts use, this information to assess the Company's liquidity and management of net working capital resources. We define net working capital as current assets, net of cash, minus current liabilities, excluding the Short-term Borrowings and current portion of lease liabilities. Net working capital turnover is the ratio of average net working capital to revenue, both measured on a trailing 52 or 53-week period. These measures should not be considered in isolation or as a substitute for any standardized measure under IFRS. See "Financial Condition, Liquidity and Capital Resources" below for a table providing the calculation of net working capital.

Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

### *Free operating cash flow*

Free operating cash flow is a financial measure that is not defined under IFRS. We use, and believe that certain investors and analysts use, this information to assess the Company's financial leverage and cash available for repayment of borrowings and other financing activities and as an indicator of operational financial performance. We define free operating cash flow as net cash flows from (used in) operating activities plus net cash flows from (used in) investing activities, minus principal payments on lease liabilities, and excluding the one-time cash outflow related to the Baffin acquisition in the third quarter of fiscal 2019. This measure should not be considered in isolation or as a substitute for any standardized measure under IFRS. See "Cash Flows" below for a table providing the free operating cash flow balance for the period.

Other companies in our industry may calculate this measure differently than we do, limiting their usefulness as comparative measures.

The tables below reconcile net income to EBIT, adjusted EBIT, EBITDAR, adjusted EBITDAR, and adjusted net income for the periods indicated. Adjusted EBIT margin is equal to adjusted EBIT for the period presented as a percentage of revenue for the same period.

CAD \$ millions	For the year ended		For the fourth quarter ended	
	March 29, 2020	March 31, 2019	March 29, 2020	March 31, 2019
<b>Net income</b>	151.7	143.6	2.5	9.0
<i>Add (deduct) the impact of:</i>				
Income tax expense	12.0	38.9	(24.2)	(0.4)
Net interest and other finance costs	28.4	14.2	4.5	3.1
<b>EBIT</b>	192.1	196.7	(17.2)	11.7
Offering costs (a)	0.1	2.1	—	0.3
Costs of the Baffin acquisition (b)	2.4	3.0	0.5	0.9
Unrealized foreign exchange (gain) loss on Term Loan Facility (c)	(1.6)	0.9	1.1	(0.4)
Share-based compensation (d)	1.0	2.8	0.2	0.5
Transition of logistics agencies (e)	0.6	—	0.6	—
COVID-19 costs (f)	4.6	—	4.6	—
Pre-store opening costs (g)	8.2	1.4	0.6	—
Total adjustments	15.3	10.2	7.5	1.3
<b>Adjusted EBIT</b>	207.4	206.9	(9.7)	13.0
<i>Adjusted EBIT margin</i>	21.6%	24.9%	(6.9)%	8.3%
<i>Add the impact of:</i>				
Depreciation and amortization	63.1	22.7	19.1	7.4
Rent expense	—	23.4	—	6.8
<b>EBITDAR</b>	255.2	242.8	1.9	25.9
<b>Adjusted EBITDAR<sup>(1)</sup></b>	263.4	251.6	8.0	27.2

<sup>(1)</sup> Adjusted EBITDAR is calculated as EBITDAR, adjusted for items (a) to (g) but excluding depreciation and amortization of \$1.0m comprised of COVID-19 costs in (f) for both the fourth quarter and year ended March 29, 2020 and \$0.4m and \$6.1m of pre-store opening costs in (g) for the fourth quarter and year ended March 29, 2020, respectively, above.

CAD \$ millions	For the year ended		For the fourth quarter ended	
	March 29, 2020	March 31, 2019	March 29, 2020	March 31, 2019
<b>Net income</b>	151.7	143.6	2.5	9.0
<i>Add (deduct) the impact of:</i>				
Offering costs (a)	0.1	2.1	—	0.3
Costs of the Baffin acquisition (b)	2.4	3.0	0.5	0.9
Unrealized foreign exchange (gain) loss on Term Loan Facility (c)	(1.6)	0.9	1.1	(0.4)
Share-based compensation (d)	1.0	2.8	0.2	0.5
Transition of logistics agencies (e)	0.6	—	0.6	—
COVID-19 costs (h)	4.8	—	4.8	—
Pre-store opening costs (i)	9.4	1.4	0.7	—
Acceleration of unamortized costs on term loan refinancing (j)	7.0	—	—	—
Swiss tax reform (k)	(23.1)	—	(23.1)	—
<b>Total adjustments</b>	0.6	10.2	(15.2)	1.3
Tax effect of adjustments	(5.1)	(2.2)	(0.6)	(0.3)
<b>Adjusted net income (loss)</b>	147.2	151.6	(13.3)	10.0

(a) Represents costs incurred in connection with Secondary Offerings, including professional fees, consulting, legal, and accounting that would otherwise not have been incurred, and those costs recognized over time.

(b) Represents costs in connection with the Baffin acquisition and the impact of gross margin that would otherwise have been recognized on inventory recorded at net realizable value less costs to sell.

(c) Represents unrealized gains and losses on the translation of the Term Loan Facility from USD to CAD, net of the effect of derivative transactions entered into to hedge a portion of the exposure to foreign currency exchange risk.

(d) Represents non-cash share-based compensation expense on stock options issued prior to the Company's initial public offering ("IPO") under the Legacy Plan and cash payroll taxes paid by the Company on gains earned by option holders (compensation) when stock options are exercised.

(e) Represents costs incurred for the transition of logistics, warehousing and freight forwarding agencies to enhance our global distribution structure.

(f) Represents costs incurred as a consequence of the COVID-19 pandemic including \$1.2m of overhead costs resulting from the temporary closure of our manufacturing facilities, \$1.7m of unrealized losses on foreign exchange operational hedges deemed ineffective, and \$1.7m of temporary store closure costs including depreciation on right-of-use assets.

(g) Represents costs incurred during pre-opening periods for new retail stores, including depreciation on right-of-use assets in fiscal 2020 and rent expense in fiscal 2019.



- (h) Represents COVID-19 costs incurred in (f) above plus \$0.2m of interest expense on lease liabilities for temporary store closures in both the fourth quarter and year ended March 29, 2020.
- (i) Represents pre-store opening costs incurred in (g) above plus \$0.1m and \$1.2m of interest expense on lease liabilities for new retail stores during pre-opening periods for the fourth quarter and year ended March 29, 2020.
- (j) Represents the non-cash unamortized costs accelerated in connection with the amendments to the Term Loan Facility on May 10, 2019.
- (k) Represents deferred tax asset recognized due to Swiss tax reform effective January 1, 2020.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### Financial Condition

The following table represents our net working capital<sup>(1)</sup> position as at March 29, 2020 and March 31, 2019:

CAD \$ millions	March 29, 2020	March 31, 2019	\$ Change	% Change
Current assets, net of cash	492.6	324.6	168.0	51.8 %
Current liabilities, net of Short-term Borrowings and current portion of lease liabilities	165.5	136.6	(28.9)	(21.2)%
Net working capital <sup>(1)</sup>	327.1	188.0	139.1	74.0 %

<sup>(1)</sup> *Net working capital and net working capital turnover are non-IFRS financial measures. See "Non-IFRS Financial Measures" for a description of these measures.*

As at March 29, 2020, we had \$327.1m of net working capital compared to \$188.0m of net working capital as at March 31, 2019. The \$139.1m increase was driven by the creation of buffer inventory as we move more production in-house. As at March 29, 2020, we have notified a number of third party contract manufacturers of our intent to cease production with them in accordance with the terms of our agreements. We are in the process of reducing our third party manufacturing capacity in Canada by over two thirds, and we anticipate that this process will be complete by the third quarter of fiscal 2021. The strategy of building inventory ahead of the planned rationalization of third-party manufacturing capacity led to a \$145.0m increase in inventory on hand as we accelerated production from our expanding in-house capacity. The remaining changes in working capital offset each other as the extension of payment terms in response to COVID-19 impacted both trade receivables and trade payables. Net working capital turnover<sup>(1)</sup> was 35.2% in the quarter ended March 29, 2020.

## Cash Flows

The following table summarizes the Company's consolidated statement of cash flows for the year ended March 29, 2020 compared to the year ended March 31, 2019, and for the fourth quarter ended March 29, 2020 compared to the fourth quarter ended March 31, 2019.

CAD \$ millions	For the year ended			For the fourth quarter ended		
	March 29, 2020	March 31, 2019	\$ Change	March 29, 2020	March 31, 2019	\$ Change
Total cash provided by (used in):						
Operating activities	62.5	73.4	(10.9)	(19.2)	(1.0)	(18.2)
Investing activities	(62.3)	(82.9)	20.6	(15.8)	(14.5)	(1.3)
Financing activities	(58.7)	3.1	(61.8)	(6.6)	0.6	(7.2)
Effects of foreign currency exchange rate changes on cash	1.6	(0.3)	1.9	1.3	1.2	0.1
(Decrease) increase in cash	(56.9)	(6.7)	(50.2)	(40.3)	(13.7)	(26.6)
Cash, beginning of period	88.6	95.3	(6.7)	72.0	102.3	(30.3)
Cash, end of period	31.7	88.6	(56.9)	31.7	88.6	(56.9)
Free operating cash flow <sup>(1)</sup>	(24.5)	24.1	(48.6)	(42.6)	(15.3)	(27.3)

<sup>(1)</sup> Free operating cash flow is a non-IFRS financial measure. See "Non-IFRS Financial Measures" for a description of this measure.

## Cash Requirements

Our primary need for liquidity is to fund net working capital, capital expenditures, debt services, and general corporate requirements of our business. Our primary source of liquidity to meet our cash requirements is cash generated from operating activities over our annual operating cycle. We also utilize our Short-term Borrowings, the Revolving Facility, and the trade accounts receivable factoring program to provide short-term liquidity and to have funds available for net working capital. Our ability to fund our operations, invest in planned capital expenditures, meet debt obligations, and repay or refinance indebtedness depends on our future operating performance and cash flows, which are subject, but not limited to, prevailing economic, financial, and business conditions, some of which are beyond our control. Cash generated from operating activities is significantly impacted by the seasonality of our business. Cash flows from operating activities are typically highest in the third and fourth fiscal quarters of the fiscal year due to revenue from the DTC channel and the collection of receivables from wholesale revenue earlier in the year.

### Cash flows from and used in operating activities

Cash flows from operating activities were \$62.5m for the year ended March 29, 2020 compared to \$73.4m for the year ended March 31, 2019. The decrease of \$10.9m in cash flows from operating activities was driven by higher net income excluding items not affecting cash as \$24.7m of principal paid on lease liabilities were presented in financing activities in fiscal 2020 compared to rent expense presented in operating activities in the prior year. This was offset by an unfavourable change in non-cash operating items and higher income taxes and interest paid.

Cash flows used in operating activities were \$19.2m for the fourth quarter ended March 29, 2020 compared to \$1.0m for the fourth quarter ended March 31, 2019. The increase of \$18.2m in cash

flows used in operating activities was driven by lower net income excluding items not affecting cash and higher income taxes and interest paid in the quarter.

#### *Cash flows used in investing activities*

Cash flows used in investing activities were \$62.3m for the year ended March 29, 2020 compared to \$82.9m for the year ended March 31, 2019. The decrease in cash flows used in investing activities of \$20.6m was driven by \$33.6m of cash flows used for the acquisition of Baffin in fiscal 2019, partially offset by an increase in cash flows used for retail store construction, investments in information technology and product development, and capital additions for manufacturing capacity in fiscal 2020.

Cash flows used in investing activities were \$15.8m for the fourth quarter ended March 29, 2020 compared to \$14.5m for the fourth quarter ended March 31, 2019. The increase in cash flows used in investing activities of \$1.3m was driven by an increase in cash flows used for retail store construction, investments in information technology and product development, and capital additions for manufacturing capacity.

#### *Cash flows used in financing activities*

Cash flows used in financing activities were \$58.7m for the year ended March 29, 2020 compared to cash flows from financing activities of \$3.1m for the year ended March 31, 2019. The increase in cash flows used in financing activities of \$61.8m was driven by \$38.7m of payments for the purchase and cancellation of subordinate voting shares and \$24.7m of principal paid on lease liabilities.

Cash flows used in financing activities were \$6.6m for the fourth quarter ended March 29, 2020 compared to cash flows from financing activities of \$0.6m for the fourth quarter ended March 31, 2019. The increase in cash flows used in financing activities of \$7.2m was driven by \$7.6m of principal paid on lease liabilities in the quarter.

#### *Free operating cash flow<sup>(1)</sup>*

The table below reconciles the cash flows from (used in) operating and investing activities, principal payments on lease liabilities, and the one-time cash outflow related to the Baffin acquisition to free operating cash flow.

CAD \$ millions	For the year ended			For the fourth quarter ended		
	March 29, 2020	March 31, 2019	\$ Change	March 29, 2020	March 31, 2019	\$ Change
Total cash from (used in):						
Operating activities	62.5	73.4	(10.9)	(19.2)	(1.0)	(18.2)
Investing activities	(62.3)	(82.9)	20.6	(15.8)	(14.5)	(1.3)
<i>Add (deduct) the impact of:</i>						
Principal payments on lease liabilities	(24.7)	—	(24.7)	(7.6)	—	(7.6)
Business combination	—	33.6	(33.6)	—	0.2	(0.2)
<b>Free operating cash flow<sup>(1)</sup></b>	<b>(24.5)</b>	<b>24.1</b>	<b>(48.6)</b>	<b>(42.6)</b>	<b>(15.3)</b>	<b>(27.3)</b>

<sup>(1)</sup> *Free operating cash flow is a non-IFRS financial measure. See "Non-IFRS Financial Measures" for a description of this measure.*

Free operating cash flow decreased to \$(24.5)m for the year ended March 29, 2020 from \$24.1m for the year ended March 31, 2019 due to an unfavourable change in cash flows from operating activities, normalized for the impact of IFRS 16, and the unfavourable change in cash flows used in investing activities, normalized for the one-time cash outflow related to the Baffin acquisition in fiscal 2019.

Free operating cash flow decreased to \$(42.6)m for the fourth quarter ended March 29, 2020 from \$(15.3)m for the fourth quarter ended March 31, 2019 due to an unfavourable change in cash flows used in operating activities, normalized for the impact of IFRS 16, and an unfavourable change in cash flows used in investing activities.

### **Indebtedness**

The following table presents our net debt<sup>(1)</sup> as of March 29, 2020 and March 31, 2019.

<b>CAD \$ millions</b>	<b>March 29, 2020</b>	<b>March 31, 2019</b>	<b>\$ Change</b>
Cash	31.7	88.6	(56.9)
Short-term Borrowings	—	—	—
Revolving Facility	—	—	—
Term Loan	(159.3)	(152.4)	(6.9)
Lease liabilities	(227.9)	—	(227.9)
Net debt <sup>(1)</sup>	(355.5)	(63.8)	(291.7)

<sup>(1)</sup> *Net debt, net debt leverage, adjusted EBITDAR are non-IFRS financial measures. See “Non-IFRS Financial Measures” for a description of these measures.*

As at March 29, 2020, net debt was \$355.5m compared to \$63.8m as at March 31, 2019. The increase of \$291.7m was driven by the recognition of lease liabilities of \$227.9m as a result of the adoption of IFRS 16 and a \$56.9m decrease in cash. Net debt leverage<sup>(1)</sup> as at March 29, 2020 was 1.3 times adjusted EBITDAR<sup>(1)</sup>, including the recognition of lease liabilities effective April 1, 2019.

### **Short-term Borrowings**

On July 18, 2019, a subsidiary of the Company in Greater China entered into an uncommitted loan facility in the amount of RMB 160.0m. The facility includes a non-financial bank guarantee facility in the amount of RMB 10.0m. The term of each draw on the loan will be one, three or six months or such other period as agreed upon and shall not exceed twelve months (including any extension or rollover). The interest rate is equal to 105% of the applicable People's Bank of China Benchmark Lending Rate and payable at one, three or six months, depending on the term of each draw. The facility is guaranteed by the Company and proceeds drawn on the facility will be used to support working capital requirements. As at March 29, 2020, no amounts were owing under the Short-term Borrowings.

### **Amendments to long-term debt agreements**

During the year ended March 29, 2020, the Company entered into agreements with its lenders to amend the terms of its Revolving Facility. On May 10, 2019, the first amendment to the Revolving Facility increased the credit commitment amount to \$300.0m with a seasonal increase of up to \$350.0m during the peak season (June 1 through November 30) and extended the maturity date from June 3, 2021 to June 3, 2024. Subsequently on February 24, 2020, the Company entered into a second amendment with its lenders to further increase the credit commitment amount to \$467.5m with a seasonal increase of up to \$517.5m during the peak season (June 1 through November 30). The Company incurred transaction costs of \$0.9m in connection with these

amendments to the Revolving Facility. Total deferred transaction costs are amortized over the extended term to maturity of the facility.

Additionally, the Company entered into an agreement with its lenders to amend the terms of its Term Loan Facility on May 10, 2019. The amendment to the Term Loan Facility decreased the interest rate from LIBOR plus 4.00% to LIBOR plus 3.50%, and extended the maturity date from December 2, 2021 to December 2, 2024.

#### *Revolving Facility*

The Company has an agreement with a syndicate of lenders for a senior secured asset-based Revolving Facility in the amount of \$467.5m with an increase in commitments to \$517.5m during the peak season (June 1 - November 30) (May 10, 2019 to February 24, 2020 - \$300.0m with an increase in commitments to \$350.0m during the peak season, prior to May 10, 2019 amendment - \$200.0m with an increase in commitments to \$250.0m during the peak season). The revolving credit commitment also includes a letter of credit commitment in the amount of \$25.0m, with a \$5.0m sub-commitment for letters of credit issued in a currency other than Canadian dollars, U.S. dollars, euros or British pounds sterling, and a swingline commitment for \$25.0m. Amounts owing under the Revolving Facility can be drawn in Canadian dollars, U.S. dollars, euros, British pounds sterling or other currencies. The Revolving Facility matures on June 3, 2024. Amounts owing under the Revolving Facility may be borrowed, repaid and re-borrowed for general corporate purposes.

Loans under the Revolving Facility, at our option, may be maintained from time to time as (a) Prime Rate Loans, which bear interest at a rate per annum equal to the Applicable Margin for Prime Rate Loans plus the Prime Rate, (b) Banker's Acceptances funded on a discounted proceeds basis given the published discount rate plus a rate per annum equal to the Applicable Margin for stamping fees, (c) ABR Loans, which bear interest at a rate per annum equal to the Applicable Margin for ABR Loans plus the ABR, (d) European Base Rate Loans, which bear interest at a rate per annum equal to the Applicable Margin for European Base Rate Loans plus the European Base Rate, (e) LIBOR Loans, which bear interest at a rate per annum equal to the Applicable Margin for LIBOR Loans plus the LIBOR Rate or (f) EURIBOR Loans, which bear interest at a rate per annum equal to the Applicable Margin for EURIBOR Loans plus the applicable EURIBOR.

A commitment fee will be charged on the average daily unused portion of the Revolving Facility of 0.25% per annum if average utilization under the Revolving Facility is greater than 50% or 0.375% if average utilization under the Revolving Facility is less than 50%. A letter of credit fee, with respect to standby letters of credit, will accrue on the aggregate face amount of outstanding letters of credit under the Revolving Facility equal to the Applicable Margin for LIBOR Loans, and, with respect to trade or commercial letters of credit, 50% of the then Applicable Margin on LIBOR Loans. A fronting fee will be charged on the aggregate face amount of outstanding letters of credit equal to 0.125% per annum. In addition, we pay the administrative agent under the Revolving Facility a monitoring fee of one thousand dollars per month.

The Revolving Facility contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the years ended March 29, 2020 and March 31, 2019, the Company was in compliance with all covenants.

As at March 29, 2020 and March 31, 2019, the Company had repaid all amounts owing under the Revolving Facility and related deferred transaction costs in the amounts of \$1.7m and \$1.2m, respectively, were included in other long-term liabilities. The Company has unused borrowing capacity available under the Revolving Facility of \$226.6m as at March 29, 2020 (March 31, 2019 - \$165.5m).

As at March 29, 2020, the Company had letters of credit outstanding under the Revolving Facility of \$5.7m (March 31, 2019 - \$1.2m). In addition to the letters of credit outstanding under the Revolving Facility, a subsidiary of the Company entered into a guarantee arrangement in the amount

of HKD13.9m in connection with a retail lease agreement in Greater China. The subsidiary will reimburse the issuing bank for amounts drawn on the guarantee. As at March 29, 2020, no amounts have been drawn.

#### *Term Loan Facility*

The Company has a senior secured loan agreement with a syndicate of lenders that is secured on a split collateral basis alongside the Revolving Facility, with an aggregate principal amount owing of US\$113.8m with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and certain financial institutions as lenders. The Term Loan Facility bears interest at a rate of LIBOR plus an applicable margin of 3.50% (prior to the amendment - LIBOR plus an applicable margin of 4.00%, provided that LIBOR may not be less than 1.00%), payable monthly in arrears. The Term Loan Facility matures on December 2, 2024. Amounts owing under the Term Loan Facility may be repaid at any time without premium or penalty, but once repaid may not be reborrowed. All obligations under the Term Loan Facility are unconditionally guaranteed by the Company and, subject to certain exceptions, our U.S., U.K. and Canadian subsidiaries. The Term Loan Facility provides for customary events of default.

The Company has pledged substantially all of its assets as collateral for the Term Loan Facility. The Term Loan Facility contains financial and non-financial covenants. As at and during the years ended March 29, 2020 and March 31, 2019, the Company was in compliance with all covenants.

The Company determined that the amendments to the Term Loan Facility are equivalent to a prepayment at no cost of the original Term Loan Facility and the origination of the amended Term Loan Facility at market conditions. The Company has accounted for the amendments to the Term Loan Facility as a debt extinguishment and re-borrowing of the loan amount. The original Term Loan Facility in the amount of \$151.7m (US\$113.8m) and related unamortized costs of \$7.0m were derecognized. The acceleration of unamortized costs was included in net interest and other finance costs in the statement of income.

In the first quarter of fiscal 2020, the Company incurred transaction costs of \$1.4m in connection with the amendment to the Term Loan Facility, which are amortized over the new term to maturity using the effective interest rate method.

As the Term Loan Facility is denominated in U.S. dollars, the Company remeasures the outstanding balance in Canadian dollars at each balance sheet date. As at March 29, 2020, we had \$159.3m aggregate principal amount outstanding under the Term Loan Facility (March 31, 2019 - \$152.4m). The difference in amounts in these periods is the result of the change in the CAD:USD exchange rate.

#### *Lease Liabilities*

As a result of the adoption of IFRS 16, the Company recognized \$150.8m of lease liabilities on April 1, 2019 and had \$227.9m of lease liabilities as at March 29, 2020, of which \$35.9m are due within one year. Lease liabilities represent the discounted amount of future payments under leases for right-of-use assets.

#### *Capital Management*

The Company manages its capital, which consists of equity (subordinate voting shares and multiple voting shares), Short-term Borrowings, and long-term debt (the Revolving Facility and the Term Loan Facility), with the objectives of safeguarding sufficient net working capital<sup>(1)</sup> over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. Management targets a ratio of trailing 52 or 53-week period adjusted EBITDAR<sup>(1)</sup> to net debt<sup>(1)</sup>, reflecting the seasonal change in the business as net working capital builds through the second fiscal quarter. The Board of Directors of the Company monitors the Company's capital management on a regular basis. We will continually assess the adequacy of

the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business. Refer to the "Subsequent Events" section of the MD&A for further enhancements to our capital management program subsequent to March 29, 2020 in response to the impact of COVID-19.

<sup>(1)</sup> *Net working capital, adjusted EBITDAR and net debt are non-IFRS measures. See "Non-IFRS Financial Measures" for a description of these measures.*

#### *Normal course issuer bid*

The Board of Directors has authorized the Company to initiate a normal course issuer bid, in accordance with the requirements of the Toronto Stock Exchange, to purchase up to 1,600,000 subordinate voting shares over the 12-month period from May 31, 2019 to May 30, 2020. Purchased subordinate voting shares will be cancelled.

During the year ended March 29, 2020, the Company purchased 853,500 subordinate voting shares for cancellation at an average price per share of \$45.35 for total cash consideration of \$38.7m. The amount paid to purchase subordinate voting shares has been charged to share capital at the average share capital amount per share outstanding of \$1.6m, with the remaining \$37.1m charged to retained earnings.

#### *Contractual Obligations*

The following table summarizes certain of our significant contractual obligations and other obligations as at March 29, 2020:

<b>CAD \$ millions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Thereafter</b>	<b>Total</b>
Accounts payable and accrued liabilities	136.8	—	—	—	—	—	136.8
Term Loan Facility	—	—	—	—	159.3	—	159.3
Note payable	3.0	—	—	—	—	—	3.0
Interest commitments relating to borrowings <sup>(1)</sup>	8.1	8.1	8.1	8.1	5.4	—	37.8
Foreign exchange forward contracts	7.8	—	—	—	—	—	7.8
Lease obligations	49.0	50.0	49.5	44.5	43.0	90.8	326.8
Pension obligation	—	—	—	—	—	2.8	2.8
<b>Total contractual obligations</b>	<b>204.7</b>	<b>58.1</b>	<b>57.6</b>	<b>52.6</b>	<b>207.7</b>	<b>93.6</b>	<b>674.3</b>

<sup>(1)</sup> *Interest commitments are calculated based on the loan balance and the interest rate payable on the Term Loan Facility of 5.10% as at March 29, 2020.*

As at March 29, 2020, we had additional liabilities which included provisions for warranty, agent termination fees, sales returns, asset retirement obligations, and deferred income tax liabilities. These long-term liabilities have not been included in the table above as the timing and amount of future payments are uncertain.

#### **Off-Balance Sheet Arrangements**

The Company uses off-balance sheet arrangements including letters of credit and guarantees in connection with certain obligations, including leases. Other than those items disclosed here and elsewhere in this MD&A and our financial statements, we do not have any material off-balance sheet arrangements or commitments as at March 29, 2020.

### *Trade accounts receivable factoring program*

On December 23, 2019, a subsidiary of the Company in Europe entered into an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of €20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice. Accepted currencies include euros, British pounds sterling, and Swiss francs. The Company is charged a fee of the applicable EURIBOR or LIBOR reference rate plus 1.15% per annum, based on the number of days between the purchase date and the invoice due date, which is lower than the Company's average borrowing rate under the Revolving Facility. The program is utilized to provide sufficient liquidity to support its international operating cash needs. Upon transfer of the receivables, the Company receives cash proceeds and continues to service the receivables on behalf of the third-party financial institution. The program meets the derecognition requirements in accordance with IFRS 9, *Financial Instruments* as the Company transfers substantially all the risks and rewards of ownership upon the sale of a receivable. These proceeds are classified as cash flows from operating activities in the statement of cash flows.

For the year ended March 29, 2020, the Company received cash proceeds from the sale of trade accounts receivable with carrying values of \$7.8m which were derecognized from the Company's statement of financial position. Fees of less than \$0.1m were incurred during the year ended March 29, 2020 and included in net interest and other financing costs in the statement of income. At March 29, 2020, the outstanding amount of trade accounts receivable derecognized from the Company's statement of financial position, but which the Company continued to service, was \$2.4m.

### ***Outstanding Share Capital***

Canada Goose is a publicly traded company and the subordinate voting shares are listed on the New York Stock Exchange (NYSE: GOOS) and on the Toronto Stock Exchange (TSX: GOOS). As at May 29, 2020, there were 59,093,627 subordinate voting shares issued and outstanding, and 51,004,076 multiple voting shares issued and outstanding.

As at May 29, 2020, there were 1,630,016 options and 35,319 restricted share units outstanding under the Company's equity incentive plans, of which 799,475 options were vested as of such date. Each option is exercisable for one subordinate voting share. We expect that vested restricted share units will be paid at settlement through the issuance of one subordinate voting share per restricted share unit.

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to certain market risks arising from transactions in the normal course of our business. Such risk is principally associated with foreign currency exchange rates and interest rates.

### ***Foreign exchange risk***

#### *Foreign exchange risk in operating cash flows*

Our Annual Financial Statements are expressed in Canadian dollars, but a portion of the Company's net assets are denominated in foreign currencies, primarily U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan, and Hong Kong dollars through its foreign operations in the U.S., U.K., France, Switzerland, Hong Kong, and China. Furthermore, as our business in Greater China grows, transactions in Chinese yuan and Hong Kong dollars will increase. Net monetary assets denominated in currencies other than Canadian dollars that are held in entities with Canadian dollar functional currency are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. As a result, we are exposed to foreign currency translation



gains and losses. Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. Appreciating foreign currencies relative to the Canadian dollar will positively impact operating income and net income by increasing our revenue, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

We are also exposed to fluctuations in the prices of U.S. dollar denominated purchases as a result of changes in U.S. dollar exchange rates. A depreciating Canadian dollar relative to the U.S. dollar will negatively impact operating income and net income by increasing our costs of raw materials, while an appreciating Canadian dollar relative to the U.S. dollar will have the opposite impact.

The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk to fluctuations in the U.S. dollar, euro, British pound sterling, Swiss franc, Chinese yuan, Hong Kong dollar and Swedish krona exchange rates for revenues and purchases. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges. The operating hedge program for the fiscal years ending March 29, 2020 and March 28, 2021 was initiated during the fourth quarter of the 2019 fiscal year. Given the impact of COVID-19 on the current economic environment, we recognized \$1.7m of unrealized losses on foreign exchange hedges deemed ineffective in the fourth quarter of fiscal 2020 as a result of uncertainties in our future cash flows among our international operations.

A summary of foreign currency forward exchange contracts and the corresponding amounts as at March 29, 2020 is as follows:

(in millions)	Aggregate Amounts		Currency
Forward contract to purchase Canadian dollars	US\$	127.4	U.S. dollars
	€	120.4	euros
Forward contract to sell Canadian dollars	US\$	79.1	U.S. dollars
	€	57.9	euros
	£	0.2	British pounds sterling
Forward contract to purchase euros	CHF	2.1	Swiss francs
	CNY	455.1	Chinese yuan
	£	30.1	British pounds sterling
	HKD	47.6	Hong Kong dollars
	SEK	4.8	Swedish kronor
Forward contract to sell euros	CHF	13.8	Swiss francs
	£	1.8	British pounds sterling

#### *Foreign exchange risk on borrowings*

Amounts available for borrowing under the Term Loan Facility and part of our Revolving Facility are denominated in U.S. dollars. Based on our outstanding balances of \$159.3m (US\$113.8m) under the Term Loan Facility as at March 29, 2020, a \$0.01 depreciation in the value of the Canadian dollar compared to the U.S. dollar would result in a decrease in our pre-tax income of \$1.1m solely as a result of that exchange rate fluctuation's effect on the debt.

The Company hedges a portion of its exposure to foreign currency exchange risk on principal and interest payments related to its U.S. dollar denominated Term Loan Facility.

The Company entered into a cross-currency swap by selling US\$70.0m floating rate debt bearing interest at LIBOR plus 3.50% as measured on the trade date, and receiving \$93.0m fixed rate debt

bearing interest at a rate of 5.02%. This cross-currency swap has been designated at inception and is accounted for as a cash flow hedge, and to the extent that the hedge is effective, unrealized gains and losses are included in other comprehensive income until reclassified to the statement of income as the hedged interest payments and principal repayments (or periodic remeasurements) impact net income.

Concurrently, the Company entered into a second cross-currency swap by selling the \$93.0m fixed rate debt bearing interest at a rate of 5.02% and receiving €61.8m fixed rate debt bearing interest at a rate of 3.19%. This cross-currency swap has been designated and is accounted for as a hedge of the net investment in its European subsidiary. Hedges of net investments are accounted for similarly to cash flow hedges, with unrealized gains and losses included in other comprehensive income. Amounts included in other comprehensive income are reclassified to net income in the period when the foreign operation is disposed of or sold.

The Company also entered into a long-dated forward exchange contract by selling \$39.6m and receiving US \$30.0m as measured on the trade date, to fix the foreign exchange risk on term loan borrowings over the revised term to maturity (December 2, 2024). Unrealized gains and losses in the fair value of the forward contract are recognized in selling, general and administrative expenses in the statement of income.

### ***Interest rate risk***

We are exposed to interest rate risk primarily related to the effect of interest rate changes on borrowings outstanding under our Short-term Borrowings, Revolving Facility and Term Loan Facility. As at March 29, 2020, the Company had no amounts owing on the Short-term Borrowings and Revolving Facility. The amount outstanding under the Term Loan Facility was \$159.3m as at March 29, 2020 which currently bears interest at 5.10%. Based on the weighted average amount of outstanding borrowings under the Short-term Borrowings during the year ended March 29, 2020, a 1.00% increase in the average interest rate on our borrowings would have increased annual interest expense by less than \$0.1m. Correspondingly, a 1.00% increase in the average interest rate would have increased annual interest expense on our Revolving Facility and our Term Loan Facility by \$0.9m and \$1.5m, respectively. The impact on future interest expense because of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

### **RELATED PARTY TRANSACTIONS**

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of its Board of Directors by incurring expenses for business services. During the year ended March 29, 2020, the Company incurred expenses with related parties of \$1.7m (year ended March 31, 2019 - \$1.0m) from companies related to certain shareholders. Net balances owing to related parties as at March 29, 2020 were \$0.4m (March 31, 2019 - \$0.1m).

With the initial application of IFRS 16, the Company has recognized a lease liability to the Baffin Vendor for the leased premises; the lease liability as at March 29, 2020 was \$5.3m. During the year ended March 29, 2020, the Company paid principal and interest on the lease liability and other operating costs to entities affiliated with the Baffin Vendor totalling \$1.4m (year ended March 31, 2019 - \$0.6m). In connection with the acquisition of Baffin, the Company agreed to acquire the inventories in transit and purchases of such inventories in the year ended March 31, 2019 amounted to \$3.0m. No amounts were owing to Baffin entities as at March 29, 2020 and March 31, 2019. Furthermore, \$3.0m is payable to the Baffin Vendor on November 1, 2020 and will be charged to expense over two years.

For a discussion of additional related party transactions see Item 7B. — “Major Shareholders and Related Party Transactions” — “Related Party Transactions”.

### *Terms and conditions of transactions with related parties*

Transactions with related parties are conducted on terms pursuant to an approved agreement, or are approved by the board of directors of the Company.

### *Key management compensation*

Key management consists of the Board of Directors, the President and Chief Executive Officer and the executives who report directly to the President and Chief Executive Officer.

<b>CAD \$ millions</b>	<b>March 29, 2020</b>	<b>March 31, 2019</b>
Short term employee benefits	9.1	13.2
Long term employee benefits	0.1	0.1
Termination benefits	—	—
Share-based compensation	5.9	2.9
<b>Compensation expense</b>	<b>15.1</b>	<b>16.2</b>

### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

Our Annual Financial Statements have been prepared in accordance with IFRS as issued by the IASB. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are more fully described in the notes to our Annual Financial Statements, we believe that the following accounting policies and estimates are critical to our business operations and understanding our financial results.

The Company has adopted IFRS 16, *Leases* effective April 1, 2019. See “Changes in Accounting Policies” below for a description of the impact from adopting these new standards.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that we believe could have the most significant impact on the amounts recognized in the Annual Financial Statements.

*Revenue recognition.* Revenue comprises of DTC, Wholesale and Other segment revenues. Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for the sale of goods in the ordinary course of the Company’s activities. Revenue is presented net of sales tax, estimated returns, sales allowances, and discounts. The Company recognizes revenue when the Company has agreed terms with its customers, the contractual rights and payment terms have been identified, the contract has commercial substance, it is probable that consideration will be collected by the Company, and when control of the goods is transferred to the customer have been met.

It is the Company’s policy to sell merchandise through the DTC channel with a limited right to return, typically within 30 days. Accumulated experience is used to estimate and provide for such returns.

*Inventories.* Inventories are carried at the lower of cost and net realizable value which requires us to use estimates related to fluctuations in obsolescence, shrinkage, future retail prices, seasonality and costs necessary to sell the inventory.

We periodically review our inventories and make provisions as necessary to appropriately value obsolete or damaged raw materials and finished goods. In addition, as part of inventory valuations,

we accrue for inventory shrinkage for lost or stolen items based on historical trends from actual physical inventory counts.

*Impairment of non-financial assets (goodwill, intangible assets, and property, plant and equipment).* We are required to use judgment in determining the grouping of assets to identify their cash generating units (“CGU”) for the purposes of testing fixed assets for impairment. Judgment is further required to determine appropriate groupings of CGUs for the level at which goodwill and intangible assets are tested for impairment. For the purpose of goodwill impairment testing, CGUs are grouped at the lowest level at which goodwill is monitored for internal management purposes. For the purpose of intangible assets’ impairment testing, intangible assets are assessed at the CGU level. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed.

In determining the recoverable amount of a CGU or a group of CGUs, various estimates are employed. We determine value-in-use by using estimates including projected future revenues, earnings, working capital and capital investment consistent with strategic plans presented to the board of directors of the Company. Discount rates are consistent with external industry information reflecting the risk associated with the specific cash flows.

*Income and other taxes.* Current and deferred income taxes are recognized in the consolidated statements of income and comprehensive income, except when it relates to a business combination, or items recognized in equity or in other comprehensive income. Application of judgment is required regarding the classification of transactions and in assessing probable outcomes of claimed deductions including expectations about future operating results, the timing and reversal of temporary differences and possible audits of income tax and other tax filings by the tax authorities in the various jurisdictions in which the Company operates.

*Functional currency.* Items included in the consolidated financial statements of the Company’s subsidiaries are measured using the currency of the primary economic environment in which each entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, which is our functional and presentation currency.

*Financial instruments.* Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

We enter into financial instruments with highly-rated creditworthy institutions and instruments with liquid markets and readily-available pricing information.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below.

i) Non-derivative financial assets

Non-derivative financial assets include cash and trade receivables which are measured at amortized cost. The Company initially recognizes receivables and deposits on the date that they are originated. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

ii) Non-derivative financial liabilities

Non-derivative financial liabilities include accounts payable, accrued liabilities, Short-term Borrowings, the Revolving Facility, and the Term Loan Facility. The Company initially recognizes debt instruments on the date that they are originated. All other financial liabilities are recognized initially on the trade date on which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

iii) Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument. When a derivative financial instrument, including an embedded derivative, is not designated and effective in a qualifying hedge relationship, all changes in its fair value are recognized immediately in the statement of income; attributable transaction costs are recognized in the statement of income as incurred. The Company does not use derivatives for trading or speculative purposes.

Embedded derivatives are separated from a host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

iv) Hedge accounting

The Company is exposed to the risk of currency fluctuations and has entered into currency derivative contracts to hedge its exposure on the basis of planned transactions. Where hedge accounting is applied, the criteria are documented at the inception of the hedge and updated at each reporting date. The Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedging transactions. The Company also documents its assessment, at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of a hedging derivative is classified as a current asset or liability when the maturity of the hedged item is less than twelve months, and as a non-current asset or liability when the maturity of the hedged item is more than twelve months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized, net of tax, in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. Amounts accumulated in other comprehensive income are transferred to the statement of income in the periods when the hedged item affects net income. When a forecast transaction that is hedged results in the recognition of a non-financial asset or liability, such as inventory, the amounts are included in the measurement of the cost of the related asset or liability. The deferred amounts are ultimately recognized in the statement of income.

Hedges of net investments are accounted for similarly to cash flow hedges, with unrealized gains and losses recognized, net of tax, in other comprehensive income. Amounts included in other comprehensive income are transferred to the statement of income in the period when the foreign operation is disposed of or sold.

*Share-based payments.* Share-based payments are valued based on the grant date fair value of these awards and we record compensation expense over the corresponding service period. The fair value of the share-based payments is determined using acceptable valuation techniques.

The Company has issued stock options to purchase subordinate voting shares and RSUs under its equity incentive plans, prior to the public offering on March 21, 2017 (the “Legacy Plan”) and subsequently (the “Omnibus Plan”). Under the terms of the Legacy Plan, options were granted to certain employees of the Company with vesting contingent upon meeting the service, performance goals and exit event conditions of the Legacy Plan. There are two types of stock options: service-vested options are time based and generally vest over five years of service, and performance-based and exit event options vest upon attainment of performance conditions and the occurrence of an exit event. Under the terms of the Omnibus Plan, options are granted to certain executives of the Company with vesting, generally over four years, contingent upon meeting the service conditions of the Omnibus Plan. The compensation expense related to the options and RSUs is recognized ratably over the requisite service period, provided it is probable that the vesting conditions will be achieved and the occurrence of the exit event, if applicable, is probable.

*Warranty.* The provision for warranty claims represents the present value of management’s best estimate of the future outflow of economic resources that will be required to meet the Company’s obligations for warranties upon the sale of goods. The critical assumptions and estimates used in determining the warranty provision at the statement of financial position date are: the number of jackets expected to require repair or replacement; the proportion to be repaired versus replaced; the period in which the warranty claim is expected to occur; the cost to repair a jacket; the cost to replace a jacket, and the risk-free rate used to discount the provision to present value.

## **CHANGES IN ACCOUNTING POLICIES**

### *Standards issued and adopted*

#### **Leases**

The Company adopted IFRS 16, *Leases* on April 1, 2019 using the modified retrospective approach with the cumulative effects of initial application recorded in opening retained earnings and no restatement of prior period financial information. Under the modified retrospective approach, the Company measured the right-of-use asset at the carrying value as if the standard had been applied since the commencement date of the lease (typically the possession date), but using the discount rate at the date of initial application.

The Company determined the discount rate at the time of initial adoption to be its incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company’s creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates.

Substantially all of the Company’s leases are real estate leases for retail stores, manufacturing facilities, and corporate offices. The Company recognized right-of-use assets and lease liabilities for its leases except as permitted by recognition exemptions in the standard for short-term leases with terms of twelve months or less and leases of low-value assets. The depreciation expense on right-of-use assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis over the lease term under IAS 17.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the Company has applied a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;

- the Company has excluded initial direct costs in the measurement of the right-of-use asset on initial application except to the extent that costs, such as lease rights, were recognized under the previous standard;
- the Company has accounted for leases with a remaining term of less than twelve months as at March 31, 2019 as short-term leases; and
- the Company has used hindsight in determining the lease term where the lease contains options to extend or terminate the lease.

On the date of initial application, the impact of adopting IFRS 16 on the Company's statement of financial position as at April 1, 2019 was as follows:

#### Condensed Financial Position Information

Increase (decrease)

(in millions of Canadian dollars)

	As previously reported, March 31, 2019	IFRS 16 initial application	Reclassification of initial direct costs	Income tax	Balance as at April 1, 2019 - IFRS 16
	\$	\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Other current assets	32.9	(0.9)	—	—	32.0
Deferred income taxes	12.2	—	—	1.2	13.4
Intangible assets	155.6	—	(5.5)	—	150.1
Right-of-use assets	—	136.6	5.5	—	142.1
<b>Liabilities</b>					
<b>Current liabilities</b>					
Lease liabilities	—	19.2	—	—	19.2
Deferred income taxes	16.7	—	—	(0.5)	16.2
Lease liabilities	—	131.6	—	—	131.6
Other long-term liabilities	13.1	(8.5)	—	—	4.6
<b>Shareholders' equity</b>					
Retained earnings	279.7	(6.6)	—	1.7	274.8

The Company applied the requirements of IAS 36, *Impairment of assets* as at April 1, 2019 on the right-of-use assets and concluded there was no impairment.

The Company used its incremental borrowing rates as at April 1, 2019 to measure lease liabilities. The weighted average incremental borrowing rate was 4.28%. The weighted average lease term remaining as at April 1, 2019 was approximately 8 years.

The following table reconciles the lease liabilities recognized on April 1, 2019 and the operating lease commitments disclosed under IAS 17 as at March 31, 2019 discounted using the incremental borrowing rate as at the date of initial application:

(in millions of Canadian dollars)	\$
<b>Operating lease commitment as at March 31, 2019</b>	<b>253.4</b>
Operating leases	(3.1)
Leases committed not yet commenced	(71.5)
<b>Undiscounted lease payments</b>	<b>178.8</b>
Discount at incremental borrowing rate	(28.0)
<b>Lease liabilities recognized as at April 1, 2019</b>	<b>150.8</b>
Current lease liabilities	19.2
Non-current lease liabilities	131.6
<b>Total lease liabilities</b>	<b>150.8</b>

The adoption of IFRS 16 does not impact the Company's ability to comply with its financial and non-financial covenants as the covenants are calculated as at and during the reporting period in accordance with existing lease guidance applicable at the date of the agreement. As a result of adopting IFRS 16, the Company updated its accounting policies as set out below:

### Leases

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments is the incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company's creditworthiness, the security, term and value of the underlying leased asset, and the economic environment in which the leased asset operates. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Leases of low-value assets and short-term leases are not included in the calculation of lease liabilities. These lease expenses are recognized in cost of sales or selling, general, and administrative expenses on a straight-line or other systematic basis.

#### *Lease liabilities*

Lease liabilities are measured at the present value of future lease payments, discounted using the Company's incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are remeasured when there are changes to the lease payments, lease term, assessment of an option to purchase the underlying asset, expected residual value guarantee, or future lease payments due to a change in the index or rate tied to the payment.

#### *Right-of-use assets*

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs, if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the Company applies the cost model to the right-



of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any remeasurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

### *Segment information*

The adoption of IFRS 16 resulted in the Company adjusting its internal financial information used by the chief operating decision maker. Specifically, the change from rent expense, recorded on a straight-line basis in selling, general and administrative expense, to depreciation on right-of-use assets and interest expense on lease liabilities required a different measurement of segment operating income. As a result, expenses in the Company's operating segments now include depreciation and amortization on assets, including right-of-use assets in the current year, directly used in those segments. Prior to the first quarter of fiscal 2020 depreciation and amortization was not allocated to the Company's operating segments. Comparative segment information has been restated to include depreciation and amortization to conform with the presentation adopted in the current year.

In applying the IFRS 16 standard, the following judgments and key sources of estimation uncertainty have an impact on the amounts recognized in the consolidated financial statements.

*Judgments Made in Relation to Accounting Policies Applied:* The Company exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. The Company considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if the Company is reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's statement of financial position.

*Key Sources of Estimation:* The critical assumptions and estimates used in determining the present value of future lease payments require the Company to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets. Management determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

### **Lease term and useful life of leasehold improvements**

In December 2019, the IFRS Interpretations Committee ("IFRIC") issued a final agenda decision in regards to the determination of the lease term for cancellable or renewable leases under IFRS 16 and whether the useful life of any non-removable leasehold improvements is limited to the lease term of the related lease. The Company assessed the impact of this interpretation on leases recognized under IFRS 16 and concluded the agenda decisions did not have an impact on the existing treatment.

## **SUBSEQUENT EVENTS**

### *Letter of guarantee facility*

On April 14, 2020, Canada Goose Inc. entered into a letter of guarantee facility in the amount of \$10.0m. Letters of guarantee are available for terms of up to twelve months. Amounts issued on the facility will be used to finance working capital requirements through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits.

### *Restructuring*

On May 20, 2020, the Company underwent a reorganization to address the impact of the COVID-19 pandemic, resulting in the lay-off of 125 employees or approximately 2.5% of its workforce.

### *Amendments to the Revolving Facility*

On May 26, 2020, the Company entered into a further amendment to the Revolving Facility to increase its ability to borrow against the borrowing base by up to \$50.0m. The amended revolving facility consists of the existing Revolving Facility with a reduced commitment in the amount of \$417.5m with a seasonal increase of up to \$467.5m during the peak season (June 1 - November 30), and a FILO Revolving Facility in the amount of \$50.0m. Borrowings under the existing Revolving Facility were transferred to the FILO Revolving Facility on the transaction date and future amounts will be drawn in priority of the FILO Revolving Facility. Amounts drawn on the FILO Revolving Facility are subject to an interest rate charge that is 2.00% higher than the existing Revolving Facility. The FILO Revolving Facility matures on May 25, 2021 and upon maturity, the credit commitments on the existing Revolving Facility will be restored.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING**

### **Disclosure Controls and Procedures**

Management, including the CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of March 29, 2020. Based on that evaluation, the CEO and CFO concluded that such disclosure controls and procedures were effective as of March 29, 2020.

### **Management's Annual Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and the CFO and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as defined in Regulation 240.13a-15(f) or 240.15d-15(f).

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management's projections of any evaluation of the effectiveness of internal control over financial reporting as to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management of the Company, under the supervision and with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of March 29, 2020, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013) ("COSO 2013"). Based on evaluation performed, management concluded that, as of March 29, 2020, the Company's internal control over financial reporting was effective.

Deloitte LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of March 29, 2020.

### *Remediation of Previously-Reported Material Weakness*

As previously disclosed in "Item 15 -- Internal Control Over Financial Reporting" in the Company's Annual Report on Form 20-F for the year ended March 31, 2019, in connection with its assessment for the fiscal year ended March 31, 2019, the Company's management identified the following deficiencies in its internal control over financial reporting that existed as of March 31, 2019 in two components of internal control as defined by COSO 2013 (Control Activities and Information and Communication). In relation to Control Activities, management did not design and maintain effective controls over the following: (a) the occurrence and accuracy of revenue and the existence of the related accounts receivable, and access controls to customer master data; and (b) the existence and valuation of inventory, including inventory costing and access controls to inventory master data. Each of these was deemed to be a material weakness. The material weakness in Information and Communication is the result of the evaluation of the accuracy and completeness of information used in the execution of internal controls primarily related to spreadsheets created from data extracted from our enterprise resource planning ("ERP") system.

To address the material weaknesses related to Control Activities and Information and Communication, and as previously disclosed throughout the fiscal year ended March 29, 2020, management implemented the following remediation plan:

- Upgraded its ERP system on April 1, 2019, designed with consideration for enhanced system functionality, user roles reflecting segregation of duties, use of reporting tools, and master data management;
- Updated its process flows for the change in the business processes and controls as a result of the new ERP system and performed walkthroughs of those processes with the assistance of Internal Audit personnel and external advisors;
- Hired a Vice President of Internal Audit & Loss Prevention at the end of fiscal 2019 to lead the governance and testing of internal controls over financial reporting and hired internal audit personnel globally to support the VP Internal Audit & Loss Prevention;
- Hired additional employees with financial reporting, public company, and internal control remediation expertise and capacity throughout the global organization;
- Added control remediation goals to management's formal performance objectives to increase control accountability and ownership;
- Implemented regular monitoring process with senior Management and the Company's Audit Committee;
- Implemented a global SOX compliance software solution;
- Trained control owners on the control execution and evidencing, particularly in relation to information used in controls; and
- Increased the frequency of testing of internal controls over financial reporting.

To address the material weakness related to the occurrence and accuracy of revenue and the existence of the related accounts receivable, and access controls to customer master data, management implemented the following remediation plan:

- In connection with the upgraded ERP system noted above, management implemented IT application controls over the revenue and accounts receivable process designed to ensure transactions were completely and accurately recorded;
- Management implemented controls that restricted access to master data, including pricing and customer master data, via provisioning of user access roles and appropriate segregation of duties; and
- Management review controls over revenue and accounts receivable.

To address the material weakness related to the existence and valuation of inventory, including inventory costing and access controls to inventory master data, management implemented the following remediation plan:

- Management implemented an inventory cycle count and monitoring program throughout the fiscal year at its raw materials and finished goods warehouses;
- Precise management review controls over spreadsheets supporting standard costs and valuation; and
- In connection with the upgraded ERP system noted above, management restricted access to inventory master data via provisioning of user access roles and appropriate segregation of duties.

During the fourth quarter of fiscal 2020 and prior to the filing of our Annual Report for fiscal 2020, Management completed its testing of the newly-designed controls. In light of the foregoing remediation activities and testing of controls, Management determined that the Company's internal control over financial reporting was effective as of March 29, 2020.

For further information, see “Risk Factors”. Management, including the CEO and CFO, does not expect that disclosure controls and procedures or internal control over financial reporting will prevent all misstatements, even as the remediation measures are implemented and further improved to address the material weaknesses. The design of any system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

#### **Changes in Internal Control over Financial Reporting**

Except for the changes in connection with our implementation of the remediation plan discussed above, there have been no other changes in the Company’s internal control over financial reporting that occurred during the fourth quarter of the year ended March 29, 2020 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers as of May 22, 2020. Other than for Pat Sherlock and Penny Brook, whose business address is 135 Baarerstrasse, 6300 Zug, Switzerland, the business address for our directors and officers is c/o Canada Goose Holdings Inc., 250 Bowie Ave, Toronto, Ontario, Canada M6E 4Y2.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Dani Reiss	46	President and Chief Executive Officer and Director
Jonathan Sinclair	58	Executive Vice President, Chief Financial Officer
Pat Sherlock	46	President, Canada Goose International AG
Ana Mihaljevic	39	Chief Commercial Officer
Penny Brook	43	Chief Marketing Officer
Kara MacKillop	44	Executive Vice President, People and Culture
Scott Cameron	42	President, Greater China
David Forrest	40	Senior Vice President, General Counsel
Carrie Baker	44	Executive Vice President, Chief of Staff
John Moran	57	Executive Vice President, Manufacturing and Supply Chain
Michael (Woody) Blackford	51	Executive Vice President, Product
Eric Westerby	48	Senior Vice President, Information Technology
Paul Hubner	59	President and Chief Executive Officer, Baffin Limited
Joshua Bekenstein	61	Director
Jodi Butts	47	Director
Maureen Chiquet	57	Director
Ryan Cotton	41	Director
John Davison	61	Director
Stephen Gunn	65	Director
Jean-Marc Huët	51	Director

*Dani Reiss C. M. (Member of the Order of Canada), President and Chief Executive Officer and Director*

The grandson of our founder, Mr. Reiss joined the company in 1997 and was named President and Chief Executive Officer of the company in 2001. Mr. Reiss has worked in almost every area of the company and successfully developed our international sales channels prior to assuming the role of President and Chief Executive Officer. Mr. Reiss received a Bachelor of Arts from University of Toronto. Mr. Reiss is the Chairman of our board of directors and brings leadership and operational experience to our board of directors as our President and Chief Executive Officer.

*Jonathan Sinclair, Executive Vice President and Chief Financial Officer*

Mr. Sinclair joined the company in June 2018 as Executive Vice President and Chief Financial Officer. Prior to joining the company, Mr. Sinclair served as Chief Financial Officer and Executive Vice President of Business Operations at Jimmy Choo PLC from June 2014 to May 2018, Chief Operating Officer at Vertu from June 2013 to June 2014, Chief Operating Officer at Jimmy Choo from December 2008 to May 2013, and Group Finance Director at Pentland Brands Plc from November 2003 to December 2008. He brings more than 20 years of global financial and operational experience to his role. Mr. Sinclair received a Bachelor of Arts from Loughborough University of Technology.

*Pat Sherlock, President, Canada Goose International AG*

Mr. Sherlock joined the company in November 2012 as the Director of Canadian Sales and was named Senior Director of Sales in May 2014, Vice President of Sales Canada in May 2015, Senior Vice President of Global Wholesale in April 2016 and President of Canada Goose International AG in April 2018, overseeing all operations in Europe, the Middle East, Asia and South America. Prior to joining the company, Mr. Sherlock served as the National Sales Manager of New Balance Canada Inc., from January 2008 to November 2012 and Managing Director, Central Eastern Canada for Lothar Heinrich Agencies Ltd. (Warsteiner) from December 2006 to January 2008. He spent 10 years at InBev (Labatt), from 1997 to 2007 most recently as National Field Sales Manager. Mr. Sherlock received a Bachelor of Business Administration and Management from University of Winnipeg.

*Ana Mihaljevic, Chief Commercial Officer*

Ms. Mihaljevic joined the company in April 2015 as Vice President of Planning and became Vice President of Planning and Sales Operations in April 2016, Senior Vice President of Planning and Sales Operations in April 2017 and Chief Commercial Officer in April 2019. Prior to joining the company, Ms. Mihaljevic served as the Director of Business Planning at Marc Jacobs International, a designer apparel company, from March 2013 to March 2015, the Director of Sales and Planning at Jones Apparel Group, a women's apparel company, from May 2011 to March 2013, and as an Account Executive at Ralph Lauren from April 2008 to May 2011. Ms. Mihaljevic received a Bachelor in Commerce from Queen's University.

*Penny Brook, Chief Marketing Officer*

Ms. Brook joined the company in 2014 as European Marketing Director. She most recently served as General Manager and Vice President of International Marketing for the company and was named Chief Marketing Officer in January 2018. Prior to joining the company, Ms. Brook served in progressively senior marketing roles across a wide range of industries including luxury, fashion, consumer electronics and fast-moving consumer goods, at companies such as Mulberry Group plc, Clarks and Philips Electronics. Ms. Brook received a Bachelor of Arts from Kingston University in London.

*Kara MacKillop, Executive Vice President, People and Culture*

Ms. MacKillop joined the company in September 2014 as the Vice President of Human Resources. She was promoted to Senior Vice President of Human Resources in 2016 and Executive Vice President, People and Culture in April 2018. Prior to joining our team, Ms. MacKillop served as the Director of Human Resources for Red Bull Canada, a company that produces and sells energy drinks, from September 2010 to September 2014, and as Director of Human Resources for Indigo Books and Music from August 2003 until September 2010. Ms. MacKillop received a Bachelor of Science from the University of Western Ontario.

*Scott Cameron, President, Greater China*

Mr. Cameron joined the company in December 2015 as Chief Strategy and Business Development Officer, was named Executive Vice President e-Commerce, Stores and Strategy in July 2016 and President, Greater China in March 2018. Prior to joining our team, Mr. Cameron spent eight years focused on luxury and apparel retail brands at McKinsey & Co. Toronto, a management consulting firm, most recently as a principal. Mr. Cameron received a Bachelor in Commerce (Honours) degree from Queen's University and a Master of Business Administration from Harvard Business School, where he was a Baker Scholar.

*David Forrest, Senior Vice President, General Counsel*

Mr. Forrest joined the company in May 2014 as Director, Legal and was named Senior Director, Legal in May 2015, Vice President, Legal in October 2016 and Senior Vice President, General Counsel in April 2017. Prior to joining the company, Mr. Forrest served as the General Counsel and Corporate Secretary of Thomas Cook North America from May 2012 to May 2014, prior to which he practiced law at Osler, Hoskin & Harcourt LLP, from August 2006 until May 2012. Mr. Forrest received a Bachelor of Laws (with distinction) from Western University in 2006 and a Honours Bachelor of Arts, Applied Economics from Queen's University in 2002.

*Carrie Baker, Executive Vice President, Chief of Staff*

Ms. Baker joined the company in May 2012 as the Vice President of Communications and served as Chief of Staff and Senior Vice President until April 2018 when she was named Executive Vice President, Chief of Staff. Prior to joining the company Ms. Baker spent 12 years at High Road Communications, a North American communications agency, from May 2000 to April 2012, serving most recently as Senior Vice President. Ms. Baker received a Bachelor of Arts from the University of Western Ontario.

*John Moran, Executive Vice President, Manufacturing and Supply Chain*

Mr. Moran joined the company in November 2014 as Vice President of Manufacturing, was promoted in January 2017 to Senior Vice President, Manufacturing and Supply Chain, and was



named as Executive Vice President, Manufacturing and Supply Chain in April 2018. Prior to joining the company, Mr. Moran served as Chief Operating Officer at Smith & Vandiver Corp. in 2014 and as Vice President, Operations from October 2003 to March 2011 and later Chief Operating Officer from April 2011 to April 2013 at Robert Talbott Inc. in Monterey, California, a renowned producer of men's and women's luxury apparel. Throughout his time with Robert Talbott Inc., Mr. Moran's responsibilities ranged from strategic planning and business development to sales, sourcing, manufacturing, distribution and finance. Prior to his time with Robert Talbott Inc., Mr. Moran was employed full-time with Gitman Brothers Shirt Company, based in Ashland, Pennsylvania, from 1984 to October 2003 holding positions of varying levels of responsibility in manufacturing, distribution and finance. At the time of his departure in October 2003 he held the position of Chief Operating Officer.

*Michael (Woody) Blackford, Executive Vice President, Product*

Mr. Blackford joined the company in November 2019 as Executive Vice President, Design and Merchandising and was named Executive Vice President, Product in March 2020. Prior to joining the company, Mr. Blackford spent 14 years at Columbia Sportswear Company, most recently serving as Vice President of Global Design & Innovation. Prior to that, he held a number of roles in product and sales at Sierra Designs. Throughout his career, Mr. Blackford has developed expertise in design leadership, product development and technical innovation. Mr. Blackford received a Bachelor of Business Administration and Economics from St. Francis Xavier University.

*Eric Westerby, Senior Vice President, Information Technology*

Mr. Westerby joined the company in December 2018 as an independent consultant and formally joined the company as the Senior Vice President of Information Technology in July 2019. Prior to joining our team, Mr. Westerby served as the Chief Information Officer/EVP Omni-Channel for Palliser Furniture Upholstery/EQ3, a leading North American furniture company, from July 2017 to September 2018. He previously led the executive office of IT for Nygard, Alliance Films, West 49 Inc., Laura Secord and Cole National Corp. Mr. Westerby studied Computer Programming and Analysis at Seneca College.

*Paul Hubner, President and Chief Executive Officer, Baffin Limited*

Paul Hubner is the founder of Baffin, an industry-leading designer and manufacturer of performance outdoor and industrial footwear, and currently serves as President and Chief Executive Officer. With more than 30 years of footwear construction and design expertise and senior management experience, he has led the expansion and growth of the brand since 1997. Prior to founding Baffin, Paul worked at Deloitte as a Certified Management Accountant. He graduated from McMaster University with a Bachelor of Commerce Degree.

*Joshua Bekenstein, Director*

Mr. Bekenstein has served as a member of our board of directors since December 2013. He is a Managing Director and the Co-Chairman of Bain Capital. Prior to joining Bain Capital, in 1984, Mr. Bekenstein spent two years at Bain & Company, Inc., where he was involved with companies in a variety of industries. Mr. Bekenstein serves as a director of The Michaels Companies, Inc., BRP Inc., Dollarama Inc., and Bright Horizons Family Solutions Inc. He previously served as a member of the board of directors of The Gymboree Corporation, Burlington Stores, Inc. and Waters Corporation. Mr. Bekenstein received a Bachelor of Arts from Yale University and a Master of Business Administration from Harvard Business School. Mr. Bekenstein provides strong executive

and business operations skills to our board of directors and valuable experience gained from previous and current board service.

*Jodi Butts, Director*

Ms. Butts has served as a member of our board of directors since November 2017. Prior to joining the board, Ms. Butts served as the Chief Executive Officer of Rise Asset Development and Senior Vice-President of Operations and Redevelopment at Mount Sinai Hospital Toronto. Ms. Butts also serves as a board member and member of the Nominating Committee of Aphria Inc.; as a board member of Dot Health Inc; as a member of the Board of Governors and Audit Committee of the University of Windsor; and as a board member and member of the Risk Committee of the Walrus Foundation. She also holds several board advisory roles, including with Bayshore Home Healthcare and the World Health Innovation Network. She received a Bachelor of Arts from the University of Windsor, a Master of Arts in Canadian History from the University of Toronto and a Bachelor of Laws from the University of Toronto.

*Maureen Chiquet, Director*

Ms. Chiquet has served as a member of our board of directors since August 2017. Ms. Chiquet began her career in marketing at L'Oreal Paris in 1985, started working at The Gap in 1988, where she helped launch and build the Old Navy brand, and served as President of Banana Republic in 2002 prior to becoming Chief Operating Officer and President of U.S. Operations of Chanel in 2003. In 2007, Ms. Chiquet became Chanel's first Global Chief Executive Officer. She left Chanel in 2016. Ms. Chiquet served as a Trustee to the New York Academy of Art. Ms. Chiquet also served as a Trustee to the Yale Corporation and was a fellow of Yale University, where she received a Bachelor of Arts in literature. She serves as a non-executive director on the board of MatchesFashion and Golden Goose. Ms. Chiquet provides strong executive, product, marketing and business operations skills to the board of directors.

*Ryan Cotton, Director*

Mr. Cotton has served as a member of our board of directors since December 2013. He joined Bain Capital in 2003, and is currently a Managing Director. Prior to joining Bain Capital, Mr. Cotton was a consultant at Bain & Company from 2001 to 2003. Mr. Cotton serves as a director of Advantage Solutions, Maesa, Varsity Brands, The Michaels Companies, Inc., Virgin Voyages, and Blue Nile. Mr. Cotton also currently serves on the board of directors and board of trustees for City Year New York, and St. Mark's School of Texas, respectively. He previously served as a member of the board of directors of Apple Leisure Group, International Market Centers, Inc., Daymon Worldwide, TOMS Shoes and Sundial Brands. Mr. Cotton received a bachelor's degree from Princeton University and a Master of Business Administration from the Stanford Graduate School of Business. Mr. Cotton provides strong executive and business operations skills to our board of directors and valuable experience gained from previous and current board service.

*John Davison, Director*

Mr. Davison has served as a member of our board of directors since May 2017. Mr. Davison is currently the President and Chief Executive Officer of Four Seasons Holdings Inc. ("Four Seasons"), the luxury hotel and resort management company, where he oversees all aspects of the company's global portfolio of hotels, resorts and branded residences. Initially joining Four Seasons as Senior Vice President, Project Financing in 2002, Mr. Davison later served as Executive Vice President and Chief Financial Officer from 2005 to 2019. Prior to joining Four Seasons, Mr. Davison spent

four years as a member of the Audit and Business Investigations Practices at KPMG in Toronto, followed by 14 years at IMAX Corporation from 1987 to 2001, ultimately holding the position of President, Chief Operating Officer and Chief Financial Officer. Currently he also serves on the board of IMAX China Holding, Inc. and Benevity, Inc. Mr. Davison has been a Chartered Professional Accountant since 1986, and a Chartered Business Valuator since 1988. He received a Bachelor of Commerce from the University of Toronto. Mr. Davison provides strong executive and business operations skills to our board of directors.

*Stephen Gunn, Director*

Mr. Gunn has served as a member of our board of directors since February 2017. He previously served as a Co-Chair of Sleep Country Canada Inc. (“Sleep Country”). He co-founded Sleep Country in 1994 and served as its Chair and Chief Executive Officer from 1997 to 2014. Prior to founding Sleep Country, Mr. Gunn was a management consultant with McKinsey & Company from 1981 to 1987 and then co-founded and was President of Kenrick Capital, a private equity firm. Mr. Gunn serves as the Chair of the board of directors of Dollarama Inc. Mr. Gunn is also the Chair of the audit committee of Recipe Unlimited Corporation (formerly Cara Operations Limited), and served as a director of Golf Town Canada Inc. from 2008 to 2016. He received a Bachelor of Electrical Engineering from Queens University and a Master of Business Administration from the University of Western Ontario. Mr. Gunn provides strong executive and business operations skills to our board of directors and valuable experience gained from previous and current board service.

*Jean-Marc Huët, Director*

Mr. Huët has served as a member of our board of directors since February 2017. He serves as the Chairman of Heineken N.V., a member of the advisory committee of Bridgepoint Capital and the Chairman of Vermaat, a catering business owned by Bridgepoint Capital. Mr. Huët served as a director of Formula One from 2012 to January 2017, and was an Executive Director and Chief Financial Officer of Unilever N.V. from 2010 to 2015. Mr. Huët was also formerly Executive Vice President and Chief Financial Officer of Bristol-Myers Squibb Company from 2008 to 2009 and Chief Financial Officer of Royal Numico N.V. from 2003 to 2007. Prior to that, he worked at Goldman Sachs. He received a A.B. from Dartmouth College and an M.B.A. from INSEAD. Mr. Huët provides strong executive, consumer and financial expertise to our board of directors and valuable experience gained from previous and current board service.

## B. Compensation

### **Board of Director Compensation**

Only the company's independent directors, Messrs. Davison, Gunn and Huët and Mmes. Chiquet and Butts received compensation in respect of fiscal 2020 for their service on our board of directors. Messrs. Reiss, Bekenstein and Cotton do not receive any compensation as directors of the company. Mr. Reiss' compensation for serving as President and Chief Executive Officer is included with that of the other named executive officers. Canada Goose does not compensate representatives of Bain Capital for their service on our board. The following table sets forth information concerning the compensation paid by the company to Messrs. Davison, Gunn and Huët and Mmes. Chiquet and Butts in respect of fiscal 2020:

Name	Fees Earned or Paid in		Total (\$)
	Cash (\$)	Option Awards (\$) <sup>(1)</sup>	
John Davison	100,000	100,000	200,000
Stephen Gunn	87,500	100,000	187,500
Jean-Marc Huët	129,579 <sup>(2)</sup>	100,000	229,579
Maureen Chiquet	116,764 <sup>(3)</sup>	100,000	216,764
Jodi Butts	87,500	100,000	187,500

- (1) Amount shown reflects the grant date fair value of options to purchase subordinate voting shares granted to Messrs. Davison, Gunn and Huët and Mmes. Chiquet and Butts in fiscal 2020. The value was determined in accordance with IFRS 2 "Share-based Payment".
- (2) Compensation paid in Euros converted at an exchange rate of €1.00 to \$1.48, which is an average rate determined in accordance with the company's policies based on exchange rates available as at the applicable payment dates for the fiscal year.
- (3) Compensation paid in U.S. dollars converted at an exchange rate of US\$1.00 to \$1.33 which is an average rate determined in accordance with the company's policies based on exchange rates available as at the applicable payment dates for the fiscal year.

As compensation for service on our board of directors, the company pays each of Messrs. Gunn and Davison and Ms. Butts fees of \$75,000 per year, Mr. Huët fees of €75,000 per year, and Ms. Chiquet fees of US\$75,000 per year. In addition, non-employee directors, other than representatives of Bain Capital, who serve as members of committees of our board of directors are paid an additional \$12,500 per year (Mr. Huët - €12,500 and Ms. Chiquet - US\$12,500) for their committee service and Mr. Davison is paid an additional \$12,500 per year for his service as the Chair of the Audit Committee.

On April 3, 2019, each of Messrs. Davison, Gunn and Huët and Mmes. Butts and Chiquet was granted an award of 5,185 options to purchase our subordinate voting shares under the Omnibus Plan ("Options"). These Options have an exercise price of \$63.03 per share and expire on April 3, 2029.

## Executive Compensation

### Components of Executive Compensation

Each year, the compensation committee of our board of directors is responsible for determining our executive compensation framework, which consisted of the following elements for fiscal 2020: (i) base salary; (ii) annual bonus; (iii) equity-based long-term incentives; and (iv) employee benefits and other compensation.

### Named Executive Officers

The following tables and discussion relate to the compensation paid to or earned by our President and Chief Executive Officer, Dani Reiss; our Executive Vice President and Chief Financial Officer, Jonathan Sinclair; and our three most highly compensated executive officers (other than Messrs. Reiss and Sinclair) who were serving as executive officers on the last day of fiscal 2020. They are Pat Sherlock, our President of Canada Goose International AG; Scott Cameron, our President of Greater China; and Penny Brook, our Chief Marketing Officer. Messrs. Reiss, Sinclair, Sherlock and Cameron and Ms. Brook are referred to collectively in this Annual Report as our named executive officers.

The following table sets forth information about certain compensation awarded to, earned by, or paid to our named executive officers in respect of fiscal 2020:

<b>Name and principal position</b>	<b>Salary (\$)</b>	<b>Bonus (\$) (1)</b>	<b>Option awards (\$) (2)</b>	<b>Non-equity incentive plan compensation (\$) (1)</b>	<b>All other compensation (\$) (3)</b>	<b>Total compensation (\$)</b>
Dani Reiss, President and Chief Executive Officer (6)	1,182,692	—	3,690,000	—	37,155	4,909,847
Jonathan Sinclair, Executive Vice President, Chief Financial Officer	779,000	—	616,708	—	347,724	1,743,432
Pat Sherlock, President, Canada Goose International AG (4)	432,025	—	343,519	—	325,494	1,101,038
Scott Cameron, President Greater China (5)	400,696	—	320,000	—	108,790	829,486
Penny Brook, Chief Marketing Officer (4)	449,418	—	357,350	—	41,518	848,286

- (1) No bonuses or non-equity incentive plan compensation were earned by our named executive officers in respect of fiscal 2020 as a result of the company not meeting its fiscal 2020 EBIT target (see “Bonus” below).
- (2) Amounts shown reflect the grant date fair value of Options granted to Messrs. Reiss, Sinclair, Sherlock and Cameron and Ms. Brook in fiscal 2020. The values were determined in accordance with IFRS 2 “Share-based Payment”.
- (3) For more detail on the amounts included in this column, see “All Other Compensation - Benefits and Perquisites” below.

- (4) Salary was paid in Swiss francs at an exchange rate of CHF1.00 to \$1.35, the Bank of Canada exchange rate on March 29, 2020. Certain amounts under “All other compensation” paid in Swiss francs at the same exchange rate of CHF1.00 to \$1.35.
- (5) Salary was paid in Hong Kong dollars at an exchange rate of HK\$1.00 to \$0.17, the Bank of Canada exchange rate on March 29, 2020. Certain amounts under “All other compensation” paid in Hong Kong dollars at the same exchange rate of HK\$1.00 to \$0.17.
- (6) Effective March 15, 2020, Mr. Reiss elected to forego his salary for at least the following three months in response to the COVID-19 pandemic.

### Base Salary

Base salaries provide our named executive officers with a fixed amount of compensation each year. Base salary levels are established based on a range of factors, including peer company compensation, the executive’s role, responsibilities and prior experience and the overall market demand for the executive. Messrs. Reiss, Sinclair, Sherlock and Cameron and Ms. Brook received base salary increases in fiscal 2020, effective as of April 1, 2019. Mr. Reiss’s base salary increased to \$1,230,000, Mr. Sinclair’s base salary increased to \$779,000, Mr. Sherlock’s base salary increased to CHF320,232, Mr. Cameron’s base salary increased to \$400,000 and Ms. Brook’s base salary increased to CHF333,125.

### Bonus

Each named executive officer is eligible to receive an annual bonus pursuant to his or her employment agreement and in accordance with the bonus plan of the company. As reflected in the compensation table above, none of the named executive officers received bonuses in fiscal 2020 as a result of the company not achieving at least 85% of its EBIT target for fiscal 2020.

For fiscal 2020, Mr. Reiss was eligible to earn a target annual bonus equal to 100% of his base salary, based on the achievement of pre-established fiscal 2020 EBIT targets. Target EBIT was approved by our board of directors at the beginning of fiscal 2020 in connection with the annual budgeting process, with payout of Mr. Reiss’s bonus being earned at 100% upon achievement of EBIT of 100% of target. No portion of Mr. Reiss’s bonus was eligible to be earned if EBIT was determined to have been achieved at 90% or less below target. Achievement of EBIT between 90% of target and less than 100% of target would have resulted in Mr. Reiss’s bonus being earned on a straight-line basis between 0% and 100%. Achievement of EBIT above 100% of target would have resulted in the EBIT component of Mr. Reiss’s bonus being earned at 100% of target plus 8% of target for each 1% over target EBIT.

Messrs. Sinclair, Sherlock and Cameron and Ms. Brook were eligible to earn annual bonuses for fiscal 2020 under a broad-based annual bonus plan for salaried employees targeted at 45% (Mr. Sinclair) or 40% (Messrs. Sherlock and Cameron and Ms. Brook), of base salary. Bonuses were eligible to be earned under the plan based on the achievement of pre-established EBIT targets and a participant’s individual performance review for fiscal 2020. Target EBIT for purposes of our fiscal 2020 annual bonus plan was determined the same as for Mr. Reiss. No bonuses were eligible to be paid under the plan for achievement of EBIT at less than 85% of target or an individual performance rating of “needs immediate improvement”. Upon achievement of EBIT of at least 85% of target, a participant could receive an annual bonus at various percentages of his or her target bonus amount depending on an individual performance rating of “exceptional,” “leading,” “tracking,” or “inconsistent”. Achievement of EBIT between 85% and 100% of Target EBIT would have resulted

in a participant's bonus being earned on a straight-line basis between 0% and 100% of target. Achievement of EBIT above 100% of target could result in the EBIT component of a participant's bonus being earned at 100% of target plus 4% of target for each 1% over target EBIT, based on a matrix approved by the Compensation Committee that takes into account achievement of EBIT and the participant's performance rating.

### Executive Employment Agreements

We have entered into an employment agreement with each of our named executive officers. The terms of the agreements are as follows.

#### *Compensation and Bonus Opportunities*

Under his amended and restated employment agreement, effective March 9, 2017, Mr. Reiss is entitled to an annual base salary of \$1,000,000, subject to annual review and increase by our board of directors, and which has subsequently increased as described above under "Base Salary". Mr. Reiss is also eligible for an annual incentive bonus, which under his employment agreement is targeted at 75% of his annual base salary, and which has subsequently increased to 100% of his annual base salary. The employment agreement also provides for an annual equity grant to Mr. Reiss under our long-term equity incentive plan.

Under his employment agreement, effective February 6, 2018, Mr. Sinclair is entitled to an annual base salary of \$760,000, subject to annual review, and which has subsequently increased as described above under "Base Salary". Mr. Sinclair is also eligible for an annual incentive bonus targeted at 45% of his annual base salary. The employment agreement also provided for a signing bonus of up to \$450,000 (or \$225,000 if his employment commenced after June 18, 2018), reduced by any bonus payments he received from his prior employer in March and June 2018. Mr. Sinclair was paid a signing bonus of \$192,578. Mr. Sinclair's employment agreement also provides for an annual equity grant to Mr. Sinclair under our long-term equity incentive plan, initially equal to 80% of his annual base salary and which has subsequently increased to 100% of his annual base salary. The employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

Under his employment agreement, effective on or around August 1, 2018, Mr. Sherlock is entitled to an annual base salary of CHF 312,421, which has subsequently increased as described above under "Base Salary". Mr. Sherlock is also eligible to participate in our annual bonus plan, with an annual incentive bonus targeted at 40% of his annual base salary. In connection with Mr. Sherlock's assignment in Switzerland, Mr. Sherlock's employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

Under his employment agreement, effective January 30, 2019, Mr. Cameron is entitled to a base salary of HK\$188,507.87 per month (equivalent to \$390,150 annually), which has subsequently increased as described above under "Base Salary". Mr. Cameron is also eligible to participate in our annual bonus plan, with an annual incentive bonus targeted at 40% of his annual base salary. In connection with Mr. Cameron's assignment in Greater China, Mr. Cameron's employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

Under her employment agreement, effective January 3, 2018, Ms. Brook is entitled to an annual base salary of CHF 325,000, which has subsequently increased as described above under "Base Salary". Ms. Brook is also eligible to participate in our annual bonus plan, with an annual incentive

bonus targeted at 40% of her annual base salary. In connection with Ms. Brook's assignment in Switzerland, Ms. Brook's employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

### *Severance*

If Mr. Reiss's employment were terminated by us without cause or he resigned for good reason, he would be entitled to (i) a severance amount representing two times his annual base salary plus two times the average amount of the annual bonus earned by Mr. Reiss in the two complete fiscal years preceding the date of his termination of employment, (ii) a pro rata bonus amount for the year in which the termination occurs, based on the actual bonus amount paid in the prior year and (iii) continued participation in our benefit plans for a period of 24 months following the date of termination of employment.

If Mr. Sinclair's employment were terminated by us without cause, he would be entitled to base salary continuation for one year, as well as continued participation in our benefit plans for one year. In addition, if Mr. Sinclair's employment were terminated by us without cause within the first two years of his employment, or if Mr. Sinclair dies or becomes permanently disabled during that time, he or his estate, as applicable, would be entitled to reimbursement of up to \$20,000 for relocation expenses back to London, UK.

If Mr. Sherlock's employment were terminated by us without cause, he would be entitled to six months' notice.

If Mr. Cameron's employment were terminated by us without cause, he would be entitled to three months' notice or pay in lieu of notice plus payment of an amount equal to four weeks' base salary for each full year worked, subject to a cap of 52 weeks' base salary. In addition, Mr. Cameron would be entitled to reimbursement for the cost of his repatriation to Canada if his employment with Canada Goose is terminated due to his Hong Kong work visa being revoked, expiring without renewal or otherwise no longer being valid for reasons not attributable to his own fault.

If Ms. Brook's employment were terminated by us without cause, she would be entitled to six months' notice.

### Equity-Based Compensation

On April 3, 2019, Messrs. Reiss, Sinclair, Sherlock and Cameron and Ms. Brook were granted 191,319, 31,975, 17,756, 16,591 and 18,471 Options, respectively. One-quarter of these Option awards vested on April 3, 2020 and one-quarter of each award will vest on each of April 3, 2021, April 3, 2022 and April 3, 2023, subject to the executive's continued employment with us through the applicable vesting date.



The following table sets forth information regarding equity awards held by our named executive officers as of March 29, 2020:

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards:		Option exercise price (\$)	Option expiration date	Number of shares of stock that have not vested (\$)	Market value of shares of stock that have not vested (\$)
			Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options unearned (#)				
Dani Reiss <sup>(1)</sup>	52,632	52,631	—	—	30.73	6/1/2027	—	—
	18,074	54,223	—	—	83.53	6/26/2028	—	—
	—	191,319	—	—	63.03	4/3/2029	—	—
Jonathan Sinclair <sup>(2)(3)</sup>	8,849	26,547	—	—	83.53	6/26/2028	—	—
	—	—	—	—	—	—	7,100	201,640
	—	31,975	—	—	63.03	4/3/2029	—	—
Pat Sherlock <sup>(4)</sup>	44,957	22,224	—	—	1.79	4/1/2025	—	—
	—	17,756	—	—	63.03	4/3/2029	—	—
Scott Cameron <sup>(5)</sup>	19,506	88,821	—	—	4.62	1/4/2026	—	—
	—	16,591	—	—	63.03	4/3/2029	—	—
Penny Brook <sup>(6)</sup>	37,035	44,447	—	—	4.62	4/1/2026	—	—
	—	18,471	—	—	63.03	4/3/2029	—	—

- (1) Mr. Reiss was granted 105,263 Options on June 1, 2017, 72,297 Options on June 26, 2018 and 191,319 Options on April 3, 2019. His Options are subject to time-based vesting of 25% on each of the first, second, third and fourth anniversaries of the respective grant dates.
- (2) Mr. Sinclair was granted 35,396 Options on June 26, 2018 and 31,975 Options on April 3, 2019. His Options are subject to time-based vesting of 25% on each of the first, second, third and fourth anniversaries of the grant date.
- (3) Mr. Sinclair was granted 10,650 restricted share units on July 5, 2018. His restricted share units are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date. The market value of Mr. Sinclair's restricted share units was calculated by multiplying the number of restricted share units subject to his award by \$28.40 which was the closing price of our subordinate voting shares on the TSX on March 27, 2020, the last trading day of fiscal 2020.
- (4) Mr. Sherlock was granted 84,355 options to purchase Class B Common Shares and 126,533 options to purchase Class A Junior Preferred Shares on April 17, 2014, which options were exchanged for 114,125 Options in connection with the Recapitalization. Mr. Sherlock was also granted 84,355 options to purchase Class B Common Shares and 126,533 options to purchase Class A Junior Preferred Shares on April 1, 2015, which options were exchanged for 111,110 Options in connection with the Recapitalization. One third of these Options are subject to time-based vesting of 40% on the second anniversary of the grant date and 20% on each anniversary of the grant date thereafter (the "Sherlock Time-Based Options"). The remaining two-thirds of his Options are subject to both time-based and performance-based

vesting with the performance metrics reflecting a multiple of Bain Capital's return on its investment in us (the "Sherlock Performance-Based Options"). The Sherlock Performance-Based Options are subject to the same time-based vesting schedule as the Sherlock Time-Based Options and, as of March 29, 2020, the performance metrics applicable to the Sherlock Performance-Based Options had been achieved. The Sherlock Time-Based Options and the time-vesting component of the Sherlock Performance-Based Options, to the extent then unvested, will accelerate in full upon a change of control.

Mr. Sherlock was also granted 17,756 Options on April 3, 2019. These Options are subject to time-based vesting of 25% on each of the first, second, third and fourth anniversaries of the grant date.

- (5) Mr. Cameron was granted 337,162 options to purchase Class B Common Shares and 505,745 options to purchase Class A Junior Preferred Shares on January 4, 2016, which options were exchanged for 444,102 Options in connection with the Recapitalization. One third of these Options are subject to time-based vesting of 40% on the second anniversary of the grant date and 20% on each anniversary of the grant date thereafter (the "Cameron Time-Based Options"). The remaining two-thirds of his Options are subject to both time-based and performance-based vesting with the performance metrics reflecting a multiple of Bain Capital's return on its investment in us (the "Cameron Performance-Based Options"). The Cameron Performance-Based Options are subject to the same time-based vesting schedule as the Cameron Time-Based Options and, as of March 29, 2020, the performance metrics applicable to the Cameron Performance-Based Options had been achieved. The Cameron Time-Based Options and the time-vesting component of the Cameron Performance-Based Options, to the extent then unvested, will accelerate in full upon a change of control.

Mr. Cameron was also granted 16,591 Options on April 3, 2019. These Options are subject to time-based vesting of 25% on each of the first, second, third and fourth anniversaries of the grant date.

- (6) Ms. Brook was granted 84,355 options to purchase Class B Common Shares and 126,533 options to purchase Class A Junior Preferred Shares on April 1, 2016, which options were exchanged for 111,110 Options in connection with the Recapitalization. One third of these Options are subject to time-based vesting of 40% on the second anniversary of the grant date and 20% on each anniversary of the grant date thereafter (the "Brook Time-Based Options"). The remaining two-thirds of her Options are subject to both time-based and performance-based vesting with the performance metrics reflecting a multiple of Bain Capital's return on its investment in us (the "Brook Performance-Based Options"). The Brook Performance-Based Options are subject to the same time-based vesting schedule as the Brook Time-Based Options and, as of March 29, 2020, the performance metrics applicable to the Brook Performance-Based Options had been achieved. The Brook Time-Based Options and the time-vesting component of the Brook Performance-Based Options, to the extent then unvested, will accelerate in full upon a change of control.

Ms. Brook was also granted 18,471 Options on April 3, 2019. These Options are subject to time-based vesting of 25% on each of the first, second, third and fourth anniversaries of the grant date.

### All Other Compensation - Benefits and Perquisites

Our full-time employees, including our named executive officers, are eligible to participate in our health and welfare benefit plans, which include medical, dental, vision, basic and dependent life, supplemental life, accidental death, dismemberment and specific loss, long-term disability, and optional critical illness insurance. Employees are also eligible to receive continuing education support and to participate in our employee purchase program, which allows employees to purchase a specified number of jackets and accessories at 50% of the manufacturer's suggested retail price. Our named executive officers participate in these plans on a slightly better basis than other salaried employees, including in some instances with slightly lower deductibles, better cost-sharing rates and the ability to purchase supplemental health coverage. Our named executive officers are also entitled to complimentary jackets each calendar year.

Our named executive officers received additional benefits and perquisites pursuant to the terms of their employment with us including, for Messrs. Sinclair, Sherlock and Cameron and Ms. Brook, benefits and perquisites related to their overseas assignments. In fiscal 2020, (1) each of our named executive officers other than Ms. Brook received company-paid personal insurance premiums, and Messrs. Reiss and Sinclair also received supplemental health coverage; (2) each of our named executive officers other than Mr. Cameron received complimentary jackets; (3) Messrs. Sinclair, Sherlock and Cameron received housing allowances and tax gross-ups related to such allowances; (4) Messrs. Sherlock and Cameron received personal financial and tax advice services, personal travel allowances and tax gross-ups related to such amounts; (5) Mr. Sherlock and Ms. Brook received reimbursement of school fees for their children and tax gross-ups related to such reimbursements; (6) Mr. Sherlock received tax equalization payments designed to maintain a tax burden comparable to that of a similarly situated employee in Canada, as well as reimbursement for any Canadian taxes incurred as a direct result of Mr. Sherlock's assignment in Switzerland and (7) Mr. Cameron received reimbursement for any Canadian taxes incurred as a direct result of Mr. Cameron's assignment in Greater China.

### Retirement Plans

In fiscal 2020, none of our named executive officers participated in the Group Retirement Savings Plan for the Employees of Canada Goose Inc. (referred to as the RSP), a broad-based registered defined contribution plan offered to all of our full-time Canada-based employees. In fiscal 2020, we did not make any contributions to the Deferred Profit Sharing Plan for the Employees of Canada Goose Inc. on behalf of our named executive officers, and did not otherwise set aside or accrue any amounts for pension, retirement or similar benefits for our named executive officers pursuant to retirement plans sponsored by the company. We do not sponsor or maintain any qualified or non-qualified defined benefit plans or supplemental executive retirement plans.

## **C. Board Practices**

### **Composition of our Board of Directors**

Under our articles, our board of directors consists of a number of directors as determined from time to time by the directors. Our board of directors is comprised of eight directors. Our articles provide that a director may be removed with or without cause by a resolution passed by a special majority comprised of 66  $\frac{2}{3}$ % of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors are elected by the shareholders at each annual general meeting of shareholders, and all directors hold office for a term expiring at the close of the next annual shareholders meeting or until their respective successors are elected or

appointed. Under the BCBCA and our articles, between annual general meetings of our shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors.

### **Director Term Limits and Other Mechanisms of Board Renewal**

Our board of directors has not adopted director term limits, a retirement policy for its directors or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the nominating and governance committee of our board of directors develop appropriate qualifications and criteria for our board of directors as a whole and for individual directors. In accordance with its mandate, the nominating and governance committee oversees a process for the assessment of our board of directors, each committee and individual director regarding his, her or its effectiveness and contribution, and also reports evaluation results to our board of directors at least annually. It is further the responsibility of the nominating and governance committee to develop a succession plan for the board of directors, including maintaining a list of qualified candidates for director positions. The company is not in the practice of providing any severance benefits to directors upon termination of service.

### **Board Committees**

Each of our board committees operates under its own written charter adopted by our board of directors.

#### *Audit Committee*

Our audit committee is composed of Mr. Davison, Mr. Gunn and Mr. Huët, with Mr. Davison serving as chairperson of the committee. Our board of directors has determined that Mr. Gunn, Mr. Davison and Mr. Huët meet the independence requirements under the rules of the NYSE, the BCBCA and under Rule 10A-3 of the Exchange Act. Our board of directors has determined that Mr. Davison is an “audit committee financial expert” within the meaning of the SEC’s regulations and applicable Listing Rules of the NYSE.

Our audit committee reviews and approves the scope of the annual audits of our financial statements, reviews our internal control over financial reporting, recommends to the board of directors the appointment of our independent auditors, reviews and approves any non-audit services performed by the independent auditors, reviews the findings and recommendations of the internal and independent auditors and periodically reviews major accounting policies.

#### *Compensation Committee*

Our compensation committee is composed of Mr. Bekenstein, Mr. Cotton and Ms. Chiquet, with Mr. Bekenstein serving as chairperson of the committee. Its primary purpose, with respect to compensation, is to assist our board of directors in fulfilling its oversight responsibilities and to make recommendations to our board of directors with respect to the compensation of our directors and executive officers.

#### *Nominating and Governance Committee*

Our nominating and governance committee is composed of Mr. Bekenstein, Mr. Cotton, Mr. Reiss, and Ms. Butts, with Mr. Cotton serving as chairperson of the committee. The nominating and governance committee’s primary responsibilities are to develop and recommend to the board

of directors criteria for board and committee membership and recommend to the board of directors the persons to be nominated for election as directors and to each of the committees of the board of directors. The nominating and governance committee also reviews and makes recommendations in respect of the company's corporate governance principles and practices and associated disclosure.

#### D. Employees

As of March 29, 2020, March 31, 2019 and March 31, 2018, we had 1,219, 3,932 and 2,656 employees, including both full-time and part-time employees. The number of employees by function as of the end of the period for our fiscal years ended March 29, 2020, March 31, 2019 and March 31, 2018 was as follows:

	2020	2019	2018
<b>By Function:</b>			
Canadian manufacturing	389	3,104	2,043
Selling and retail	352	360	267
Corporate head office	478	468	346
<b>Total</b>	<b>1,219</b>	<b>3,932</b>	<b>2,656</b>

The decrease in the number of manufacturing and retail employees in fiscal 2020 was primarily as a result of the temporary closure in March 2020 of our manufacturing facilities and retail stores in North America and Europe due to measures in place relating to the COVID-19 pandemic. As of March 29, 2020, the company has 3,776 employees on temporary layoff. As of June 2, 2020, we have re-opened our retail stores in Montreal, Canada, Paris, France and Milan, Italy and partially re-opened our manufacturing facilities and re-hired 753 of our manufacturing employees who had been on temporary layoff solely to produce PPE for frontline healthcare workers in Canada.

#### E. Share Ownership

See Item 6.B. - "Compensation" and Item 7 - "Major Shareholders and Related Party Transactions."

### ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

#### A. Major Shareholders.

##### Security Ownership

The following table sets forth information relating to the beneficial ownership of our shares as of May 21, 2020, by:

- each person or group who is known by us to own beneficially more than 5% of our subordinate voting shares;
- each of our directors; and
- each of our named executive officers.

Beneficial ownership is determined in accordance with SEC rules. The information is not necessarily indicative of beneficial ownership for any other purpose. In general, under these rules a beneficial

owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares held by that person.

The percentage of voting shares beneficially owned is computed on the basis of 59,063,627 subordinate voting shares and 51,004,076 multiple voting shares outstanding as of May 21, 2020.

Name and address of beneficial owner	Subordinate Voting Shares		Multiple Voting Shares	
	Number of shares	Percentage of shares	Number of shares	Percentage of shares
<b>5% shareholders:</b>				
Bain Capital Entity <sup>(1)</sup>	—	—	30,873,742	60.5%
Dani Reiss <sup>(2)</sup>	162,925	*	20,130,334	39.5%
Artisan <sup>(3)</sup>	3,415,802	5.8%	—	—
Ameriprise <sup>(4)</sup>	4,501,613	7.6%	—	—
FMR <sup>(5)</sup>	4,461,806	7.6%	—	—
Morgan Stanley <sup>(6)</sup>	8,347,981	14.1%	—	—
CDPQ <sup>(7)</sup>	2,961,911	5.0%	—	—
Select LP <sup>(8)</sup>	4,350,529	7.4%	—	—
ACI <sup>(9)</sup>	3,563,942	6.0%	—	—
Viking <sup>(10)</sup>	3,033,186	5.1%	—	—
<b>Named executive officers and directors:</b>				
Joshua Bekenstein <sup>(11)</sup>	—	—	—	—
Jodi Butts	13,797	*	—	—
Maureen Chiquet	23,588	*	—	—
Ryan Cotton <sup>(11)</sup>	—	—	—	—
Stephen Gunn	65,909	*	—	—
Jean-Marc Huët	54,329	*	—	—
John Davison	26,361	*	—	—
Jonathan Sinclair	29,241	*	—	—
Pat Sherlock	71,620	*	—	—
Penny Brook	63,875	*	—	—
Scott Cameron	23,653	*	—	—

\* Less than 1%

- (1) Includes shares registered in the name of Brent (BC) Participation S.à r.l (the “Bain Capital Entity”), which is owned by Brent (BC) S.à r.l, which in turn is owned by Bain Capital Integral Investors 2008, L.P. Bain Capital Investors, LLC (“BCI”) is the general partner of Bain Capital Integral Investors 2008, L.P. The governance, investment strategy and decision-making process with respect to investments held by the Bain Capital Entity is directed by the Global Private Equity Board of BCI. As a result of the

relationships described above, BCI may be deemed to share beneficial ownership of the shares held by the Bain Capital Entity. The Bain Capital Entity has an address c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

- (2) Includes shares registered in the name of DTR LLC, DTR (CG) Limited Partnership and DTR (CG) II Limited Partnership, which are entities indirectly controlled by Dani Reiss.
- (3) Based on information obtained from Schedule 13G filed by Artisan Partners Limited Partnership and its affiliates (“Artisan”) on February 12, 2020. According to that report, Artisan possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 3,007,040 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 3,415,802 of such shares. In addition, according to that report, Artisan’s business address is 875 East Wisconsin Avenue, Suite 800, Milwaukee, WI 53202.
- (4) Based on information obtained from Schedule 13G filed by Ameriprise Financial, Inc. and Columbia Management Investment Advisers, LLC (together, “Ameriprise”) on February 14, 2020. According to that report, Ameriprise possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 3,935,758 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 4,501,613 of such shares. In addition, according to that report, Ameriprise Financial, Inc.’s business address is 145 Ameriprise Financial Center, Minneapolis, MN 55474 and Columbia Management Investment Advisers, LLC’s business address is 225 Franklin St., Boston, MA 02110.
- (5) Based on information obtained from Schedule 13G filed by FMR LLC and its affiliates (“FMR”) on February 7, 2020. According to that report, FMR possesses sole power to vote or to direct the voting of 1,104,442 of such shares and possesses shared power to vote or to direct the voting of none of such shares and possesses sole power to dispose or to direct the disposition of 4,461,806 of such shares and possesses shared power to dispose or to direct the disposition of none of such shares. In addition, according to that report, FMR’s business address is 245 Summer St., Boston, MA 02210.
- (6) Based on information obtained from Schedule 13G filed by Morgan Stanley and its affiliates (“Morgan Stanley”) on April 9, 2020. According to that report, Morgan Stanley possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 6,747,730 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 8,347,981 of such shares. In addition, according to that report, Morgan Stanley’s business address is 1585 Broadway New York, NY 10036 and certain of its affiliates’ business address is 522 Fifth Avenue New York, NY 10036.
- (7) Based on information obtained from Schedule 13G filed by Caisse de dépôt et placement du Québec (“CDPQ”) on February 14, 2020. According to that report, CDPQ possesses sole power to vote or to direct the voting of 2,961,911 of such shares and possesses shared power to vote or to direct the voting of none of such shares and possesses sole power to dispose or to direct the disposition of 2,961,911 of such shares and possesses shared power to dispose or to direct the disposition of none of such shares. In addition,

according to that report, CDPQ's business address is 1000, Place Jean-Paul-Riopelle, Montréal (Québec) H2Z 2B3, Canada.

- (8) Based on information obtained from Schedule 13G filed by Select Equity Group, L.P. and its affiliate ("Select LP") on February 14, 2020. According to that report, Select LP possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 4,350,529 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 4,350,529 of such shares. In addition, according to that report, Select LP's business address is 380 Lafayette Street, 6th Floor New York, New York 10003.
- (9) Based on information obtained from Schedule 13G filed by American Century Investment Management, Inc. and its affiliates ("ACI") on February 11, 2020. According to that report, ACI possesses sole power to vote or to direct the voting of 3,152,477 of such shares and possesses shared power to vote or to direct the voting of none of such shares and possesses sole power to dispose or to direct the disposition of 3,563,942 of such shares and possesses shared power to dispose or to direct the disposition of none of such shares. In addition, according to that report, ACI's business address is 4500 Main St., 9<sup>th</sup> Floor, Kansas City, Missouri 64111.
- (10) Based on information obtained from Schedule 13G filed by Viking Global Investors LP and its affiliates ("Viking") on January 21, 2020. According to that report, Viking possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 3,033,186 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 3,033,186 of such shares. In addition, according to that report, Viking's and its affiliates business address is 55 Railroad Avenue, Greenwich, Connecticut 06830.
- (11) Does not include shares held by the Bain Capital Entity. Each of Messrs. Cotton and Bekenstein is a Managing Director of BCI and as a result may be deemed to share beneficial ownership of the shares held by the Bain Capital Entity. The address for Messrs. Cotton and Bekenstein is c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.



## **Significant Changes in Ownership**

### *Initial Public Offering*

Prior to our initial public offering in March 2017, DTR LLC, an entity indirectly controlled by Dani Reiss owned 30% of our shares. In connection with our initial public offering, DTR LLC sold 5,007,554 subordinate voting shares, and transferred a certain portion of subordinate voting shares to DTR (CG) Limited Partnership and DTR (CG) II Limited Partnership, entities indirectly controlled by Dani Reiss, resulting in collective ownership of 24% of our total issued and outstanding shares.

Prior to our initial public offering in March 2017, the Bain Capital Entity owned 70% of our shares. In connection with our initial public offering, the Bain Capital Entity sold 11,684,292 subordinate voting shares, resulting in ownership of 55% of our total issued and outstanding shares.

### *July 2017 Secondary Offering*

Prior to our secondary offering in July 2017 (the "July 2017 Secondary Offering"), DTR LLC DTR (CG) Limited Partnership and DTR (CG) II Limited Partnership collectively owned 23.4% of our shares. In connection with the July 2017 Secondary Offering, DTR LLC sold 1,862,112 subordinate voting shares, resulting in ownership of 21.7% of our total issued and outstanding shares.

Prior to the July Secondary Offering, the Bain Capital Entity owned 54.6% of our total issued and outstanding shares. In connection with the July 2017 Secondary Offering, the Bain Capital Entity sold 8,451,212 subordinate voting shares, resulting in ownership of approximately 44.7% of our total issued and outstanding shares.

### *June 2018 Secondary Offering*

Prior to our secondary offering in June 2018 (the "June 2018 Secondary Offering"), DTR LLC, DTR (CG) Limited Partnership and DTR (CG) II Limited Partnership collectively owned 21.2% of our shares. In connection with the June 2018 Secondary Offering, DTR LLC sold 1,500,000 subordinate voting shares, resulting in ownership of 19.9% of our total issued and outstanding shares.

Prior to the June 2018 Secondary Offering, the Bain Capital Entity owned 43.9% of our total issued and outstanding shares. In connection with the June 2018 Secondary Offering, the Bain Capital Entity sold 7,287,836 subordinate voting shares, resulting in ownership of approximately 36.2% of our total issued and outstanding shares.

### *November 2018 Secondary Offering*

Prior to our secondary offering in November 2018 (the "November 2018 Secondary Offering"), DTR LLC, DTR (CG) Limited Partnership and DTR (CG) II Limited Partnership collectively owned 19.7% of our shares. In connection with the November 2018 Secondary Offering, DTR LLC sold 1,500,000 subordinate voting shares, resulting in ownership of 18.3% of our total issued and outstanding shares.

Prior to the November 2018 Secondary Offering, the Bain Capital Entity owned 35.9% of our total issued and outstanding shares. In connection with the November 2018 Secondary Offering, the Bain Capital Entity sold 8,490,000 subordinate voting shares, resulting in ownership of approximately 28.1% of our total issued and outstanding shares.

## **Voting Rights**

Holders of our multiple voting shares are entitled to 10 votes per multiple voting share and holders of subordinate voting shares held in the United States (and outside the United States) are entitled to one vote per subordinate voting share on all matters upon which holders of shares are entitled to vote.

U.S. Shareholders. On March 29, 2020, we had 4 registered shareholders with addresses in the United States (which may include addresses of investment managers holding securities on behalf of non-U.S. beneficial owners) holding approximately 20,242,723 subordinate voting shares. Residents of the United States may beneficially own subordinate voting shares or multiple voting shares registered in the names of non-residents of the United States, and non-U.S. residents may beneficially own subordinate voting shares or multiple voting shares registered in the names of U.S. residents.

## **Controlled Company**

We are currently controlled by Bain Capital. As of March 29, 2020, Bain Capital indirectly beneficially owns approximately 60.5% of our outstanding multiple voting shares, or approximately 54.3% of the combined voting power of our multiple voting and subordinate voting shares outstanding.

## **B. Related Party Transactions**

### **Investor Rights Agreement**

In connection with our IPO, we entered into an Investor Rights Agreement with Bain Capital and DTR LLC, an entity indirectly controlled by our President and Chief Executive Officer (the "Investor Rights Agreement").

The following is a summary of certain registration rights and nomination rights of our principal shareholders (including their permitted affiliates and transferees) under the Investor Rights Agreement, which summary is not intended to be complete. The following discussion is qualified in its entirety by the full text of the Investor Rights Agreement.

#### *Registration Rights*

Pursuant to the Investor Rights Agreement, Bain Capital is entitled to certain demand registration rights which enable it to require us to file a registration statement and/or a Canadian prospectus and otherwise assist with public offerings of subordinate voting shares (including subordinate voting shares issuable upon conversion of multiple voting shares) under the Securities Act and applicable Canadian securities laws, in accordance with the terms and conditions of the Investor Rights Agreement. DTR LLC is entitled to similar demand registration rights at such time as Bain Capital no longer holds securities subject to registration rights, as well as certain incidental registration rights in connection with demand registrations initiated by Bain Capital, and Bain Capital and DTR LLC is entitled to certain "piggy-back" registration rights in the event that we propose to register securities as part of a public offering.

We are entitled to postpone or suspend a registration request for a period of up to 60 days during any 12-month period where such registration request would require us to make any adverse disclosure. In addition, in connection with an underwritten offering, the number of securities to be registered thereunder may be limited, for marketing reasons, based on the opinion of the managing underwriter or underwriters for such offering.

All costs and expenses associated with any demand registration or “piggy-back” registration will be borne by us other than underwriting discounts, commissions and transfer taxes, if any, attributable to the sale of the subordinate voting shares (including following the conversion of multiple voting shares) by the applicable selling shareholder. We will also be required to provide indemnification and contribution for the benefit of Bain Capital and DTR LLC and their respective affiliates and representatives in connection with any demand registration or “piggy-back” registration.

### *Nomination Rights*

Pursuant to the Investor Rights Agreement, Bain Capital is entitled to designate 50% of our directors (rounding up to the next whole number) and will continue to be entitled to designate such percentage of our directors for so long as it holds at least 40% of the number of subordinate voting shares and multiple voting shares outstanding, provided that this percentage will be reduced (i) to the greater of one director or 30% of our directors (rounding up to the next whole number) once Bain Capital holds less than 40% of the subordinate voting shares and multiple voting shares outstanding, (ii) to the greater of one director or 10% of our directors (rounding up to the next whole number) once Bain Capital holds less than 20% of the subordinate voting shares and multiple voting shares outstanding, and (iii) to none once Bain Capital holds less than 5% of the subordinate voting shares and multiple voting shares outstanding. DTR LLC is entitled to designate one director for as long as it holds 5% or more of the subordinate voting shares and multiple voting shares outstanding.

The nomination rights contained in the Investor Rights Agreement provide that Bain Capital and DTR LLC, at the relevant time, will cast all votes to which they are entitled to elect directors designated in accordance with the terms and conditions of the Investor Rights Agreement.

### **Other Related Party Transactions**

During fiscal 2020, the company contributed approximately \$1.1 million to Polar Bears International (PBI), a charitable organization for which our President and Chief Executive Officer, Dani Reiss, serves as a board member. The company also paid the Baffin vendor and related entities, which continue to be controlled by Paul Hubner, a member of management of the company, approximately \$1.4 million for lease costs associated with the Baffin manufacturing facility and other operating costs. In addition, during fiscal 2020, affiliates of Bain Capital acquired a majority interest in Kantar Group. Since the acquisition, the company incurred fees of approximately \$0.5 million related to consulting services provided by Kantar Group and its related entities.

### **Interest of Management and Others in Material Transactions**

Except as set out above or described elsewhere in this Annual Report, there are no material interests, direct or indirect, of any of our directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date in this Annual Report that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

### **Indebtedness of Directors, Executive Officers and Employees**

Except as set out above or described elsewhere in this Annual Report, as of the date of this Annual Report, none of our directors, executive officers, employees, former directors, former executive officers or former employees or any of our subsidiaries, and none of their respective associates,

is indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us or any of our subsidiaries, except, as the case may be, for routine indebtedness as defined under applicable securities legislations.

### **C. Interests of Experts and Counsel**

Not applicable.

## **ITEM 8. FINANCIAL INFORMATION**

### **A. Consolidated Financial Statements and Other Financial Information**

See Item 18. — “Financial Statements.”

#### **A.7 Legal Proceedings**

From time to time, we may be subject to legal or regulatory proceedings and claims in the ordinary course of business, including proceedings to protect our intellectual property rights. As part of our monitoring program for our intellectual property rights, from time to time we file lawsuits for acts of trademark counterfeiting, trademark infringement, trademark dilution, patent infringement or breach of other state or foreign laws. These actions often result in seizure of counterfeit merchandise and negotiated settlements with defendants. Defendants sometime raise the invalidity or unenforceability of our proprietary rights as affirmative defenses or counterclaims.

In September 2019, a purported company shareholder filed a putative class action lawsuit against the company and certain of its current and former officers in the United States District Court for the Southern District of New York, alleging violations of the Exchange Act and Rule 10b-5 promulgated thereunder. That action was captioned *Cheng v. Canada Goose Holdings, Inc., et al.*, 19-cv-08204 (the “Action”). In December 2019, the United States District Court for the Southern District of New York appointed a different purported shareholder as the lead plaintiff in the Action to represent the proposed class of company shareholders. On February 18, 2020, the lead plaintiff filed an amended complaint, which asserts claims against the company, certain of its officers, and Bain Capital, LP and certain related entities, alleging violations of the Exchange Act and Rule 10b-5 promulgated thereunder. The amended complaint alleges that the defendants made certain false and misleading statements and/or omissions relating to the company’s levels of inventory and the demand for its products. The company intends to vigorously defend against this action and, on May 12, 2020, filed a motion to dismiss all of the claims asserted in the amended complaint. However, we are unable to predict the outcome of this action or the ultimate legal and financial liability, if any, and cannot reasonably estimate the possible loss, if any, at this time.

In January 2020, a purported company shareholder filed a putative class action lawsuit under the Ontario Class Proceedings Act, 1992, against the company in the Ontario Superior Court of Justice, alleging statutory claims for misrepresentations in the primary market and secondary market contrary to the Securities Act (Ontario) as well as common law liability. The plaintiff alleges that the company made misrepresentation concerning the sourcing of down and fur products used in its clothing and that it omitted to disclose an investigation by the U.S. Federal Trade Commission which artificially inflated the price of the company’s shares. This class action, *Lam v. Canada Goose Holdings Inc.*, CV-20-00633971-0000, is still in its early stages and leave to file a statutory misrepresentation claim has not been granted nor has the class action been authorized. The plaintiff initially sought leave to represent all Canadian shareholders who held the company’s shares

during the class period and has since filed an amendment purporting to exclude Quebec shareholders. Later in January 2020, another purported company shareholder filed another class action lawsuit in the Superior Court of Quebec (Khan v. Canada Goose Holdings Inc., C.S. 500-06-001038-203) which essentially raises the same allegations as the Ontario action but the class is limited to shareholders who are residents of the province of Quebec. Leave to file a securities action under the Securities Act (Quebec) has not been granted nor has the class action been authorized. The company intends to vigorously defend against both actions. However, we are unable to predict the outcome of this action or the ultimate legal and financial liability, if any, and cannot reasonably estimate the possible loss, if any, at this time.

#### **A.8 Dividend Policy**

Our board of directors does not currently intend to pay dividends on our subordinate voting shares or multiple voting shares. We currently intend to retain any future earnings to fund business development and growth, and we do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant. Currently, the provisions of our senior secured credit facilities place certain limitations on the amount of cash dividends that our main operating subsidiary can pay.

#### **B. Significant Changes**

We have not experienced any significant changes since the date of our Annual Financial Statements included in this Annual Report.

### **ITEM 9. THE OFFER AND LISTING**

Not applicable except for Item 9.A.4 and Item 9.C.

Our subordinate voting shares have been listed on both the New York Stock Exchange and the Toronto Stock Exchange since March 16, 2017 under the symbol "GOOS."

### **ITEM 10. ADDITIONAL INFORMATION**

#### **A. Share Capital**

Not applicable.

#### **B. Memorandum and Articles of Association**

The following is a summary of certain important provisions of our articles and certain related sections of the BCBCA. Please note that this is only a summary and is not intended to be exhaustive. This summary is subject to, and is qualified in its entirety by reference to, the provisions of our articles and the BCBCA.

#### **Stated Objects or Purposes**

Our articles do not contain stated objects or purposes and do not place any limitations on the business that we may carry on.

## **Directors**

*Power to vote on matters in which a director is materially interested.* Under the BCBCA a director who has a material interest in a contract or transaction, whether made or proposed, that is material to us, must disclose such interest to us, subject to certain exceptions such as if the contract or transaction: (i) is an arrangement by way of security granted by us for money loaned to, or obligations undertaken by, the director for our benefit or for one of our affiliates' benefit; (ii) relates to an indemnity or insurance permitted under the BCBCA; (iii) relates to the remuneration of the director in his or her capacity as director, officer, employee or agent of our company or of one of our affiliates; (iv) relates to a loan to our company while the director is the guarantor of some or all of the loan; or (v) is with a corporation that is affiliated with us while the director is also a director or senior officer of that corporation or an affiliate of that corporation.

A director who holds such disclosable interest in respect of any material contract or transaction into which we have entered or propose to enter may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with certain other relevant provisions of the BCBCA regarding conflicts of interest.

*Directors' power to determine the remuneration of directors.* The remuneration of our directors, if any, may be determined by our directors subject to our articles. The remuneration may be in addition to any salary or other remuneration paid to any of our employees (including executive officers) who are also directors.

*Number of shares required to be owned by a director.* Neither our articles nor the BCBCA provide that a director is required to hold any of our shares as a qualification for holding his or her office. Our board of directors has discretion to prescribe minimum share ownership requirements for directors.

## **Issuance of Additional Multiple Voting Shares**

The rules of the TSX generally prohibit us from issuing additional multiple voting shares, however there may be certain circumstances where additional multiple voting shares may be issued, including upon receiving shareholder approval. Notably, approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the subordinate voting shares and the multiple voting shares.

## **Subdivision or Consolidation**

No subdivision or consolidation of the subordinate voting shares or the multiple voting shares may be carried out unless, at the same time, the multiple voting shares or the subordinate voting shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

## **Certain Amendments and Change of Control**

In addition to any other voting right or power to which the holders of subordinate voting shares shall be entitled by law or regulation or other provisions of our articles from time to time in effect, but subject to the provisions of our articles, holders of subordinate voting shares shall be entitled to vote separately as a class, in addition to any other vote of our shareholders that may be required, in respect of any alteration, repeal or amendment of our articles which would adversely affect the rights or special rights of the holders of subordinate voting shares or affect the holders of subordinate voting shares and multiple voting shares differently, on a per share basis, including an amendment

to our articles that provides that any multiple voting shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into subordinate voting shares.

Pursuant to our articles, holders of subordinate voting shares and multiple voting shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our subordinate voting shares and multiple voting shares, each voting separately as a class.

Our articles do not otherwise contain any change of control limitations with respect to a merger, acquisition or corporate restructuring that involves us.

### **Shareholder Meetings**

Subject to applicable stock exchange requirements, we must hold a general meeting of our shareholders at least once every calendar year at a time and place determined by our board of directors, provided that the meeting must not be held later than 15 months after the preceding annual general meeting. A meeting of our shareholders may be held anywhere in or outside British Columbia.

A notice to convene a meeting, specifying the date, time and location of the meeting, and, where a meeting is to consider special business, the general nature of the special business must be sent to each shareholder entitled to attend the meeting and to each director not less than 21 days and no more than 60 days prior to the meeting, although, as a result of applicable securities laws, the minimum time for notice is effectively longer in most circumstances. Under the BCBCA, shareholders entitled to notice of a meeting may waive or reduce the period of notice for that meeting, provided applicable securities laws are met. The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any person entitled to notice does not invalidate any proceedings at that meeting.

A quorum for meetings of shareholders is present if shareholders who, in the aggregate, hold at least 25% of the issued shares plus at least a majority of multiple voting shares entitled to be voted at the meeting are present in person or represented by proxy. If a quorum is not present within one-half hour from the time set for the holding of any meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, unless the meeting was requisitioned by shareholders, in which case the meeting is dissolved.

Holders of our subordinate voting shares and multiple voting shares are entitled to attend and vote at meetings of our shareholders except meetings at which only holders of a particular class are entitled to vote. Except as otherwise provided with respect to any particular series of preferred shares, and except as otherwise required by law, the holders of our preferred shares are not entitled as a class to receive notice of, or to attend or vote at any meetings of our shareholders. Our directors, our officers, our auditor and any other persons invited by our chairman or directors or with the consent of those at the meeting are entitled to attend any meeting of our shareholders but will not be counted in the quorum or be entitled to vote at the meeting unless he or she is a shareholder or proxyholder entitled to vote at the meeting.

### **Shareholder Proposals and Advance Notice Procedures**

Under the BCBCA, qualified shareholders holding shares that constitute (i) at least one percent (1%) of our issued voting shares or (ii) have a fair market value in excess of C\$2,000 may make

proposals for matters to be considered at the annual general meeting of shareholders. Such proposals must be sent to us in advance of any proposed meeting by delivering a timely written notice in proper form to our registered office in accordance with the requirements of the BCBCA. The notice must include information on the business the shareholder intends to bring before the meeting. To be a qualified shareholder, a shareholder must currently be and have been a registered or beneficial owner of at least one share of the company for at least two years before the date of signing the proposal.

We have included certain advance notice provisions with respect to the election of our directors in our articles (the "Advance Notice Provisions"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the "Notice Date") is less than 50 days before the meeting date, not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15<sup>th</sup> day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101-*Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the applicable meeting.

These provisions could have the effect of delaying until the next shareholder meeting the nomination of certain persons for director that are favored by the holders of a majority of our outstanding voting securities.

### **Take-Over Bid Protection**

Under applicable securities laws in Canada, an offer to purchase multiple voting shares would not necessarily require that an offer be made to purchase subordinate voting shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of subordinate voting shares will be entitled to participate on an equal footing with holders of multiple voting shares, the holders of multiple voting shares have entered into a customary coattail agreement with us and a trustee (the "Coattail Agreement"). The Coattail Agreement contains provisions customary for dual-class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of subordinate voting shares of rights under applicable securities laws in Canada to which they would have been entitled if the multiple voting shares had been subordinate voting shares.



The undertakings in the Coattail Agreement do not apply to prevent a sale by the holders of multiple voting shares or their Permitted Holders of multiple voting shares if concurrently an offer is made to purchase subordinate voting shares that:

- (a) offers a price per subordinate voting share at least as high as the highest price per share to be paid pursuant to the take-over bid for the multiple voting shares;
- (b) provides that the percentage of outstanding subordinate voting shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of multiple voting shares to be sold (exclusive of multiple voting shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for subordinate voting shares tendered if no shares are purchased pursuant to the offer for multiple voting shares; and
- (d) is in all other material respects identical to the offer for multiple voting shares.

In addition, the Coattail Agreement does not prevent the transfer of multiple voting shares to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of multiple voting shares into subordinate voting shares, whether or not such subordinate voting shares are subsequently sold, would not constitute a disposition of multiple voting shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of multiple voting shares by a holder of multiple voting shares party to the Coattail Agreement is conditional upon the transferee becoming a party to the Coattail Agreement, to the extent such transferred multiple voting shares are not automatically converted into subordinate voting shares in accordance with our articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the subordinate voting shares. The obligation of the trustee to take such action is conditional on us or holders of the subordinate voting shares providing such funds and indemnity as the trustee may reasonably require. No holder of subordinate voting shares will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding subordinate voting shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of subordinate voting shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of subordinate voting shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to subordinate voting shares held by the holders of multiple voting shares or their affiliates and related parties and any persons who have an agreement to purchase multiple voting shares

on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of subordinate voting shares under applicable law.

### **Forum Selection**

We have included a forum selection provision in our articles that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or our articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. The forum selection provision also provides that our securityholders are deemed to have consented to personal jurisdiction of the provincial and federal courts located in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

### **Limitation of Liability and Indemnification**

Under the BCBCA, a company may indemnify: (i) a current or former director or officer of that company; (ii) a current or former director or officer of another corporation if, at the time such individual held such office, the corporation was an affiliate of the company, or if such individual held such office at the company's request; or (iii) an individual who, at the request of the company, held, or holds, an equivalent position in another entity (an "indemnifiable person") against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative or other legal proceeding or investigative action (whether current, threatened, pending or completed) in which he or she is involved because of that person's position as an indemnifiable person, unless: (i) the individual did not act honestly and in good faith with a view to the best interests of such company or the other entity, as the case may be; or (ii) in the case of a proceeding other than a civil proceeding, the individual did not have reasonable grounds for believing that the individual's conduct was lawful. A company cannot indemnify an indemnifiable person if it is prohibited from doing so under its articles or by applicable law. A company may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an indemnifiable person in respect of that proceeding only if the indemnifiable person has provided an undertaking that, if it is ultimately determined that the payment of expenses was prohibited, the indemnifiable person will repay any amounts advanced. Subject to the aforementioned prohibitions on indemnification, a company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an indemnifiable person in respect of such eligible proceeding if such indemnifiable person has not been reimbursed for such expenses, and was wholly successful, on the merits or otherwise, in the outcome of such eligible proceeding or was substantially successful on the merits in the outcome of such eligible proceeding. On application from an indemnifiable person or the company, a court may make any order the court considers appropriate in respect of an eligible proceeding, including the indemnification of penalties imposed or expenses incurred in any such proceedings and the enforcement of an indemnification agreement. As permitted by the BCBCA, our articles require us to indemnify our directors, officers,

former directors or officers (and such individual's respective heirs and legal representatives) and permit us to indemnify any person to the extent permitted by the BCBCA.

### **C. Material Contracts**

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

#### ***Employment Agreements***

See Item 6.B. — “Directors, Senior Management and Employees” — “Compensation” — “Employment Agreements and Arrangements with Directors and Related Parties”.

#### ***Revolving Facility Credit Agreement***

On June 3, 2016, Canada Goose Holdings Inc. and its wholly-owned subsidiaries, Canada Goose Inc. and Canada Goose International AG, entered into a senior secured asset-based revolving facility (the “Revolving Facility”), with Canadian Imperial Bank of Commerce, as administrative agent, and certain financial institutions as lenders. A copy of the Revolving Facility Credit Agreement is included as Exhibit 10.3 to the company’s Registration Statement on Form F-1, as amended (File No. 333-216078), filed with the SEC on February 15, 2017, and is incorporated by reference herein.

On August 15, 2017, the company entered into an amendment (the “2017 Revolving Facility Amendment”) to the Revolving Facility. The 2017 Revolving Facility Amendment increased the commitments to \$200.0 million with a seasonal increase of up to \$250.0 million from June 1 through November 30 (“peak season”).

On May 10, 2019, the company entered into a further amendment (the “2019 Revolving Facility Amendment”) to the Revolving Facility. The 2019 Revolving Facility Amendment increased the aggregate credit commitments to \$300.0 million with a seasonal increase of up to \$350.0 million during peak season and extended the credit maturity date to the earlier of June 3, 2024 and the date that is six months prior to the maturity date of the Term Loan Facility.

On February 24, 2020, the company entered into a further amendment (the “2020 Revolving Facility Amendment”) to the Revolving Facility. The 2020 Revolving Facility Amendment increased the aggregate credit commitments to \$467.5 million with a seasonal increase of up to \$517.5 million during peak season.

On May 26, 2020, the company entered into a further amendment to the Revolving Facility to increase its ability to borrow against the borrowing base by up to \$50.0 million. The amended revolving facility consists of the existing revolving facility with a reduced commitment in the amount of \$417.5 million with a seasonal increase of up to \$467.5 million during the peak season, and a first-in, last-out (“FILO”) revolving facility in the amount of \$50.0 million. Borrowings under the existing Revolving Facility were transferred to the FILO Revolving Facility on the transaction date and future amounts will be drawn in priority of the FILO Revolving Facility. Amounts drawn on the FILO revolving facility are subject to an interest rate charge that is 2.00% higher than the existing revolving facility. The FILO revolving facility matures on May 25, 2021 and upon maturity, the credit commitments on the existing revolving facility will be restored.

### ***Term Loan Credit Agreement***

On December 2, 2016, Canada Goose Holdings Inc. and Canada Goose Inc. entered into a senior secured term loan facility (the “Term Loan Facility”), with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and certain financial institutions as lenders. A copy of the Term Loan Credit Agreement is included as Exhibit 10.4 to the company’s Registration Statement on Form F-1, as amended (File No. 333-216078), filed with the SEC on February 15, 2017, and is incorporated by reference herein.

On August 15, 2017, the company entered into an amendment (the “2017 Term Loan Amendment”) to the Term Loan Facility. The 2017 Term Loan Amendment was executed in connection with the syndication of the outstanding term loans by the existing term loan lenders and, among other things: (i) added a provision whereby the company would be required to pay a 1% prepayment premium on any prepayment of the term loans made in connection with a “Repricing Transaction” (as defined in the 2017 Term Loan Amendment) or in connection with an amendment that constitutes a Repricing Transaction, in each case, within six months from August 15, 2017 and (ii) reset the “most-favored nation” protection in favor of the term loan lenders in the incremental facilities provisions of the Term Loan Facility, whereby if the company were to issue additional term loans under such incremental facilities provisions within 18 months from August 15, 2017 and the all-in yield on such additional term loans were to exceed the all-in-yield on the existing term loans by more than 50 basis points, the all-in-yield on such existing term loans would be increased so that the all-in-yield of the additional term loans does not exceed the all-in-yield on the existing term loans by more than 50 basis points.

On May 10, 2019, the company entered into an amendment (the “2019 Term Loan Amendment”) to the Term Loan Facility. The term loans issued in connection with the 2019 Term Loan Amendment (the “2019 Refinancing Term Loans”) were used to refinance in full all of the initial term loans then outstanding under the Term Loan Facility. The interest rates for the 2019 Refinancing Term Loans are LIBOR plus 3.50% for LIBOR Loans and ABR plus 2.50% for ABR Loans. Among other things, the 2019 Term Loan Amendment extended the maturity date for the Term Loan Facility to December 2, 2024.

### ***Indemnification Agreements***

We have entered into indemnification agreements with our directors and executive officers pursuant to which we have agreed to indemnify them against a number of liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or executive officer of the company. A copy of the Form of Indemnification Agreement is included as Exhibit 10.28 to the company’s Registration Statement on Form F-1, as amended (File No. 333-216078), filed with the SEC on February 15, 2017, and is incorporated by reference herein.

### **D. Exchange Controls**

We are not aware of any governmental laws, decrees, regulations or other legislation in Canada that restrict the export or import of capital, including the availability of cash and cash equivalents for use by our affiliated companies, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities. Any remittances of dividends to residents of the United States and to other non-resident holders are, however, subject to withholding tax. See Item 10.E. - “Taxation”.

## E. Taxation

Subject to the limitations and qualifications stated herein, this discussion sets forth certain material U.S. federal income tax considerations relating to the ownership and disposition by U.S. Holders (as defined below) of the subordinate voting shares. The discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect. This summary applies only to U.S. Holders and does not address tax consequences to a non-U.S. Holder (as defined below) investing in our subordinate voting shares.

This discussion of a U.S. Holder's tax consequences addresses only those persons that acquire and hold subordinate voting shares as capital assets and does not address the tax consequences to any special class of holders, including without limitation, holders (directly, indirectly or constructively) of 10% or more of our equity (based on voting power or value), dealers in securities or currencies, banks, tax-exempt organizations, insurance companies, financial institutions, broker-dealers, regulated investment companies, real estate investment trusts, traders in securities that elect the mark-to-market method of accounting for their securities holdings, persons that hold securities that are a hedge or that are hedged against currency or interest rate risks or that are part of a straddle, conversion or "integrated" transaction, U.S. expatriates, partnerships or other pass-through entities for U.S. federal income tax purposes and U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar. This discussion does not address the effect of the U.S. federal alternative minimum tax, U.S. federal estate and gift tax, the 3.8% Medicare contribution tax on net investment income or any state, local or non-U.S. tax laws on a holder of subordinate voting shares.

In addition, legislation enacted in the United States commonly known as the Tax Cuts and Jobs Act ("TCJA") may also accelerate the timing when a holder must include income recognized with respect to our subordinate voting shares. U.S. Holders should consult their own tax advisors in this regard.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of subordinate voting shares that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States; (b) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (d) a trust (i) if a court within the United States can exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of that trust, or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. The term "non-U.S. Holder" means any beneficial owner of our subordinate voting shares that is not a U.S. Holder, a partnership (or an entity or arrangement that is treated as a partnership or other pass-through entity for U.S. federal income tax purposes) or a person holding our subordinate voting shares through such an entity or arrangement.

If a partnership or an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds our subordinate voting shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in partnerships that hold our subordinate voting shares should consult their own tax advisors.

The TCJA comprehensively changed the U.S. federal income tax system. The interpretation and application of many provisions of this law are unclear and we are assessing potential adverse

consequences to us and holders of our subordinate voting shares. U.S. Holders should consult their own tax advisors regarding such changes and their potential impact related to an investment in our subordinate voting shares.

**You are urged to consult your own independent tax advisor regarding the specific U.S. federal, state, local and non-U.S. income and other tax considerations relating to the ownership and disposition of our subordinate voting shares.**

### **Cash Dividends and Other Distributions**

As described in Item 8.A.8 above, we currently intend to retain any future earnings to fund business development and growth, and we do not expect to pay any dividends in the foreseeable future. However, to the extent there are any distributions made with respect to our subordinate voting shares, subject to the passive foreign investment company, or "PFIC," rules discussed below, a U.S. Holder generally will be required to treat distributions received with respect to its subordinate voting shares (including the amount of Canadian taxes withheld, if any) as dividend income to the extent of our current or accumulated earnings and profits (computed using U.S. federal income tax principles), with the excess treated as a non-taxable return of capital to the extent of the holder's adjusted tax basis in its subordinate voting shares and, thereafter, as capital gain recognized on a sale or exchange on the day actually or constructively received by a U.S. Holder. There can be no assurance that we will maintain calculations of our earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution with respect to our subordinate voting shares will constitute ordinary dividend income. Dividends paid on the subordinate voting shares will not be eligible for the dividends received deduction allowed to U.S. corporations.

Dividends paid to a non-corporate U.S. Holder by a "qualified foreign corporation" may be subject to reduced rates of taxation if certain holding period and other requirements are met. A qualified foreign corporation generally includes a foreign corporation (other than a PFIC) if (i) its subordinate voting shares are readily tradable on an established securities market in the United States or (ii) it is eligible for benefits under a comprehensive U.S. income tax treaty that includes an exchange of information program and which the U.S. Treasury Department has determined is satisfactory for these purposes. U.S. Holders should consult their own tax advisors regarding the availability of the reduced tax rate on dividends in light of their particular circumstances.

Non-corporate U.S. Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

Distributions paid in a currency other than U.S. dollars will be included in a U.S. Holder's gross income in a U.S. dollar amount based on the spot exchange rate in effect on the date of actual or constructive receipt, whether or not the payment is converted into U.S. dollars at that time. The U.S. Holder will have a tax basis in such currency equal to such U.S. dollar amount, and any gain or loss recognized upon a subsequent sale or conversion of the foreign currency for a different U.S. dollar amount will be U.S. source ordinary income or loss. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income.

A U.S. Holder who pays (whether directly or through withholding) Canadian taxes with respect to dividends paid on our subordinate voting shares may be entitled to receive either a deduction or a foreign tax credit for such Canadian taxes paid. Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S.

Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by us generally will constitute "foreign source" income and generally will be categorized as "passive category income." However, if 50% or more of our equity (based on voting power or value) is treated as held by U.S. persons, we will be treated as a "United States-owned foreign corporation," in which case dividends may be treated for foreign tax credit limitation purposes as "foreign source" income to the extent attributable to our non-U.S. source earnings and profits and as "U.S. source" income to the extent attributable to our U.S. source earnings and profits. Because the foreign tax credit rules are complex, each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

### **Sale or Disposition of Subordinate Voting Shares**

A U.S. Holder generally will recognize gain or loss on the taxable sale or exchange of its subordinate voting shares in an amount equal to the difference between the U.S. dollar amount realized on such sale or exchange (determined in the case of subordinate voting shares sold or exchanged for currencies other than U.S. dollars by reference to the spot exchange rate in effect on the date of the sale or exchange or, if the subordinate voting shares sold or exchanged are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, the spot exchange rate in effect on the settlement date) and the U.S. Holder's adjusted tax basis in the subordinate voting shares determined in U.S. dollars. The initial tax basis of the subordinate voting shares to a U.S. Holder will be the U.S. Holder's U.S. dollar purchase price for the subordinate voting shares (determined by reference to the spot exchange rate in effect on the date of the purchase, or if the subordinate voting shares purchased are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, the spot exchange rate in effect on the settlement date).

Assuming we are not a PFIC and have not been treated as a PFIC during a U.S. Holder's holding period for our subordinate voting shares, such gain or loss will be capital gain or loss and will be long-term gain or loss if the subordinate voting shares have been held for more than one year. Under current law, long-term capital gains of non-corporate U.S. Holders generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Capital gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. U.S. Holders are encouraged to consult their own tax advisors regarding the availability of the U.S. foreign tax credit in their particular circumstances.

### **Passive Foreign Investment Company Considerations**

#### *Status as a PFIC*

The rules governing PFICs can have adverse tax effects on U.S. Holders. We generally will be classified as a PFIC for U.S. federal income tax purposes if, for any taxable year, either: (1) 75% or more of our gross income consists of certain types of passive income, or (2) the average value (determined on a quarterly basis), of our assets that produce, or are held for the production of, passive income is 50% or more of the value of all of our assets.

Passive income generally includes dividends, interest, rents and royalties (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a non-U.S. corporation owns at least 25% by value of the stock of

another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income.

Additionally, if we are classified as a PFIC in any taxable year with respect to which a U.S. Holder owns subordinate voting shares, we generally will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding taxable years, regardless of whether we continue to meet the tests described above, unless the U.S. Holder makes the "deemed sale election" described below.

We do not believe that we are currently a PFIC, and we do not anticipate becoming a PFIC in the foreseeable future. Notwithstanding the foregoing, the determination of whether we are a PFIC is made annually and depends on the particular facts and circumstances (such as the valuation of our assets, including goodwill and other intangible assets) and also may be affected by the application of the PFIC rules, which are subject to differing interpretations. The fair market value of our assets is expected to depend, in part, upon (a) the market price of our subordinate voting shares, which is likely to fluctuate, and (b) the composition of our income and assets, which will be affected by how, and how quickly, we spend any cash that is raised in any financing transaction. In light of the foregoing, no assurance can be provided that we are not currently a PFIC or that we will not become a PFIC in any future taxable year. U.S. Holders should consult their own tax advisors regarding our potential PFIC status.

#### *U.S. federal income tax treatment of a shareholder of a PFIC*

If we are classified as a PFIC for any taxable year during which a U.S. Holder owns subordinate voting shares, the U.S. Holder, absent certain elections (including the mark-to-market and QEF elections described below), generally will be subject to adverse rules (regardless of whether we continue to be classified as a PFIC) with respect to (i) any "excess distributions" (generally, any distributions received by the U.S. Holder on its subordinate voting shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for its subordinate voting shares) and (ii) any gain realized on the sale or other disposition, including a pledge, of its subordinate voting shares.

Under these adverse rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we are classified as a PFIC will be taxed as ordinary income and (c) the amount allocated to each other taxable year during the U.S. Holder's holding period in which we were classified as a PFIC (i) will be subject to tax at the highest rate of tax in effect for the applicable category of taxpayer for that year and (ii) will be subject to an interest charge at a statutory rate with respect to the resulting tax attributable to each such other taxable year.

If we are classified as a PFIC, a U.S. Holder will generally be treated as owning a proportionate amount (by value) of stock or shares owned by us in any direct or indirect subsidiaries that are also PFICs and will be subject to similar adverse rules with respect to any distributions we receive from, and dispositions we make of, the stock or shares of such subsidiaries. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

If we are classified as a PFIC and then cease to be so classified, a U.S. Holder may make an election (a "deemed sale election") to be treated for U.S. federal income tax purposes as having sold such U.S. Holder's subordinate voting shares on the last day of our taxable year during which we were a PFIC. A U.S. Holder that makes a deemed sale election would then cease to be treated



as owning stock in a PFIC by reason of ownership of our subordinate voting shares. However, gain recognized as a result of making the deemed sale election would be subject to the adverse rules described above and loss would not be recognized.

#### *PFIC “mark-to-market” election*

In certain circumstances, a U.S. Holder can avoid certain of the adverse rules described above by making a mark-to-market election with respect to its subordinate voting shares, provided that the subordinate voting shares are “marketable.” Subordinate voting shares will be marketable if they are “regularly traded” on a “qualified exchange” or other market within the meaning of applicable U.S. Treasury Regulations. The NYSE is a “qualified exchange.” U.S. Holders should consult their own tax advisors with respect to such rules.

A U.S. Holder that makes a mark-to-market election must include in gross income, as ordinary income, for each taxable year that we are a PFIC an amount equal to the excess, if any, of the fair market value of the U.S. Holder’s subordinate voting shares at the close of the taxable year over the U.S. Holder’s adjusted tax basis in its subordinate voting shares. An electing U.S. Holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder’s adjusted tax basis in its subordinate voting shares over the fair market value of its subordinate voting shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains previously included in income. A U.S. Holder that makes a mark-to-market election generally will adjust such U.S. Holder’s tax basis in its subordinate voting shares to reflect the amount included in gross income or allowed as a deduction because of such mark-to-market election. Gains from an actual sale or other disposition of subordinate voting shares in a year in which we are a PFIC will be treated as ordinary income, and any losses incurred on a sale or other disposition of subordinate voting shares will be treated as ordinary losses to the extent of any net mark-to-market gains previously included in income.

If we are classified as a PFIC for any taxable year in which a U.S. Holder owns subordinate voting shares but before a mark-to-market election is made, the adverse PFIC rules described above will apply to any mark-to market gain recognized in the year the election is made. Otherwise, a mark-to-market election will be effective for the taxable year for which the election is made and all subsequent taxable years. The election cannot be revoked without the consent of the Internal Revenue Service (“IRS”) unless the subordinate voting shares cease to be marketable, in which case the election is automatically terminated.

A mark-to-market election is not permitted for the shares of any of our subsidiaries that are also classified as PFICs. Prospective investors should consult their own tax advisors regarding the availability of, and the procedure for making, a mark-to-market election.

#### *PFIC “QEF” election*

In some cases, a shareholder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by obtaining certain information from such PFIC and by making a QEF election to be taxed currently on its share of the PFIC’s undistributed income. We do not, however, expect to provide the information regarding our income that would be necessary in order for a U.S. Holder to make a QEF election with respect to subordinate voting shares if we are classified as a PFIC.

### *PFIC information reporting requirements*

If we are a PFIC in any year, a U.S. Holder of subordinate voting shares in such year will be required to file an annual information return on IRS Form 8621 regarding distributions received on such subordinate voting shares and any gain realized on disposition of such subordinate voting shares. In addition, if we are a PFIC, a U.S. Holder will generally be required to file an annual information return with the IRS (also on IRS Form 8621, which PFIC shareholders are required to file with their U.S. federal income tax or information return) relating to their ownership of subordinate voting shares. This new filing requirement is in addition to the pre-existing reporting requirements described above that apply to a U.S. Holder's interest in a PFIC (which this requirement does not affect).

NO ASSURANCE CAN BE GIVEN THAT WE ARE NOT CURRENTLY A PFIC OR THAT WE WILL NOT BECOME A PFIC IN THE FUTURE. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE OPERATION OF THE PFIC RULES AND RELATED REPORTING REQUIREMENTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE ADVISABILITY OF MAKING ANY ELECTION THAT MAY BE AVAILABLE.

### **Reporting Requirements and Backup Withholding**

Information reporting to the U.S. Internal Revenue Service generally will be required with respect to payments on the subordinate voting shares and proceeds of the sale, exchange or redemption of the subordinate voting shares paid within the United States or through certain U.S.-related financial intermediaries to holders that are U.S. taxpayers, other than exempt recipients. A "backup" withholding tax may apply to those payments if such holder fails to provide a taxpayer identification number to the paying agent or fails to certify that no loss of exemption from backup withholding has occurred (or if such holder otherwise fails to establish an exemption). We or the applicable paying agent will withhold on a distribution if required by applicable law. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

U.S. Holders that own certain "foreign financial assets" (which may include the subordinate voting shares) are required to report information relating to such assets, subject to certain exceptions, on IRS Form 8938. In addition to these requirements, U.S. Holders may be required to annually file FinCEN Report 114, Report of Foreign Bank and Financial Accounts ("FBAR") with the U.S. Department of Treasury. U.S. Holders should consult their own tax advisors regarding the applicability of FBAR and other reporting requirements in light of their individual circumstances.

### **Canadian Tax Implications for Non-Canadian Holders**

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "Tax Act") generally applicable to the holding and disposition of subordinate voting shares by a beneficial owner. This summary only applies to such a holder who, for the purposes of the Tax Act and at all relevant times: (1) is not, and is not deemed to be, resident in Canada for purposes of any applicable income tax treaty or convention; (2) deals at arm's length with us; (3) is not affiliated with us; (4) does not use or hold, and is not deemed to use or hold, subordinate voting shares in a business carried on in Canada; (5) has not entered into, with respect to the subordinate voting shares, a "derivative forward agreement" as that term is defined in the Tax Act and (6) holds the subordinate voting shares as capital property (a "Non-Canadian Holder"). Special

rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that is an insurer carrying on an insurance business in Canada and elsewhere.

This summary is based on the current provisions of the Tax Act, and an understanding of the current administrative policies of the Canada Revenue Agency (“CRA”) published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Canada-United States Tax Convention (1980), as amended (the “Canada-U.S. Tax Treaty”) publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, you should consult your own tax advisor with respect to your particular circumstances. Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the subordinate voting shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amount of any dividends required to be included in the income of, and capital gains or capital losses realized by, a Non-Canadian Holder may be affected by fluctuations in the Canadian exchange rate.

## **Dividends**

Dividends paid or credited on the subordinate voting shares or deemed to be paid or credited on the subordinate voting shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Canadian Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident. For example, under the Canada-U.S. Tax Treaty, where dividends on the subordinate voting shares are considered to be paid to or derived by a Non-Canadian Holder that is a beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to benefits of, the Canada-U.S. Tax Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%. A disposition of subordinate voting shares to us may in certain circumstances result in a deemed dividend.

## **Dispositions**

A Non-Canadian Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of a subordinate voting share, unless, at the time of disposition, the subordinate voting shares are “taxable Canadian property” to the Non-Canadian Holder for purposes of the Tax Act and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident.

Generally, the subordinate voting shares will not constitute “taxable Canadian property” to a Non-Canadian Holder at a particular time provided that the subordinate voting shares are listed at that time on a “designated stock exchange” (as defined in the Tax Act), which includes the NYSE and the TSX, unless at any particular time during the 60-month period that ends at that time (i) one or any combination of (a) the Non- Canadian Holder, (b) persons with whom the Non-Canadian

Holder does not deal at arm's length, and (c) partnerships in which the Non-Canadian Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of our capital stock, and (ii) more than 50% of the fair market value of the subordinate voting shares was derived, directly or indirectly, from one or any combination of : (i) real or immoveable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, subordinate voting shares could be deemed to be "taxable Canadian property." Non-Canadian Holders whose subordinate voting shares may constitute "taxable Canadian property" should consult their own tax advisors.

**THE ABOVE DISCUSSION DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. YOU ARE STRONGLY URGED TO CONSULT YOUR OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO YOU OF AN INVESTMENT IN THE SUBORDINATE VOTING SHARES.**

#### **F. Dividends and Payment Agents**

Not applicable.

#### **G. Statement by Experts**

Not applicable.

#### **H. Documents on Display**

You may request a copy of this Annual Report and the related exhibits, and any other report, at no cost, by writing to us at 250 Bowie Ave, Toronto, Ontario, Canada, M6E 4Y2 or calling us at (416) 780-9850. Copies of our financial statements and other continuous disclosure documents required under the Securities Act (Ontario) are available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com). All of the documents referred to are in English.

We are subject to the informational requirements of the Exchange Act and are required to file reports and other information with the SEC. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

We also make available on our website's investor relations page, free of charge, our Annual Report and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The information contained on our website is not incorporated by reference in this Annual Report.

#### **I. Subsidiary Information**

Not applicable.

## **ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Please see Item 5.F — “Operating and Financial Review and Prospects” — “Quantitative and Qualitative Disclosures About Market Risk”.

## **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable.

## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

### ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

#### A. – D. Material Modifications to the Rights of Security Holders

None.

#### E. Use of Proceeds

None.

### ITEM 15. CONTROLS AND PROCEDURES

#### A. – D.

See Item 5. - “Operating and Financial Review and Prospects” - “Management’s Discussion and Analysis of Financial Condition and Results of Operations” - “Disclosure Controls and Procedures”, “Management’s Annual Report on Internal Control over Financial Reporting”, “Remediation Plan and Activities”, and “Changes in Internal Control over Financial Reporting”.

### ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee is comprised of Messrs. Stephen Gunn, John Davison and Jean-Marc Huët, with Mr. Davison serving as chairman of the committee. Messrs. Gunn, Davison and Huët each meet the independence requirements under the rules of the New York Stock Exchange and under Rule 10A-3 under the Exchange Act. We have determined that Mr. Davison is an “audit committee financial expert” within the meaning of Item 407 of Regulation S-K. For information relating to qualifications and experience of each audit committee member, see Item 6 - “Directors, Senior Management and Employees”.

### ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of ethics applicable our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. This code is intended to qualify as a “code of ethics” within the meaning of the applicable rules of the SEC. Our code of ethics is available on our website at <https://investor.canadagoose.com/corporate-governance/default.aspx?section=documents>. Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report.

## ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

### Principal Accountant Fees and Services

The following table summarizes the fees charged by Deloitte LLP for certain services rendered to our company during fiscal 2019 and fiscal 2020.

CAD \$ millions	For the year ended	
	March 29, 2020	March 31, 2019
Audit fees <sup>(1)</sup>	4.2	4.5
Audit-related fees <sup>(2)</sup>	0.2	0.6
Tax fees <sup>(3)</sup>	1.2	1.9
All other fees <sup>(4)</sup>	—	0.2
Total	5.6	7.1

- (1) “Audit fees” means the aggregate fees billed in each of the fiscal years for professional services rendered by Deloitte LLP for the audit of our annual financial statements and review of our interim financial statements.
- (2) “Audit-related fees” includes assurance and related services reasonably related to the financial statement audit and not included in audit services.
- (3) “Tax fees” means the aggregate fees billed in each of the fiscal years for professional services rendered by Deloitte LLP for tax compliance and tax advice.
- (4) “All other fees” includes the aggregate fees billed in each of the fiscal years for non-audit services rendered which were not listed above.

### Audit Committee Pre-Approval Policies and Procedures

Our audit committee reviews and pre-approves the scope and the cost of audit services related to us and permissible non-audit services performed by the independent auditors, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit. All of the services related to our company provided by Deloitte LLP listed above have been pre-approved by the audit committee.

## ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

## ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Shares (or Units)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
		130,000 subordinate voting shares bought at an average price of C\$46.4829		
May 1 to May 31, 2019	380,000 subordinate voting shares	250,000 subordinate voting shares bought at an average price of US\$34.3991	853,500 subordinate voting shares	746,500 subordinate voting shares
		123,500 subordinate voting shares bought at an average price of C\$45.0765		
		250,000 subordinate voting shares bought at an average price of US \$33.5131		
June 1 to June 30, 2019	473,500 subordinate voting shares	100,000 subordinate voting shares bought at an average price of US \$32.3042		

- (1) On May 29, 2019, in conjunction with the release of its fiscal 2019 financial results, the company announced the authorization of a normal course issuer bid to purchase for cancellation up to 1,600,000 subordinate voting shares of the company over the 12-month period beginning on May 31, 2019 and ending no later than May 30, 2020.

## ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

## ITEM 16G. CORPORATE GOVERNANCE

The listing rules of the NYSE (the "NYSE Listing Rules"), include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as us, to follow "home country" corporate governance practices in lieu of the otherwise applicable corporate governance standards of the NYSE. The application of such exceptions requires that we disclose any significant ways that our corporate governance practices differ from the NYSE Listing Rules that we do not follow. We are currently a "controlled company" as defined in the NYSE Listing Rules. Upon ceasing to be a "controlled company", as a foreign private issuer, we intend to continue to follow Canadian corporate governance practices and TSX rules in lieu of the corporate governance requirements of the NYSE in respect of the following:

- the requirement under Section 303A.01 of the NYSE Listing Rules that a majority of the board be comprised of independent directors;
- the requirement under Section 303A.04 of the NYSE Listing Rules that director nominees be selected or recommended for selection by a nominations committee



comprised solely of independent directors and to post the charter for that committee on our investor website;

- the requirement under Section 303A.05 of the NYSE Listing Rules to have a compensation committee that is comprised solely of independent directors and to post the charter for that committee on our investor website;
- the requirement under Section 303A.08 of the NYSE Listing Rules that shareholders be given the opportunity to vote on all equity-compensation plans and material revisions thereto; and
- the requirement under Section 303A.09 of the NYSE Listing Rules to have a set of corporate governance guidelines and to disclose such guidelines on our investor website.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

## PART III

### **ITEM 17. FINANCIAL STATEMENTS.**

See Item 18. — “Financial Statements”.

### **ITEM 18. FINANCIAL STATEMENTS.**

Our Annual Financial Statements are included at the end of this Annual Report.

## ITEM 19. EXHIBITS

### EXHIBIT INDEX

1.1	<a href="#"><u>Articles of Canada Goose Holdings Inc. (incorporated by reference to Exhibit 1.1 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017)</u></a>
2.1	<a href="#"><u>Form of Share Certificate for Subordinate Voting Shares (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on March 1, 2017)</u></a>
2.2	<a href="#"><u>Description of Securities</u></a>
4.1	<a href="#"><u>Investor Rights Agreement by and among Canada Goose Holdings Inc. and certain shareholders of Canada Goose Holdings Inc. (incorporated by reference to Exhibit 10.1 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on March 10, 2017)</u></a>
4.2	<a href="#"><u>Coattail Agreement, between Canada Goose Holdings Inc., certain shareholders of Canada Goose Holdings Inc. and Computershare Trust Company of Canada (incorporated by reference to Exhibit 4.2 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017)</u></a>
4.3	<a href="#"><u>Credit Agreement dated December 2, 2016, by and among Canada Goose Holdings Inc., Canada Goose Inc. and Credit Suisse AG, Cayman Islands Branch (incorporated by reference to Exhibit 10.4 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017)</u></a>
4.4	<a href="#"><u>First Amendment to Credit Agreement dated August 15, 2017, by and among Canada Goose Holdings Inc., Canada Goose Inc. and Credit Suisse AG, Cayman Islands Branch (incorporated by reference to Exhibit 99.1 to our Form 6-K (file no. 001-38027) filed with the SEC on August 21, 2017)</u></a>
4.5	<a href="#"><u>Third Amendment to Credit Agreement dated May 10, 2019, by and among Canada Goose Holdings, Inc. and Credit Suisse AG, Cayman Islands Branch (incorporated by reference to Exhibit 99.1 to our Form 6-K (file no. 001-38027) filed with the SEC on May 14, 2019)</u></a>
4.6	<a href="#"><u>Second Amended and Restated Credit Agreement dated May 26, 2020, by and among Canada Goose Holdings Inc. and Canadian Imperial Bank of Commerce (incorporated by reference to Exhibit 99.1 to our Form 6-K (file no. 001-38027) filed with the SEC on May 29, 2020)</u></a>
4.7	<a href="#"><u>Lease Agreement dated February 3, 2012, by and between 250 Bowie Holdings Inc., as Landlord and Canada Goose Inc., as Tenant (incorporated by reference to Exhibit 10.10 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017)</u></a>
4.8	<a href="#"><u>First Lease Expansion and Amending Agreement dated July 1, 2013, by and between 250 Bowie Holdings Inc., as Landlord and Canada Goose Inc., as Tenant (incorporated by reference to Exhibit 10.11 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017)</u></a>
4.9	<a href="#"><u>Second Lease Expansion and Amending Agreement dated January 27, 2014, by and between 250 Bowie Holdings Inc., as Landlord and Canada Goose Inc., as Tenant (incorporated by reference to Exhibit 10.12 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017)</u></a>
4.10	<a href="#"><u>Third Lease Expansion and Amending Agreement dated November 14, 2014, by and between 250 Bowie Holdings Inc., as Landlord and Canada Goose Inc., as Tenant (incorporated by reference to Exhibit 10.13 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017)</u></a>

- 4.11 [Fourth Lease Expansion and amending Agreement dated April 30, 2015, by and between 250 Bowie Holdings Inc., as Landlord and Canada Goose Inc., as Tenant \(incorporated by reference to Exhibit 10.14 to our Registration Statement on Form F-1 \(file no. 333-216078\) filed with the SEC on February 15, 2017\)](#)
- 4.12 [Fifth Lease Expansion and Amending Agreement dated June 8, 2016, by and between 250 Bowie Holdings Inc., as Landlord and Canada Goose Inc., as Tenant \(incorporated by reference to Exhibit 10.15 to our Registration Statement on Form F-1 \(file no. 333-216078\) filed with the SEC on February 15, 2017\)](#)
- 4.13 [Canada Goose Holdings Inc. Amended and Restated Stock Option Plan \(incorporated by reference to Exhibit 4.17 to our Annual Report on Form 20-F \(file no. 001-38027\) filed with the SEC on June 6, 2017\)](#)
- 4.14 [Canada Goose Holdings Inc. Omnibus Incentive Plan](#)
- 4.15 [Form of Option Agreement under the Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.19 to our Registration Statement on Form F-1 \(file no. 333-216078\) filed with the SEC on March 1, 2017\)](#)
- 4.16 [Board Director's Agreement dated September 17, 2015, by and between Canada Goose International AG and Daniel Reiss \(incorporated by reference to Exhibit 10.21 to our Registration Statement on Form F-1 \(file no. 333-216078\) filed with the SEC on February 15, 2017\)](#)
- 4.17 [Amended and Restated Employment Agreement dated March 9, 2017 by and between Canada Goose Inc. and Dani Reiss \(incorporated by reference to Exhibit 10.30 to our Registration Statement on Form F-1 \(file no. 333-216078\) filed with the SEC on March 10, 2017\)](#)
- 4.18 [Employment Agreement dated February 6, 2018 by and between Canada Goose Inc. and Jonathan Sinclair \(incorporated by reference to Exhibit 4.19 to our Annual Report on Form 20-F \(file no. 001-38027\) filed with the SEC on May 29, 2019\)](#)
- 4.19 [Canada Goose Holdings Inc. Employee Share Purchase Plan \(incorporated by reference to Exhibit 4.28 to our Annual Report on Form 20-F \(file no. 001-38027\) filed with the SEC on June 6, 2017\)](#)
- 4.20 [Form of Indemnification Agreement for Directors and Officers \(incorporated by reference to Exhibit 10.28 to our Registration statement on Form F-1 \(file no. 333-216078\) filed with the SEC on February 15, 2017\)](#)
- 8.1 [Subsidiaries of Canada Goose Holdings Inc.](#)
- 12.1 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Executive Officer.](#)
- 12.2 [Rule 13a-14\(a\)/15d-14\(a\) Certification of Chief Financial Officer.](#)
- 13.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 13.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1 [Consent of Deloitte LLP](#)

## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**Canada Goose Holdings Inc.**

By:	<u>                                                /s/ Jonathan Sinclair                                                </u>
Name:	Jonathan Sinclair
Title:	<i>Executive Vice President and Chief Financial Officer</i>

Date: June 3, 2020

# **Canada Goose Holdings Inc.**

Annual Consolidated Financial Statements

March 29, 2020

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Canada Goose Holdings Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Canada Goose Holdings Inc. and subsidiaries (the "Company") as of March 29, 2020 and March 31, 2019, the related consolidated statements of income and comprehensive income, changes in equity, and cash flows for the 52 weeks ended March 29, 2020 and each of the two years in the period ended March 31, 2019, and the related notes and the schedule of Condensed Financial Information of Canada Goose Holdings Inc. (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 29, 2020 and March 31, 2019, and its financial performance and its cash flows for the 52 weeks ended March 29, 2020 and each of the two years in the period ended March 31, 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 29, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated June 2, 2020, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Change in Accounting Principle

As discussed in Note 4 to the financial statements, effective April 1, 2019 the Company adopted IFRS 16, *Leases*, using the modified retrospective approach.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

## **Revenue and Trade Receivables - Refer to Notes 2(d) and 10 to the financial statements**

### *Critical Audit Matter Description*

Revenue is comprised of wholesale revenue (which includes sales to distributors and retailers) of the Company's products, as well as direct-to-consumer revenue which consists of sales through the Company's e-commerce operations and Company-owned retail stores. Trade receivables consist of amounts owing on product sales where the Company has extended credit to customers.

We identified the performance of incremental audit procedures over revenue and the related trade receivables due to ineffective internal controls for a portion of the year as a critical audit matter. As of March 31, 2019, the Company identified a material weakness over the occurrence and accuracy of revenue and the existence of the related accounts receivable, and access controls over the master data. While the material weakness was remediated by March 29, 2020, the internal controls were ineffective for a portion of the year. Revenue and the related trade receivables were impacted by the ineffective internal controls in respect to pricing, communicating terms of the arrangement and maintaining master data. This required an increased extent of audit effort and a high degree of auditor judgment to assess the sufficiency of the procedures performed and evidence obtained.

### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to pricing, communicating terms of the arrangement and maintaining master data relating to revenue and the related trade receivable included the following, among others:

- Evaluated the effectiveness of the Company's internal controls over pricing, communicating terms of the arrangement, and access controls over master data.
- Tested pricing and communicating terms of the arrangement of revenue and related trade receivables by:
  - Vouching a sample of recorded revenue transactions to the sales order confirmation, the master price list, evidence of payment received from the customer, third party shipping report, and the proof of delivery.
  - Confirming terms of the arrangement with a selection of customers and reconciling their response to the master data.
  - Testing manual journal entries to the Company's revenue general ledger accounts.
  - Increasing the number of revenue transactions selected for testing from what we would have otherwise selected if the Company's internal controls were designed and operating effectively during the entire year.
- Tested the maintenance of the master data by agreeing a sample of recorded revenue transactions back to the underlying master data (ie. pricing, discounts, terms of the arrangement).

## **Inventory - Refer to Notes 2(j) and 11 to the financial statements**

### *Critical Audit Matter Description*

Inventory is comprised of raw materials, work-in-process, and finished goods. The cost of finished goods inventories include the cost of raw materials and an applicable share of the cost of labour and fixed and variable production overhead costs, including the depreciation of property, plant and equipment used in the production of finished goods and design costs, and other costs incurred to bring the inventories to their present location and condition.



We identified the performance of incremental audit procedures over inventory due to ineffective internal controls for a portion of the year as a critical audit matter. As of March 31, 2019, the Company identified a material weakness over the existence and valuation of inventory, including inventory costing. While the material weakness was remediated by March 29, 2020, the internal controls were ineffective for a portion of the year. Inventory was impacted by the ineffective internal controls in respect to physical inventory counts for raw materials and finished goods and the determination of standard cost. This required an increased extent of audit effort and a high degree of auditor judgment to assess the sufficiency of the procedures performed and evidence obtained.

*How the Critical Audit Matter was Addressed in the Audit*

Our audit procedures related to physical inventory counts for raw materials and finished goods and the determination of standard cost of inventory included the following, among others:

- Evaluated the effectiveness of the Company's internal controls over inventory counts for raw materials and finished goods and over the determination of standard cost.
- Tested raw materials and finished goods quantities by physically observing and verifying inventory cycle counts through test counts and tracing test counts to Company's records.
- Tested that the Company's standard cost of inventory approximates actual cost by obtaining documents supporting actual cost of raw materials, and finished goods inputs and ensured the variances between standard and actual are appropriately capitalized.
- Increased the number of inventory samples to be counted.

/s/ Deloitte LLP

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Canada

June 2, 2020

We have served as the Company's auditor since fiscal 2010.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Canada Goose Holdings Inc.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Canada Goose Holdings Inc. and subsidiaries (the "Company") as of March 29, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 29, 2020, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the 52 weeks ended March 29, 2020, of the Company and our report dated June 2, 2020, expressed an unqualified opinion on those financial statements, and included an explanatory paragraph regarding the Company's adoption of IFRS 16, *Leases*.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
June 2, 2020

**Consolidated Statements of Income and Comprehensive Income**  
(in millions of Canadian dollars, except per share amounts)

	Notes	Year ended		
		March 29, 2020	March 31, 2019	March 31, 2018
		\$	\$	\$
Revenue	6	958.1	830.5	591.2
Cost of sales	11	364.8	313.7	243.6
<b>Gross profit</b>		<b>593.3</b>	<b>516.8</b>	<b>347.6</b>
Selling, general and administrative expenses		350.5	302.1	200.1
Depreciation and amortization	9, 12, 13	50.7	18.0	9.4
<b>Operating income</b>		<b>192.1</b>	<b>196.7</b>	<b>138.1</b>
Net interest and other finance costs	17	28.4	14.2	12.9
<b>Income before income taxes</b>		<b>163.7</b>	<b>182.5</b>	<b>125.2</b>
Income tax expense	7	12.0	38.9	29.1
<b>Net income</b>		<b>151.7</b>	<b>143.6</b>	<b>96.1</b>
<b>Other comprehensive income (loss)</b>				
Items that will not be reclassified to earnings, net of tax:				
Actuarial loss on post-employment obligation		(0.2)	(0.7)	(0.3)
Items that may be reclassified to earnings, net of tax:				
Cumulative translation adjustment		9.4	(1.3)	3.2
Net (loss) gain on derivatives designated as cash flow hedges		(2.4)	(4.6)	0.1
Reclassification of net (gain) loss on cash flow hedges to income		(3.7)	3.8	(1.3)
Net (loss) gain on derivatives designated as a net investment hedge		(0.3)	3.5	(3.5)
<b>Other comprehensive income (loss)</b>		<b>2.8</b>	<b>0.7</b>	<b>(1.8)</b>
<b>Comprehensive income</b>		<b>154.5</b>	<b>144.3</b>	<b>94.3</b>
<b>Earnings per share</b>	<b>8</b>			
Basic		\$ 1.38	\$ 1.31	\$ 0.90
Diluted		\$ 1.36	\$ 1.28	\$ 0.86

*The accompanying notes to the consolidated financial statements are an integral part of these financial statements.*

**Consolidated Statements of Financial Position**  
(in millions of Canadian dollars)

	Notes	March 29, 2020	March 31, 2019
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		31.7	88.6
Trade receivables	10	32.3	20.4
Inventories	11	412.3	267.3
Income taxes receivable	7	12.0	4.0
Other current assets	21	35.9	32.9
<b>Total current assets</b>		<b>524.2</b>	<b>413.2</b>
Deferred income taxes	7	40.8	12.2
Property, plant and equipment	12	115.1	84.3
Intangible assets	13	161.7	155.6
Right-of-use assets	4, 9	211.8	—
Other long-term assets	21	6.0	7.0
Goodwill	5, 14	53.1	53.1
<b>Total assets</b>		<b>1,112.7</b>	<b>725.4</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	15, 21	136.8	110.4
Provisions	16	15.6	8.1
Income taxes payable	7	13.0	18.1
Short-term borrowings	17	—	—
Lease liabilities	4, 9	35.9	—
<b>Total current liabilities</b>		<b>201.3</b>	<b>136.6</b>
Provisions	16	21.4	14.7
Deferred income taxes	7	15.1	16.7
Revolving facility	17	—	—
Term loan	17	158.1	145.2
Lease liabilities	4, 9	192.0	—
Other long-term liabilities	21	4.6	13.1
<b>Total liabilities</b>		<b>592.5</b>	<b>326.3</b>
<b>Shareholders' equity</b>	18	<b>520.2</b>	<b>399.1</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,112.7</b>	<b>725.4</b>

*The accompanying notes to the consolidated financial statements are an integral part of these financial statements.*

**Consolidated Statements of Changes in Equity**  
(in millions of Canadian dollars)

	Notes	Share capital			Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
		Multiple voting shares	Subordinate voting shares	Total				
		\$	\$	\$				
<b>Balance at March 31, 2017</b>		2.2	101.1	103.3	4.1	40.0	(1.3)	146.1
Convert multiple voting shares to subordinate voting shares	18	(0.3)	0.3	—	—	—	—	—
Exercise of stock options	18	—	2.8	2.8	(1.6)	—	—	1.2
Net income		—	—	—	—	96.1	—	96.1
Other comprehensive loss		—	—	—	—	—	(1.8)	(1.8)
Recognition of share-based payment	19	—	—	—	2.0	—	—	2.0
<b>Balance at March 31, 2018</b>		1.9	104.2	106.1	4.5	136.1	(3.1)	243.6
Issuance of subordinate voting shares in business combination	5	—	1.5	1.5	—	—	—	1.5
Convert multiple voting shares to subordinate voting shares	18	(0.5)	0.5	—	—	—	—	—
Exercise of stock options	18	—	5.0	5.0	(1.9)	—	—	3.1
Net income		—	—	—	—	143.6	—	143.6
Other comprehensive income		—	—	—	—	—	0.7	0.7
Recognition of share-based payment (including tax recovery of \$2.8)	19	—	—	—	6.6	—	—	6.6
<b>Balance at March 31, 2019</b>		1.4	111.2	112.6	9.2	279.7	(2.4)	399.1
IFRS 16 initial application	4	—	—	—	—	(4.9)	—	(4.9)
Normal course issuer bid purchase of subordinate voting shares	18	—	(1.6)	(1.6)	—	(37.1)	—	(38.7)
Exercise of stock options	18	—	3.7	3.7	(1.3)	—	—	2.4
Net income		—	—	—	—	151.7	—	151.7
Other comprehensive income		—	—	—	—	—	2.8	2.8
Recognition of share-based payment	19	—	—	—	7.8	—	—	7.8
<b>Balance at March 29, 2020</b>		1.4	113.3	114.7	15.7	389.4	0.4	520.2

*The accompanying notes to the consolidated financial statements are an integral part of these financial statements.*

**Consolidated Statements of Cash Flows**  
(in millions of Canadian dollars)

	Notes	Year ended		
		March	March	March
		29, 2020	31, 2019	31, 2018
		\$	\$	\$
<b>Operating activities</b>				
Net income		151.7	143.6	96.1
Items not affecting cash:				
Depreciation and amortization		63.1	22.7	14.2
Income tax expense		12.0	38.9	29.1
Interest expense		20.4	13.7	12.5
Foreign exchange (gain) loss		(0.7)	2.7	(8.6)
Acceleration of unamortized costs on debt extinguishment	17	7.0	—	—
Loss on disposal of assets		1.7	0.2	0.2
Share-based payment	19	8.5	3.8	2.0
		263.7	225.6	145.5
Changes in non-cash operating items	23	(130.6)	(100.7)	(2.3)
Income taxes paid		(52.1)	(41.0)	(7.4)
Interest paid		(18.5)	(10.5)	(9.6)
<b>Net cash from operating activities</b>		62.5	73.4	126.2
<b>Investing activities</b>				
Purchase of property, plant and equipment		(45.3)	(30.3)	(26.1)
Investment in intangible assets		(17.0)	(19.0)	(7.7)
Business combination	5	—	(33.6)	(0.6)
<b>Net cash used in investing activities</b>		(62.3)	(82.9)	(34.4)
<b>Financing activities</b>				
Net repayments on debt facilities	17	—	—	(8.8)
Transaction costs on financing activities	17	(2.3)	—	(0.3)
Subordinate voting shares purchased for cancellation	18	(38.7)	—	—
Principal paid on lease liabilities	9	(24.7)	—	—
Settlement of term loan derivative contracts	21	4.6	—	—
Exercise of stock options	19	2.4	3.1	1.2
<b>Net cash (used in) from financing activities</b>		(58.7)	3.1	(7.9)
Effects of foreign currency exchange rate changes on cash		1.6	(0.3)	1.7
(Decrease) increase in cash		(56.9)	(6.7)	85.6
<b>Cash, beginning of period</b>		88.6	95.3	9.7
<b>Cash, end of period</b>		31.7	88.6	95.3

*The accompanying notes to the consolidated financial statements are an integral part of these financial statements.*

## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

### Note 1. The Company

#### *Organization*

Canada Goose Holdings Inc. and its subsidiaries (the "Company") design, manufacture, and sell performance luxury apparel for men, women, youth, children, and babies. The Company's apparel collections include various styles of parkas, lightweight down jackets, rainwear, windwear, knitwear, footwear, and accessories for fall, winter, and spring seasons. The Company's head office is located at 250 Bowie Avenue, Toronto, Canada M6E 4Y2. The use of the terms "Canada Goose", "we", "us" and "our" throughout these notes to the consolidated financial statements refer to the Company.

Canada Goose is a public company listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol "GOOS". The principal shareholders of the Company are investment funds advised by Bain Capital LP and its affiliates ("Bain Capital"), and DTR LLC, DTR (CG) Limited Partnership, and DTR (CG) II Limited Partnership (collectively "DTR"), entities indirectly controlled by the President and Chief Executive Officer of the Company. The principal shareholders hold multiple voting shares representing 46.4% of the total shares outstanding as at March 29, 2020, or 89.6% of the combined voting power of the total voting shares outstanding. Subordinate voting shares that trade on public markets represent 53.6% of the total shares outstanding as at March 29, 2020, or 10.4% of the combined voting power of the total voting shares outstanding.

#### *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on June 2, 2020.

#### *Change in fiscal period*

Effective April 1, 2019, the Company changed its fiscal year from a calendar basis of twelve months ended March 31 to a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks. The additional week in a 53-week fiscal year is added to the fourth quarter. The Company's first 53-week fiscal year will occur in fiscal 2022. The 2020 fiscal year comprises four fiscal quarters ending on June 30, 2019, September 29, 2019, December 29, 2019, and March 29, 2020. The Company has not adjusted financial results for quarters prior to fiscal 2020. In these consolidated financial statements, the term "year ended March 29, 2020" refers to the 52-week period ended March 29, 2020 (364 days) and the term "year ended March 31, 2019" refers to the twelve months ended March 31, 2019 (365 days).

#### *Operating segments*

The Company classifies its business in three operating and reportable segments: Direct-to-Consumer, Wholesale, and Other. The Direct-to-Consumer segment comprises sales through country-specific e-commerce platforms and its Company-owned retail stores located in luxury shopping locations.

The Wholesale segment comprises sales made to a mix of functional and fashionable retailers, including major luxury department stores, outdoor specialty stores, and individual shops, and to international distributors.



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In the fourth quarter of fiscal 2020, the Company revised the previous Unallocated segment to the Other segment. The Other segment comprises sales and costs not directly allocated to the Direct-to-Consumer or Wholesale channels, such as sales to employees and selling, general and administrative expenses not directly allocated to the Direct-to-Consumer or Wholesale segments. The Other segment includes the cost of marketing expenditures to build brand awareness across all segments, corporate costs in support of manufacturing operations, other corporate costs and foreign exchange gains and losses not specifically associated with Direct-to-Consumer or Wholesale segment operations. It also includes overhead costs resulting from the temporary closure of our manufacturing facilities in March 2020 due to COVID-19. Comparative information has been restated to conform with the presentation adopted in the current year.

### *Seasonality*

Our business is seasonal, and we have historically realized a significant portion of our Wholesale revenue and operating income in the second and third quarters of the fiscal year and Direct-to-Consumer revenue and operating income in the third and fourth quarters of the fiscal year. Thus, lower-than-expected revenue in these periods could have an adverse impact on our annual operating results.

Cash flows from operating activities are typically highest in the third and fourth quarters of the fiscal year due to revenue from the Direct-to-Consumer segment and the collection of trade receivables from Wholesale revenue earlier in the year. Working capital requirements typically increase as inventory builds. Borrowings have historically increased in the first and second quarters and been repaid in the third quarter of the fiscal year.

## **Note 2. Significant accounting policies**

### **(a) Basis of presentation**

The consolidated financial statements are presented in Canadian dollars, the Company's functional and presentation currency.

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

- financial instruments, including derivative financial instruments, at fair value in other comprehensive income and through profit or loss as described in note 21, and
- initial recognition of assets acquired and liabilities assumed in a business combination as described in note 5.

The significant accounting policies set out below have been applied consistently in the preparation of the consolidated financial statements for all periods presented, with the exception of IFRS 16, *Leases* ("IFRS 16") effective April 1, 2019, as described in note 4. The Company elected the modified retrospective approach on adoption of the standard, and has not restated prior periods.

### **(b) Principles of consolidation**

The consolidated financial statements include the accounts of Canada Goose Holdings Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated.

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### (c) Foreign currency translation and transactions

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which each entity operates. The assets and liabilities of subsidiaries whose functional currency is not the Canadian dollar are translated into the functional currency of the Company using the exchange rate at the reporting date. Revenues and expenses are translated at exchange rates prevailing at the transaction date. The resulting foreign exchange translation differences are recorded as a currency translation adjustment in other comprehensive income.

Foreign currency transactions are translated into the functional currency of each of the Company's subsidiaries using the exchange rates prevailing at the date of the transactions or valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the changes at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income in selling, general and administrative expenses, except when included in other comprehensive income for qualifying cash flow and net investment hedges.

#### *Change in functional currency of subsidiary*

Each entity within the Company determines its functional currency based on the primary economic environment in which the entity operates. Once an entity's functional currency is determined, it is not changed unless there is a change to the underlying transactions, events, and conditions that determine the entity's primary economic environment.

Through the year ending March 31, 2019, the functional currency of Canada Goose US, Inc., the operating subsidiary in the United States ("U.S."), was determined to be Canadian dollars because its wholesale operations were carried out as an extension of the business of the Canadian parent and were therefore integrated with the Canadian operations.

The U.S. subsidiary is responsible for all of the Company's direct-to-consumer and wholesale operations in the United States, which now include substantial retail operations, assets and related lease financing. The Company reassessed the functional currency of the U.S. subsidiary in light of the change in circumstances and determined it was no longer an integral foreign operation and that the primary economic environment in which it operates is the United States; as a result, the functional currency of the U.S. subsidiary was changed from Canadian dollars to U.S. dollars, effective April 1, 2019. The change was made on a prospective basis.

### (d) Revenue recognition

Revenue comprises of Direct-to-Consumer, Wholesale and Other segment revenues. Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for the sale of goods in the ordinary course of the Company's activities. Revenue is presented net of sales tax, estimated returns, sales allowances, and discounts. The Company recognizes revenue when the Company has agreed terms with its customers, the contractual rights and payment terms have been identified, the contract has commercial substance, it is probable that consideration will be collected by the Company, and when control of the goods is transferred to the customer have been met.

It is the Company's policy to sell merchandise through the Direct-to-Consumer channel with a limited right to return, typically within 30 days. Accumulated experience is used to estimate and provide for such returns.

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### (e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the Company. The consideration transferred in a business combination is measured at fair value, calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred by the Company, and the equity interests issued by the Company in exchange for control of the acquiree. Transaction costs that the Company incurs in connection with a business combination are recognized in the statement of income as incurred.

Goodwill is measured as the excess of the sum of the fair value of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred in a business combination includes contingent consideration, the contingent consideration is measured at its acquisition date fair value. Contingent consideration is remeasured at subsequent reporting dates at its fair value, and the resulting gain or loss recognized in the statement of income.

### (f) Earnings per share

Basic earnings per share is calculated by dividing net income attributable to ordinary equity holders by the weighted average number of multiple and subordinated voting shares outstanding during the year.

Diluted earnings per share is calculated by dividing net income attributable to ordinary equity holders of the Company by the weighted average number of multiple and subordinated voting shares outstanding during the year plus the weighted average number of subordinate shares that would be issued on the exercise of stock options and settlement of restricted share units ("RSUs").

### (g) Income taxes

Current and deferred income taxes are recognized in the statement of income, except when it relates to a business combination, or items recognized in equity or in other comprehensive income.

#### *Current income tax*

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

#### *Deferred income tax*

Deferred income tax is provided using the liability method for temporary differences at the reporting date between the income tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is measured using enacted or substantively enacted income tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized for unused income tax losses and credits to the extent that it is probable that future taxable income will be available against which they can be utilized.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

### (h) Cash

Cash consists of cash and cash equivalents, including cash on hand, deposits in banks, and short-term deposits with maturities of less than three months. The Company uses the indirect method of reporting cash flows from operating activities.

### (i) Trade receivables

Trade receivables, including credit card receivables, consist of amounts owing on product sales where we have extended credit to customers, and are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less expected credit loss and sales allowances. The allowance for expected credit losses is recorded against trade receivables and is based on historical experience.

### (j) Inventories

Raw materials, work-in-process, and finished goods are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of work-in-process and finished goods inventories include the cost of raw materials and an applicable share of the cost of labour and fixed and variable production overhead costs, including the depreciation of property, plant and equipment used in the production of finished goods and design costs, and other costs incurred to bring the inventories to their present location and condition.

The Company estimates net realizable value as the amount at which inventories are expected to be sold, taking into consideration fluctuations in selling prices due to seasonality, less estimated costs necessary to complete the sale.

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining selling prices. Inventory is adjusted to reflect estimated loss ("shrinkage") incurred since the last inventory count. Shrinkage is based on historical experience. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in realizable value, the amount of the write-down previously recorded is reversed.

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Storage costs, indirect administrative overhead and certain selling costs related to inventories are expensed in the period that these costs are incurred.

### (k) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, including costs incurred to prepare the asset for its intended use and capitalized borrowing costs, when the recognition criteria are met. The commencement date for capitalization of costs occurs when the Company first incurs expenditures for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Property, plant and equipment assets are depreciated on a straight-line basis over their estimated useful lives when the assets are available for use. When significant parts of a fixed asset have different useful lives, they are accounted for as separate components and depreciated separately. Depreciation methods and useful lives are reviewed annually and are adjusted for prospectively, if appropriate. Estimated useful lives are as follows:

<b>Asset Category</b>	<b>Estimated Useful Life</b>
Plant equipment	10 years
Computer hardware	5 years
Leasehold improvements	Lesser of the lease term or useful life of the asset
Show displays	5 years
Furniture and fixtures	5 to 15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the statement of income when the asset is derecognized.

The cost of repairs and maintenance of property, plant and equipment is expensed as incurred and recognized in the statement of income.

Property, plant and equipment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value. Any resulting impairment loss is recorded in the statement of income.

### (l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets with finite lives are carried at cost less any accumulated amortization and any accumulated impairment losses.

An internally generated intangible asset is recorded for product development costs which are included within intellectual property. Product development costs are incurred in the design, production and testing of new products where the technical feasibility of commercial manufacturing and sale of the product has been demonstrated.

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The useful lives of intangible assets are assessed as either finite or indefinite.

<b>Asset Category</b>	<b>Estimated Useful Life</b>
Brand name	Indefinite
Domain name	Indefinite
ERP software	5 to 7 years
Computer software	5 years
Intellectual property	1 to 8 years

Intangible assets with indefinite useful lives comprise of the Canada Goose and Baffin brand names (note 5) and domain name, which were acquired as part of an acquisition and were recorded at their estimated fair value. The brand names and domain name are considered to have an indefinite life based on a history of revenue and cash flow performance, and the intent and ability of the Company to support the brand with spending to maintain its value for the foreseeable future. The brand names and domain name are tested at least annually for impairment, at the cash-generating unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income over the asset's estimated useful life.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are included in the statement of income when the asset is derecognized.

Intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value. Any resulting impairment loss is recorded in the statement of income.

Lease rights in connection with the opening of new Company-owned retail stores are recorded based on the amount paid. Lease rights have a definite useful life of the lease term and are amortized on a straight-line basis over the term. Upon the adoption of IFRS 16, lease rights were transferred from intangible assets and recognized as initial direct costs in the measurement of right-of-use assets (note 4).

### **(m) Leases**

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments

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is the incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company's creditworthiness, the security, term and value of the underlying leased asset, and the economic environment in which the leased asset operates. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Leases of low-value assets and short-term leases are not included in the calculation of lease liabilities. These lease expenses are recognized in cost of sales or selling, general, and administrative expenses on a straight-line or other systematic basis.

### *Lease liabilities*

Lease liabilities are measured at the present value of future lease payments, discounted using the Company's incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are remeasured when there are changes to the lease payments, lease term, assessment of an option to purchase the underlying asset, expected residual value guarantee, or future lease payments due to a change in the index or rate tied to the payment.

### *Right-of-use assets*

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs, if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the Company applies the cost model to the right-of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any remeasurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

## **(n) Goodwill**

Goodwill represents the difference between the purchase price of an acquired business and the Company's share of the net identifiable assets acquired and liabilities assumed and any contingent liabilities assumed. It is initially recorded at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to CGUs based on the lowest level within the entity in which the goodwill is monitored for internal management purposes. The allocation is made to the CGUs that are expected to benefit from the business combination in which the goodwill arose. Any potential impairment of goodwill is identified by comparing the recoverable amount of a CGU to its carrying value. An impairment loss is recognized if the carrying amount of CGU exceeds its recoverable amount. Any loss identified is first applied to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the carrying amounts of the remaining assets in the CGU on a pro-rata basis. The Company tests goodwill for impairment annually at the reporting date.

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The recoverable amount of a CGU is the higher of the estimated fair value less costs of disposal or value-in-use of the CGU. In assessing value-in-use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company has determined that the goodwill contributes to the cash flows of seven CGUs (March 31, 2019 - seven CGUs).

### (o) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized in the statement of income.

The provision for warranty returns relates to the Company's obligation for defective goods sold to customers that have yet to be returned for exchange or repair. Accruals for warranty returns are estimated on the basis of historical returns and are recorded so as to allocate them to the same period the corresponding revenue is recognized.

### (p) Employee future benefits

The Company sponsors a defined benefit pension plan membership, which is limited to certain employees of Canada Goose International AG and other subsidiaries who reside in Switzerland.

The measurement date for the defined benefit pension plan is March 29, 2020, the reporting date. The obligation associated with the Company's defined benefit pension plan is actuarially valued using the projected unit credit method and management's best estimate of the discount rate, future salary increases, mortality rates and retirement rates. Assets are measured at fair value. The obligation in excess of plan assets is recorded as a liability. All actuarial gains or losses, net of tax, are recognized immediately through other comprehensive income.

### (q) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that it believes are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing



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the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

**Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

There was no change in the valuation techniques applied to financial instruments during all periods presented. The following table describes the valuation techniques used in the determination of the fair values of financial instruments:

Type	Valuation Approach
Cash, trade receivables, accounts payable and accrued liabilities	The carrying amount approximates fair value due to the short term maturity of these instruments.
Derivatives (included in other current assets, other long-term assets, accounts payable and accrued liabilities or other long-term liabilities)	Specific valuation techniques used to value derivative financial instruments include:  - quoted market prices or dealer quotes for similar instruments;  - observable market information as well as valuations determined by external valuers with experience in the financial markets.
Short-term borrowings, revolving facility, term loan and lease liabilities	The fair value is based on the present value of contractual cash flows, discounted at the Company's current incremental borrowing rate for similar types of borrowing arrangements or, where applicable, market rates.

### (r) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the

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acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below.

i) Non-derivative financial assets

Non-derivative financial assets include cash and trade receivables which are measured at amortized cost. The Company initially recognizes receivables and deposits on the date that they are originated. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

ii) Non-derivative financial liabilities

Non-derivative financial liabilities include accounts payable, accrued liabilities, short-term borrowings, the revolving facility, and the term loan. The Company initially recognizes debt instruments on the date that they are originated. All other financial liabilities are recognized initially on the trade date on which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

iii) Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument. When a derivative financial instrument, including an embedded derivative, is not designated and effective in a qualifying hedge relationship, all changes in its fair value are recognized immediately in the statement of income; attributable transaction costs are recognized in the statement of income as incurred. The Company does not use derivatives for trading or speculative purposes.

Embedded derivatives are separated from a host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

iv) Hedge accounting

The Company is exposed to the risk of currency fluctuations and has entered into currency derivative contracts to hedge its exposure on the basis of planned transactions. Where hedge accounting is applied, the criteria are documented at the inception of the hedge and updated at each reporting date. The Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedging transactions. The Company also documents its assessment, at hedge inception

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and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of a hedging derivative is classified as a current asset or liability when the maturity of the hedged item is less than twelve months, and as a non-current asset or liability when the maturity of the hedged item is more than twelve months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized, net of tax, in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. Amounts accumulated in other comprehensive income are transferred to the statement of income in the periods when the hedged item affects net income. When a forecast transaction that is hedged results in the recognition of a non-financial asset or liability, such as inventory, the amounts are included in the measurement of the cost of the related asset or liability. The deferred amounts are ultimately recognized in the statement of income.

Hedges of net investments are accounted for similarly to cash flow hedges, with unrealized gains and losses recognized, net of tax, in other comprehensive income. Amounts included in other comprehensive income are transferred to the statement of income in the period when the foreign operation is disposed of or sold.

### (s) Share-based payments

Share-based payments are valued based on the grant date fair value of these awards and the Company records compensation expense over the corresponding service period. The fair value of the share-based payments is determined using acceptable valuation techniques.

The Company has issued stock options to purchase subordinate voting shares and RSUs under its equity incentive plans, prior to the public offering on March 21, 2017 (the "Legacy Plan") and subsequently (the "Omnibus Plan"). Under the terms of the Legacy Plan, options were granted to certain employees of the Company with vesting contingent upon meeting the service, performance goals and exit event conditions of the Legacy Plan. There are two types of stock options: service-vested options are time based and generally vest over five years of service, and performance-based and exit event options vest upon attainment of performance conditions and the occurrence of an exit event. Under the terms of the Omnibus Plan, options are granted to certain executives of the Company with vesting, generally over four years, contingent upon meeting the service conditions of the Omnibus Plan. The compensation expense related to the options and RSUs is recognized ratably over the requisite service period, provided it is probable that the vesting conditions will be achieved and the occurrence of the exit event, if applicable, is probable.

### Note 3. Significant accounting judgments, estimates, and assumptions

The preparation of the consolidated financial statements requires management to make estimates and judgments in applying the Company's accounting policies that affect the reported amounts and disclosures made in the consolidated financial statements and accompanying notes.

Estimates and assumptions are used mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements and are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances.

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Management continually evaluates the estimates and judgments it uses. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates and judgments in these financial statements.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that the Company believes could have the most significant impact on the amounts recognized in the consolidated financial statements.

### Functional currency

*Judgments Made in Relation to Accounting Policies Applied:* The Company assesses the relevant factors related to the primary economic environment in which its entities operate to determine the functional currency. Where the assessment of primary indicators is mixed, management assesses the secondary indicators, including the relationship between the foreign operations and reporting entity.

### Business combinations

*Key Sources of Estimation:* In a business combination, the identifiable assets acquired and liabilities assumed will be recognized at their fair values. The Company makes judgments and estimates in determining the fair values. The excess of the purchase price over the fair values of identifiable assets acquired and liabilities assumed will be recognized as goodwill, if positive, and if negative, it is recognized in the statement of income.

### Income and other taxes

*Key Sources of Estimation:* In determining the recoverable amount of deferred tax assets, the Company forecasts future taxable income by legal entity and the period in which the income occurs to ensure that sufficient taxable income exists to utilize the attributes. Inputs to those projections are Board-approved financial forecasts and statutory tax rates.

*Judgments Made in Relation to Accounting Policies Applied:* The calculation of current and deferred income taxes requires management to make certain judgments regarding the tax rules in jurisdictions where the Company performs activities. Application of judgments is required regarding the classification of transactions and in assessing probable outcomes of claimed deductions including expectations about future operating results, the timing and reversal of temporary differences and possible audits of income tax and other tax filings by the tax authorities.

### Trade receivables

*Key Sources of Estimation:* The Company has a significant number of customers which minimizes the concentration of credit risk. The Company does not have any customers which account for more than 10% of sales or accounts receivable. We make ongoing estimates relating to the ability to collect our accounts receivable and maintain an allowance for estimated credit losses resulting from the inability of our customers to make required payments. In determining the amount of expected credit losses, we consider our historical level of credit losses and make judgments about the creditworthiness of significant customers based on ongoing credit evaluations.

### Inventories

*Key Sources of Estimation:* Inventories are carried at the lower of cost and net realizable value. In estimating net realizable value, the Company uses estimates related to fluctuations in inventory levels, planned production, customer behaviour, obsolescence, future selling prices, seasonality

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and costs necessary to sell the inventory. Inventory is adjusted to reflect shrinkage incurred since the last inventory count. Shrinkage is based on historical experience.

### Leases

*Judgments Made in Relation to Accounting Policies Applied:* The Company exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. The Company considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if the Company is reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's statement of financial position.

*Key Sources of Estimation:* The critical assumptions and estimates used in determining the present value of future lease payments require the Company to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets. Management determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

### Impairment of non-financial assets (goodwill, intangible assets, property, plant & equipment, and right-of-use assets)

*Judgments Made in Relation to Accounting Policies Applied:* Management is required to use judgment in determining the grouping of assets to identify their CGUs for the purposes of testing non-financial assets for impairment. Judgment is further required to determine appropriate groupings of CGUs for the level at which goodwill and intangible assets are tested for impairment. For the purpose of goodwill and intangible assets impairment testing, CGUs are grouped at the lowest level at which goodwill and intangible assets are monitored for internal management purposes. Judgment is also applied in allocating the carrying amount of assets to CGUs. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed. The Company has concluded that it has seven CGUs (March 31, 2019 - seven CGUs) and tests goodwill and these intangible assets for impairment on that basis.

*Key Sources of Estimation:* In determining the recoverable amount of a CGU or a group of CGUs, various estimates are employed. The Company determines value-in-use by using estimates including projected future revenues, margins, costs, and capital investment consistent with strategic plans presented to the Board of Directors. Fair value less costs of disposal are estimated with reference to observable market transactions. Discount rates are consistent with external industry information reflecting the risk associated with the Company and its cash flows.

### Warranty

*Key Sources of Estimation:* The critical assumptions and estimates used in determining the warranty provision at the statement of financial position date are: the number of jackets expected to require repair or replacement; the proportion to be repaired versus replaced; the period in which the warranty claim is expected to occur; the cost to repair a jacket; the cost to replace a jacket, and the risk-free rate used to discount the provision to present value.

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### Financial instruments

*Key Sources of Estimation:* The critical assumptions and estimates used in determining the fair value of financial instruments are: equity prices; future interest rates; the relative creditworthiness of the Company to its counterparties; estimated future cash flows; discount rates, and volatility utilized in option valuations.

### Share-based payments

*Key Sources of Estimation:* Compensation expense for share-based compensation granted is measured at the fair value at the grant date using the Black Scholes option pricing model for the year ended March 29, 2020; prior to the public offering, the Company used the Monte Carlo valuation model to measure the fair value of options granted. The critical assumptions used under both of these option valuation models at the grant date are: stock price valuation; exercise price; risk-free interest rate; expected time to exercise in years; expected dividend yield, and volatility.

## Note 4. Changes in accounting policies

### *Standards issued and adopted*

#### Leases

The Company adopted IFRS 16 on April 1, 2019 using the modified retrospective approach with the cumulative effects of initial application recorded in opening retained earnings and no restatement of prior period financial information. Under the modified retrospective approach, the Company measured the right-of-use asset at the carrying value as if the standard had been applied since the commencement date of the lease (typically the possession date), but using the discount rate at the date of initial application.

The Company determined the discount rate at the time of initial adoption to be its incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates.

Substantially all of the Company's leases are real estate leases for retail stores, manufacturing facilities, and corporate offices. The Company recognized right-of-use assets and lease liabilities for its leases except as permitted by recognition exemptions in the standard for short-term leases with terms of twelve months or less and leases of low-value assets. The depreciation expense on right-of-use assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis over the lease term under IAS 17.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the Company has applied a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;
- the Company has excluded initial direct costs in the measurement of the right-of-use asset on initial application except to the extent that costs, such as lease rights, were recognized under the previous standard;
- the Company has accounted for leases with a remaining term of less than twelve months as at March 31, 2019 as short-term leases; and

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- the Company has used hindsight in determining the lease term where the lease contains options to extend or terminate the lease.

On the date of initial application, the impact of adopting IFRS 16 on the Company's statement of financial position as at April 1, 2019 was as follows:

### Condensed Financial Position Information

Increase (decrease)

	As previously reported, March 31, 2019	IFRS 16 initial application	Reclassification of initial direct costs	Income tax	Balance as at April 1, 2019 - IFRS 16
	\$	\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Other current assets	32.9	(0.9)	—	—	32.0
Deferred income taxes	12.2	—	—	1.2	13.4
Intangible assets	155.6	—	(5.5)	—	150.1
Right-of-use assets	—	136.6	5.5	—	142.1
<b>Liabilities</b>					
<b>Current liabilities</b>					
Lease liabilities	—	19.2	—	—	19.2
Deferred income taxes	16.7	—	—	(0.5)	16.2
Lease liabilities	—	131.6	—	—	131.6
Other long-term liabilities	13.1	(8.5)	—	—	4.6
<b>Shareholders' equity</b>					
Retained earnings	279.7	(6.6)	—	1.7	274.8

The Company applied the requirements of IAS 36, *Impairment of assets* as at April 1, 2019 on the right-of-use assets and concluded there was no impairment.

The Company used its incremental borrowing rates as at April 1, 2019 to measure lease liabilities. The weighted average incremental borrowing rate was 4.28%. The weighted average lease term remaining as at April 1, 2019 was approximately 8 years.

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The following table reconciles the lease liabilities recognized on April 1, 2019 and the operating lease commitments disclosed under IAS 17 as at March 31, 2019 discounted using the incremental borrowing rate as at the date of initial application:

	\$
<b>Operating lease commitment as at March 31, 2019</b>	253.4
Operating leases	(3.1)
Leases committed not yet commenced	(71.5)
<b>Undiscounted lease payments</b>	178.8
Discount at incremental borrowing rate	(28.0)
<b>Lease liabilities recognized as at April 1, 2019</b>	150.8
Current lease liabilities	19.2
Non-current lease liabilities	131.6
<b>Total lease liabilities</b>	150.8

The adoption of IFRS 16 does not impact the Company's ability to comply with its financial and non-financial covenants as the covenants are calculated as at and during the reporting period in accordance with existing lease guidance at the date of the agreement. As a result of adopting IFRS 16, the Company updated its accounting policies (note 2), and its judgments and key sources of estimation uncertainty (note 3).

### *Segment information*

The adoption of IFRS 16 resulted in the Company adjusting its internal financial information used by the chief operating decision maker. Specifically, the change from rent expense, recorded on a straight-line basis in selling, general and administrative expense, to depreciation on right-of-use assets and interest expense on lease liabilities required a different measurement of segment operating income. As a result, expenses in the Company's operating segments now include depreciation and amortization on assets, including right-of-use assets in the current year, directly used in those segments. Prior to the first quarter of fiscal 2020 depreciation and amortization was not allocated to the Company's operating segments. Comparative segment information has been restated to include depreciation and amortization to conform with the presentation adopted in the current year.

### **Lease term and useful life of leasehold improvements**

In December 2019, the IFRS Interpretations Committee ("IFRIC") issued a final agenda decision in regards to the determination of the lease term for cancellable or renewable leases under IFRS 16 and whether the useful life of any non-removable leasehold improvements is limited to the lease term of the related lease. The Company assessed the impact of this interpretation on leases recognized under IFRS 16 and concluded the agenda decisions did not have an impact on the existing treatment.

### **Note 5. Business combination**

On November 1, 2018, an incorporated subsidiary of the Company, Baffin Limited ("Baffin"), acquired the business of Baffin Inc. (the "Baffin Vendor"), a Canadian designer and manufacturer of performance outdoor and industrial footwear for total purchase consideration of \$35.1.



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Management determined that the assets and processes comprised a business and therefore accounted for the transaction as a business combination using the acquisition method of accounting. The aggregate purchase consideration for the acquired assets, net of the assumed liabilities was as follows:

	\$
Cash	33.6
Issuance of 16,946 subordinate voting shares	1.5
<b>Total purchase consideration</b>	<b>35.1</b>

In connection with the business combination, a further amount of \$3.0 is payable on November 1, 2020 to the Baffin Vendor and is charged to expense over two years.

The Company incurred acquisition-related costs of \$1.3 as at March 31, 2019 which were recorded in selling, general and administrative expenses.

Assets acquired and liabilities assumed have been recorded at their fair values at the date of acquisition are as follows:

	\$
Trade receivables	12.2
Inventories	15.9
Other current assets	0.3
Property, plant and equipment	2.5
Intangible assets	
Brand	2.5
Technology	2.2
Goodwill	7.8
Accounts payable and accrued liabilities	(8.3)
<b>Total assets acquired, net of liabilities assumed</b>	<b>35.1</b>

The fair values of working capital balances, other than inventories, have been measured at their book values at the date of acquisition, which approximate their fair values. The fair value of inventories has been measured at net realizable value, less costs to sell.

The fair value of property, plant and equipment was based on management's assessment of the acquired assets' condition, as well as an evaluation of the current market value for such assets. In addition, the Company also considered the length of time over which the economic benefit of these assets is expected to be realized and estimated the useful life of such assets as of the acquisition date.

Identifiable intangible assets acquired consist of brand and technology. The fair value of the brand was \$2.5, measured using the relief-from-royalty approach. The fair value of technology was \$2.2, measured using the replacement cost method. Under this method, the technology was valued based upon the costs the Company would incur to develop a similar asset. The Company considered the length of time over which the economic benefits of these assets is expected to be realized and estimated the useful life of such assets accordingly as at the acquisition date. Specifically, the brand was considered to have an indefinite life; accordingly, impairment is assessed annually or earlier if there are indicators of impairment. Technology was considered to have a useful life of 5

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years and amortized on a straight-line basis. The excess of the purchase consideration over the fair value of the identifiable assets acquired has been accounted for as goodwill. Goodwill was mainly attributable to the expected future growth potential of the footwear business and is deductible for tax purposes.

The results of operations have been consolidated with those of the Company from the date of acquisition including the results from the wholesale business in the Wholesale segment and e-commerce business in the Direct-to-Consumer segment. Pro forma disclosures as if Baffin was acquired at the beginning of the fiscal year have not been presented as they are not considered material to these financial statements.

The controlling shareholder of the Baffin Vendor is employed as a member of key management subsequent to the acquisition. Transactions with the Baffin Vendor and other affiliates in connection with the acquisition and subsequently (including lease of premises and other operating costs) are related party transactions (note 20).

### Note 6. Segment information

The Company has three reportable operating segments: Direct-to-Consumer, Wholesale, and Other. The Company measures each reportable operating segment's performance based on revenue and segment operating income, which is the profit metric utilized by the Company's chief operating decision maker, the President and Chief Executive Officer, for assessing the performance of operating segments. None of the reportable operating segments are reliant on any single external customer.

The Company does not report total assets or total liabilities based on its reportable operating segments.

	Year ended March 29, 2020			
	Direct-to-Consumer	Wholesale	Other	Total
	\$	\$	\$	\$
Revenue	525.0	424.0	9.1	958.1
Cost of sales	130.0	226.2	8.6	364.8
<b>Gross profit</b>	<b>395.0</b>	<b>197.8</b>	<b>0.5</b>	<b>593.3</b>
Selling, general and administrative expenses	107.4	49.9	193.2	350.5
Depreciation and amortization	38.6	2.8	9.3	50.7
<b>Operating income</b>	<b>249.0</b>	<b>145.1</b>	<b>(202.0)</b>	<b>192.1</b>
Net interest and other finance costs				28.4
<b>Income before income taxes</b>				<b>163.7</b>

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	Year ended March 31, 2019			
	Direct-to- Consumer	Wholesale	Other	Total
	\$	\$	\$	\$
Revenue	431.3	394.7	4.5	830.5
Cost of sales	106.7	202.2	4.8	313.7
<b>Gross profit</b>	324.6	192.5	(0.3)	516.8
Selling, general and administrative expenses	93.9	39.1	169.1	302.1
Depreciation and amortization	7.4	2.3	8.3	18.0
<b>Operating income</b>	223.3	151.1	(177.7)	196.7
Net interest and other finance costs				14.2
<b>Income before income taxes</b>				182.5

	Year ended March 31, 2018			
	Direct-to- Consumer	Wholesale	Other	Total
	\$	\$	\$	\$
Revenue	255.0	334.6	1.6	591.2
Cost of sales	65.2	177.1	1.3	243.6
<b>Gross profit</b>	189.8	157.5	0.3	347.6
Selling, general and administrative expenses	58.0	34.4	107.7	200.1
Depreciation and amortization	3.6	2.0	3.8	9.4
<b>Operating income</b>	128.2	121.1	(111.2)	138.1
Net interest and other finance costs				12.9
<b>Income before income taxes</b>				125.2

Effective April 1, 2019, the Company changed its measure of segment operating income to include depreciation and amortization on assets, including right-of-use assets in the current period, directly used in those segments. Prior to the first quarter of fiscal 2020, depreciation and amortization were not allocated to the Company's operating segments. In addition, certain selling, general and administrative expenses have been allocated to better align with the operating segment to which they relate. Prior period operating income by segment has been restated to include depreciation and amortization and to conform with the presentation adopted in the current year.

In the fourth quarter of fiscal 2020, the Company also revised the previous Unallocated segment to the Other segment and included sales and costs not directly allocated to the Direct-to-Consumer or Wholesale channels, such as sales to employees. Comparative information has been restated to conform with the presentation adopted in the current year.

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*Geographic information*

The Company determines the geographic location of revenue based on the location of its customers.

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Canada	293.1	293.3	228.8
United States	279.0	251.1	184.2
Asia	199.9	112.1	36.1
Europe and Rest of World	186.1	174.0	142.1
<b>Revenue</b>	<b>958.1</b>	<b>830.5</b>	<b>591.2</b>

**Note 7. Income taxes**

The components of the provision for income tax are as follows:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
<b>Current income tax expense</b>			
Current period	39.2	45.1	24.4
Adjustment in respect of prior periods	(0.3)	—	0.2
	38.9	45.1	24.6
<b>Deferred income tax (recovery) expense</b>			
Origination and reversal of temporary differences	(29.4)	(5.7)	4.3
Effect of change in income tax rates	2.5	(0.4)	0.4
Adjustment in respect of prior periods	—	(0.1)	(0.2)
	(26.9)	(6.2)	4.5
<b>Income tax expense</b>	<b>12.0</b>	<b>38.9</b>	<b>29.1</b>

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The effective income tax rates differ from the weighted average basic Canadian federal and provincial statutory income tax rates for the following reasons:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Income before income taxes	163.7	182.5	125.2
	25.47%	25.43%	25.38%
Income tax at expected statutory rate	41.7	46.4	31.8
Non-deductible (taxable) items	0.4	0.2	(0.3)
Non-deductible stock option expense	1.8	0.9	0.4
Effect of foreign tax rates	(11.8)	(9.4)	(2.9)
Non-deductible (taxable) foreign exchange loss (gain)	0.9	0.7	(0.1)
Change in tax law related to Swiss tax reform	(23.1)	—	—
Change in tax rates	2.5	—	—
Other items	(0.4)	0.1	0.2
<b>Income tax expense</b>	<b>12.0</b>	<b>38.9</b>	<b>29.1</b>

The change in the year in the components of deferred tax assets and liabilities are as follows:

	Change in the year affecting			
	March 31, 2019	Net income	Other comprehensive income	March 29, 2020
	\$	\$	\$	\$
Losses carried forward	3.0	0.6	—	3.6
Employee future benefits	0.2	—	0.1	0.3
Other liabilities	9.2	26.0	—	35.2
Unrealized profit in inventory	8.3	8.7	—	17.0
Provisions	3.2	1.8	—	5.0
Unrealized foreign exchange	(0.3)	1.1	1.6	2.4
<b>Total deferred tax asset</b>	<b>23.6</b>	<b>38.2</b>	<b>1.7</b>	<b>63.5</b>
Intangible assets	(4.3)	(1.9)	—	(6.2)
Property, plant and equipment	(23.8)	(7.8)	—	(31.6)
<b>Total deferred tax liabilities</b>	<b>(28.1)</b>	<b>(9.7)</b>	<b>—</b>	<b>(37.8)</b>
<b>Net deferred tax liabilities</b>	<b>(4.5)</b>	<b>28.5</b>	<b>1.7</b>	<b>25.7</b>

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The change in deferred tax assets and liabilities as presented in the statement of financial position are as follows:

	Change in the year affecting			March 29, 2020
	March 31, 2019	Net income	Other comprehensive income	
	\$	\$	\$	\$
Deferred tax assets	12.2	28.7	(0.1)	40.8
Deferred tax liabilities	(16.7)	(0.2)	1.8	(15.1)
	(4.5)	28.5	1.7	25.7

Available deferred income tax assets in the amount of \$22.0 was not recognized as it is not probable that future taxable income will be available to the Company to utilize the benefits.

The corporate entities within Canada Goose have the following tax-loss carry-forwards that are expected to expire in the following years, if not utilized.

	\$
2038	2.0
2039	4.6
2040	2.7
2041 and thereafter	4.5
	13.8

The Company does not recognize tax on unremitted earnings from foreign subsidiaries as it is management's intent to reinvest these earnings indefinitely. Unremitted earnings from foreign subsidiaries were \$222.1 as at March 29, 2020 (March 31, 2019 - \$119.1, March 31, 2018 - \$48.4).

As at March 29, 2020, in addition to the amount charged to profit or loss and other comprehensive income, a tax recovery of less than \$0.1 (March 31, 2019 - \$2.8) was recognized directly in equity related to excess tax deductions on share-based payments for stock options exercised.

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### Note 8. Earnings per share

The following table presents details for the calculation of basic and diluted earnings per share:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
<b>Net income</b>	151.7	143.6	96.1
Weighted average number of multiple and subordinate voting shares outstanding	109,892,031	109,422,574	107,250,039
Weighted average number of shares on exercise of stock options and RSUs	1,276,757	2,345,010	4,269,199
<b>Diluted weighted average number of multiple and subordinate voting shares outstanding</b>	111,168,788	111,767,584	111,519,238
<b>Earnings per share</b>			
Basic	\$ 1.38	\$ 1.31	\$ 0.90
Diluted	\$ 1.36	\$ 1.28	\$ 0.86

### Note 9. Leases

#### *Right-of-use assets*

The following table presents changes in the cost and the accumulated depreciation of the Company's right-of-use assets:

	Retail stores	Manufacturing facilities	Other	Total
	\$	\$	\$	\$
<b>March 31, 2019</b>	—	—	—	—
Initial application of IFRS 16 (note 4)	97.0	27.2	12.4	136.6
Reclassification of initial direct costs (note 4 and 13)	5.5	—	—	5.5
Additions	82.8	6.7	5.2	94.7
Lease extensions and others	1.1	2.7	—	3.8
Impact of foreign currency translation	5.1	—	0.4	5.5
<b>March 29, 2020</b>	191.5	36.6	18.0	246.1

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	Retail stores	Manufacturing facilities	Other	Total
	\$	\$	\$	\$
<b>Accumulated depreciation</b>				
<b>March 31, 2019</b>	—	—	—	—
Depreciation	25.7	4.8	2.6	33.1
Impact of foreign currency translation	1.1	—	0.1	1.2
<b>March 29, 2020</b>	26.8	4.8	2.7	34.3
<b>Net book value</b>				
<b>March 31, 2019</b>	—	—	—	—
<b>March 29, 2020</b>	164.7	31.8	15.3	211.8

### Lease liabilities

The following table presents the changes in the Company's lease liabilities:

	Retail stores	Manufacturing facilities	Other	Total
	\$	\$	\$	\$
<b>March 31, 2019</b>	—	—	—	—
Initial application of IFRS 16 (note 4)	107.8	29.4	13.6	150.8
Additions	81.5	6.7	5.2	93.4
Lease extensions and others	0.9	2.7	—	3.6
Principal payments	(18.4)	(4.1)	(2.2)	(24.7)
Impact of foreign currency translation	4.5	—	0.3	4.8
<b>March 29, 2020</b>	176.3	34.7	16.9	227.9
Current lease liabilities	27.5	5.0	3.4	35.9
Non-current lease liabilities	148.8	29.7	13.5	192.0
<b>March 29, 2020</b>	176.3	34.7	16.9	227.9



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Leases of low-value assets and short-term leases are not included in the calculation of lease liabilities. These lease expenses are recognized in cost of sales or selling, general, and administrative expenses on a straight-line or other systematic basis. Rent expense comprise the following:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Variable rent	15.0	8.4	2.9
Operating leases	2.5	23.8	17.0
	17.5	32.2	19.9

### Note 10. Trade receivables

	March 29, 2020	March 31, 2019
	\$	\$
Trade accounts receivable	32.0	19.7
Credit card receivables	2.1	1.6
	34.1	21.3
Less: expected credit loss and sales allowances	(1.8)	(0.9)
<b>Trade receivables, net</b>	<b>32.3</b>	<b>20.4</b>

The following are the continuities of the Company's expected credit loss and sales allowances deducted from trade receivables:

	March 29, 2020			March 31, 2019		
	Expected credit loss	Sales allowances	Total	Expected credit loss	Sales allowances	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	(0.4)	(0.5)	(0.9)	(0.4)	(0.4)	(0.8)
Losses recognized	(0.2)	(2.8)	(3.0)	(0.3)	(0.6)	(0.9)
Amounts settled or written off during the year	0.1	2.0	2.1	0.3	0.5	0.8
Balance at the end of the year	(0.5)	(1.3)	(1.8)	(0.4)	(0.5)	(0.9)

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### Trade accounts receivable factoring program

On December 23, 2019, a subsidiary of the Company in Europe entered into an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of €20.0 in exchange for advanced funding equal to 100% of the principal value of the invoice. Accepted currencies include euros, British pounds sterling, and Swiss francs. The Company is charged a fee of the applicable EURIBOR or LIBOR reference rate plus 1.15% per annum, based on the number of days between the purchase date and the invoice due date, which is lower than the Company's average borrowing rate under its revolving facility. The program is utilized to provide sufficient liquidity to support its international operating cash needs. Upon transfer of the receivables, the Company receives cash proceeds and continues to service the receivables on behalf of the third-party financial institution. The program meets the derecognition requirements in accordance with IFRS 9, *Financial Instruments* as the Company transfers substantially all the risks and rewards of ownership upon the sale of a receivable. These proceeds are classified as cash flows from operating activities in the statement of cash flows.

For the year ended March 29, 2020, the Company received cash proceeds from the sale of trade accounts receivable with carrying values of \$7.8 which were derecognized from the Company's statement of financial position. Fees of less than \$0.1 were incurred during the year ended March 29, 2020 and included in net interest and other financing costs in the statement of income. At March 29, 2020, the outstanding amount of trade accounts receivable derecognized from the Company's statement of financial position, but which the Company continued to service, was \$2.4.

### Note 11. Inventories

	March 29, 2020	March 31, 2019
	\$	\$
Raw materials	61.5	45.7
Work in progress	19.4	19.0
Finished goods	331.4	202.6
<b>Total inventories at the lower of cost and net realizable value</b>	<b>412.3</b>	<b>267.3</b>

Included in inventory as at March 29, 2020 are provisions for obsolescence and inventory shrinkage in the amount of \$17.1 (March 31, 2019 - \$16.5).

Amounts charged to cost of sales comprise the following:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Cost of goods manufactured	352.4	309.0	238.7
Depreciation and amortization	12.4	4.7	4.9
	<b>364.8</b>	<b>313.7</b>	<b>243.6</b>

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### Note 12. Property, plant and equipment

The following table presents changes in the cost and the accumulated depreciation on the Company's property, plant and equipment:

	Plant equipment	Computer equipment	Leasehold improvements	Show displays	Furniture and fixtures	In progress	Total
Cost	\$	\$	\$	\$	\$	\$	\$
<b>March 31, 2018</b>	12.3	4.9	41.3	5.6	11.3	0.4	75.8
Additions	6.9	0.8	9.4	1.9	7.0	9.6	35.6
Business combination (note 5)	2.1	—	0.4	—	—	—	2.5
Disposals	—	(0.3)	(2.5)	—	—	—	(2.8)
Transfers	1.0	—	6.2	0.1	2.0	(9.3)	—
<b>March 31, 2019</b>	22.3	5.4	54.8	7.6	20.3	0.7	111.1
Additions	4.4	1.7	17.2	2.4	3.9	23.9	53.5
Disposals	(1.6)	(0.1)	(0.2)	(0.1)	(0.3)	—	(2.3)
Transfers	1.5	1.7	10.6	0.3	1.6	(15.7)	—
<b>March 29, 2020</b>	26.6	8.7	82.4	10.2	25.5	8.9	162.3

	Plant equipment	Computer equipment	Leasehold improvements	Show displays	Furniture and fixtures	In progress	Total
Accumulated depreciation	\$	\$	\$	\$	\$	\$	\$
<b>March 31, 2018</b>	2.4	2.2	7.2	2.5	1.3	—	15.6
Depreciation	1.7	1.0	6.4	1.5	3.1	—	13.7
Disposals	—	(0.2)	(2.3)	—	—	—	(2.5)
<b>March 31, 2019</b>	4.1	3.0	11.3	4.0	4.4	—	26.8
Depreciation	2.4	1.3	10.6	2.1	4.5	—	20.9
Disposals	(0.2)	—	(0.1)	(0.1)	(0.1)	—	(0.5)
<b>March 29, 2020</b>	6.3	4.3	21.8	6.0	8.8	—	47.2

<b>Net book value</b>							
<b>March 31, 2019</b>	18.2	2.4	43.5	3.6	15.9	0.7	84.3
<b>March 29, 2020</b>	20.3	4.4	60.6	4.2	16.7	8.9	115.1

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### Note 13. Intangible assets

Intangible assets comprise the following:

	March 29, 2020	March 31, 2019
	\$	\$
Intangible assets with finite lives	45.9	39.8
Intangible assets with indefinite lives:		
Brand name	115.5	115.5
Domain name	0.3	0.3
	<u>161.7</u>	<u>155.6</u>

The following table presents the changes in cost and accumulated amortization of the Company's intangible assets with finite lives:

	Intangible assets with finite lives					Total
	ERP software	Computer software	Lease rights	Intellectual property	In progress	
Cost	\$	\$	\$	\$	\$	\$
<b>March 31, 2018</b>	4.3	11.8	6.2	3.9	5.8	32.0
Additions	3.2	1.1	0.5	—	18.6	23.4
Business combination (note 5)	—	—	—	2.2	—	2.2
Transfers	5.3	1.0	—	2.9	(9.2)	—
<b>March 31, 2019</b>	12.8	13.9	6.7	9.0	15.2	57.6
Additions	0.3	1.6	—	0.2	19.6	21.7
IFRS 16 initial direct costs (notes 4 and 9)	—	—	(6.7)	—	—	(6.7)
Disposal	—	(0.1)	—	—	—	(0.1)
Transfers	11.3	6.0	—	4.9	(22.2)	—
<b>March 29, 2020</b>	<u>24.4</u>	<u>21.4</u>	<u>—</u>	<u>14.1</u>	<u>12.6</u>	<u>72.5</u>
Accumulated amortization	\$	\$	\$	\$	\$	\$
<b>March 31, 2018</b>	1.4	4.4	0.5	2.2	—	8.5
Amortization	4.2	2.7	0.7	1.7	—	9.3
<b>March 31, 2019</b>	5.6	7.1	1.2	3.9	—	17.8
Amortization	3.5	3.4	—	3.1	—	10.0
IFRS 16 initial direct costs (notes 4 and 9)	—	—	(1.2)	—	—	(1.2)
<b>March 29, 2020</b>	<u>9.1</u>	<u>10.5</u>	<u>—</u>	<u>7.0</u>	<u>—</u>	<u>26.6</u>
Net book value						
<b>March 31, 2019</b>	7.2	6.8	5.5	5.1	15.2	39.8
<b>March 29, 2020</b>	<u>15.3</u>	<u>10.9</u>	<u>—</u>	<u>7.1</u>	<u>12.6</u>	<u>45.9</u>

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Intellectual property consists of product development costs, technology acquired in the Baffin business combination (note 5), and patents and trademarks.

### Indefinite life intangible assets

Indefinite life intangible assets recorded by the Company are comprised of the Canada Goose and Baffin brand names and domain name associated with the Company's website. The Company expects to renew the registration of the brand names and domain names at each expiry date indefinitely, and expects these assets to generate economic benefit in perpetuity. As such, the Company assessed these intangibles to have indefinite useful lives.

The Company completed its annual impairment tests for the years ended March 29, 2020 and March 31, 2019 for indefinite life intangible assets and concluded that there was no impairment.

### Key Assumptions

The key assumptions used to calculate the value-in-use (VIU) are consistent with the assumptions used to calculate VIU for goodwill (note 14).

### Note 14. Goodwill

Goodwill arising from business combinations is as follows:

	March 29, 2020	March 31, 2019
	\$	\$
Opening balance	53.1	45.3
Business combination (note 5)	—	7.8
<b>Goodwill</b>	<b>53.1</b>	<b>53.1</b>

The Company completed its annual impairment tests in the years ended March 29, 2020 and March 31, 2019 for goodwill and concluded that there was no impairment.

### Key Assumptions

The key assumptions used to calculate the VIU are those regarding discount rate, revenue and gross margin growth rates, sales channel mix, and growth in selling, general and administrative expenses. These assumptions are considered to be Level 3 in the fair value hierarchy. The goodwill impairment tests resulted in excess of recoverable value over carrying value of at least 56.7% for each CGU. Because the VIU amount exceeds the asset's carrying amount, the asset is not impaired and the fair value less costs of disposition has not been calculated.

Cash flow projections were discounted using the Company's weighted average cost of capital, determined to be 8.50% (March 31, 2019 - 9.25%) based on a risk-free rate, an equity risk premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, country risk premium, country-specific risk premium, a cost of debt based on comparable corporate bond yields and the capital structure of the Company.

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### Note 15. Accounts payables and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	March 29, 2020	March 31, 2019
	\$	\$
Trade payables	52.6	46.5
Accrued liabilities	51.3	37.1
Employee benefits	12.1	22.3
Other payables	20.8	4.5
<b>Accounts payable and accrued liabilities</b>	<b>136.8</b>	<b>110.4</b>

### Note 16. Provisions

Provisions consist primarily of amounts recorded with respect to customer warranty obligations, terminations of sales agents and distributors, sales returns, and asset retirement obligations.

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic resources that will be required to meet the Company's obligations for warranties upon the sale of goods, which may include repair or replacement of previously sold products. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes, customer behaviour and expectations, or other events affecting product quality and production.

The sales contract provision relates to management's estimated cost of the departure of certain third-party dealers and distributors.

Sales returns relate primarily to goods sold through the Direct-to-Consumer sales channel which have a limited right of return (typically within 30 days), or exchange only, in certain jurisdictions. The return period is extended during the holiday shopping period to accommodate a higher volume of activity and purchases given as gifts.

Asset retirement obligations relate to legal obligations associated with the retirement of tangible long-lived assets, primarily for leasehold improvements that the Company is contractually obligated to remove at the end of the lease term. The Company recognizes the liability when such obligations are incurred. The fair value of the liability is estimated based on a number of assumptions requiring management's judgment, including closing costs and inflation rates, and is accreted to its projected future value over time.

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	Warranty	Sales contracts	Sales returns	Asset retirement obligations	Total
	\$	\$	\$	\$	\$
<b>March 31, 2018</b>	9.3	3.0	3.3	1.5	17.1
Additional provisions recognized	9.1	—	5.9	1.3	16.3
Reductions resulting from settlement	(5.4)	—	(4.2)	(0.3)	(9.9)
Other	(0.7)	—	—	—	(0.7)
<b>March 31, 2019</b>	12.3	3.0	5.0	2.5	22.8
Additional provisions recognized	14.5	—	15.2	1.3	31.0
Reductions resulting from settlement	(7.4)	—	(9.8)	—	(17.2)
Other	—	—	0.3	0.1	0.4
<b>March 29, 2020</b>	19.4	3.0	10.7	3.9	37.0

Provisions are classified as current and non-current liabilities based on management's expectation of the timing of settlement, as follows:

	March 29, 2020	March 31, 2019
	\$	\$
Current provisions	15.6	8.1
Non-current provisions	21.4	14.7
	37.0	22.8

### Note 17. Borrowings

#### Short-term borrowings

On July 18, 2019, a subsidiary of the Company in Greater China entered into an uncommitted loan facility in the amount of RMB 160.0. The facility includes a non-financial bank guarantee facility in the amount of RMB 10.0. The term of each draw on the loan is one, three or six months or such other period as agreed upon and shall not exceed twelve months (including any extension or rollover). The interest rate is equal to 105% of the applicable People's Bank of China Benchmark Lending Rate and payable at one, three or six months, depending on the term of each draw. The facility is guaranteed by the Company and proceeds drawn on the facility will be used to support working capital requirements. As at March 29, 2020, the Company had no amounts owing on the facility.

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### *Amendments to long-term debt agreements*

During the year ended March 29, 2020, the Company entered into agreements with its lenders to amend the terms of its revolving facility. On May 10, 2019, the first amendment to the revolving facility increased the credit commitment amount to \$300.0 with a seasonal increase of up to \$350.0 during the peak season (June 1 through November 30) and extended the maturity date from June 3, 2021 to June 3, 2024. Subsequently on February 24, 2020, the Company entered into a second amendment with its lenders to further increase the credit commitment amount to \$467.5 with a seasonal increase of up to \$517.5 during the peak season (June 1 through November 30). The Company incurred transaction costs of \$0.9 in connection with these amendments to the revolving facility. Total deferred transaction costs will be amortized over the extended term to maturity of the facility.

Additionally, the Company entered into an agreement with its lenders to amend the terms of its term loan on May 10, 2019. The amendment to the term loan decreased the interest rate to LIBOR plus 3.50% from LIBOR plus 4.00%, and extended the maturity date from December 2, 2021 to December 2, 2024.

### *Revolving facility*

The Company has an agreement with a syndicate of lenders for a senior secured asset-based revolving facility in the amount of \$467.5 with an increase in commitments to \$517.5 during the peak season (June 1 - November 30) (May 10, 2019 to February 24, 2020 - \$300.0 with an increase in commitments to \$350.0 during the peak season, prior to May 10, 2019 amendment - \$200.0 with an increase in commitments to \$250.0 during the peak season). The revolving credit commitment also includes a letter of credit commitment in the amount of \$25.0, with a \$5.0 sub-commitment for letters of credit issued in a currency other than Canadian dollars, U.S. dollars, euros or British pounds sterling, and a swingline commitment for \$25.0. Amounts owing under the revolving facility can be drawn in Canadian dollars, U.S. dollars, euros, British pounds sterling or other currencies. The revolving facility matures on June 3, 2024. Amounts owing under the revolving facility may be borrowed, repaid and re-borrowed for general corporate purposes.

The revolving facility has multiple interest rate charge options that are based on the Canadian prime rate, Bankers' Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, LIBOR rate, or EURIBOR rate plus an applicable margin, with interest payable quarterly or at the end of the then current interest period (whichever is earlier). The Company has pledged substantially all of its assets as collateral for the revolving facility. The revolving facility contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the years ended March 29, 2020 and March 31, 2019, the Company was in compliance with all covenants.

As at March 29, 2020 and March 31, 2019, the Company had repaid all amounts owing on the revolving facility and related deferred financing charges in the amounts of \$1.7 and \$1.2, respectively, were included in other long-term liabilities. The Company has unused borrowing capacity available under the revolving facility of \$226.6 as at March 29, 2020 (March 31, 2019 - \$165.5).

As at March 29, 2020, the Company had letters of credit outstanding under the revolving facility of \$5.7 (March 31, 2019 - \$1.2). In addition to the letters of credit outstanding under the revolving facility, a subsidiary of the Company entered into a guarantee arrangement in the amount of HKD13.9 in connection with a retail lease agreement in Greater China. The subsidiary will reimburse



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the issuing bank for amounts drawn on the guarantee. As at March 29, 2020, no amounts have been drawn.

### Term loan

The Company has a senior secured loan agreement with a syndicate of lenders that is secured on a split collateral basis alongside the revolving facility, with an aggregate principal amount owing as at March 29, 2020 of \$159.3 (US\$113.8) (March 31, 2019 - \$152.4 (US\$113.8)). The term loan bears interest at a rate of LIBOR plus an applicable margin of 3.50% (prior to the May 10, 2019 amendment - LIBOR plus an applicable margin of 4.00%, provided that LIBOR may not be less than 1.00%), payable monthly in arrears. The term loan matures on December 2, 2024. Amounts owing under the term loan may be repaid at any time without premium or penalty, but once repaid may not be reborrowed. The Company has pledged substantially all of its assets as collateral for the term loan. The term loan contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the years ended March 29, 2020 and March 31, 2019, the Company was in compliance with all covenants.

The Company determined that the amendments to the term loan were equivalent to a prepayment at no cost of the original term loan and the origination of the amended term loan at market conditions. The Company has accounted for the amendments to the term loan agreement as a debt extinguishment and re-borrowing of the loan amount. The existing term loan in the amount of \$151.7 (US\$113.8) and related unamortized costs of \$7.0 were derecognized. The acceleration of unamortized costs was included in net interest and other finance costs in the statement of income.

The Company incurred transaction costs of \$1.4 in connection with the amendment to the term loan, which are amortized over the new term to maturity using the effective interest rate method.

As the term loan is denominated in U.S. dollars, the Company remeasures the outstanding balance plus accrued interest at each balance sheet date.

The amount outstanding with respect to the term loan is as follows:

	March 29, 2020	March 31, 2019
	\$	\$
Term loan	159.3	152.4
Less unamortized portion of:		
Original issue discount	—	(2.4)
Deferred transaction costs	(1.2)	(0.9)
Embedded derivative	—	(0.5)
Revaluation for interest rate modification	—	(3.4)
	<u>158.1</u>	<u>145.2</u>

### Hedging transactions on term loan

The Company entered into derivative transactions to hedge a portion of its exposure to foreign currency exchange risk and interest rate risk related to the term loan denominated in U.S. dollars. The designated hedge transactions remained effective after the amendment to the term loan agreement. Nevertheless, on June 12, 2019, the Company terminated its existing derivative contracts and entered into new derivative transactions to better align with the amended interest rate and term to maturity of the term loan.

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The Company entered into a cross-currency swap by selling US\$70.0 floating rate debt bearing interest at LIBOR plus 3.50% as measured on the trade date, and receiving \$93.0 fixed rate debt bearing interest at a rate of 5.02%. This cross-currency swap has been designated at inception and is accounted for as a cash flow hedge, and to the extent that the hedge is effective, unrealized gains and losses are included in other comprehensive income until reclassified to the statement of income as the hedged interest payments and principal repayments (or periodic remeasurements) impact net income.

Concurrently, the Company entered into a second cross-currency swap by selling the \$93.0 fixed rate debt bearing interest at a rate of 5.02% and receiving €61.8 fixed rate debt bearing interest at a rate of 3.19%. This cross-currency swap has been designated and is accounted for as a hedge of the net investment in its European subsidiary. Hedges of net investments are accounted for similarly to cash flow hedges, with unrealized gains and losses included in other comprehensive income. Amounts included in other comprehensive income are reclassified to net income in the period when the foreign operation is disposed of or sold.

The Company also entered into a long-dated forward exchange contract by selling \$39.6 and receiving US\$30.0 as measured on the trade date, to fix the foreign exchange risk on a portion of the term loan borrowings over the revised term to maturity (December 2, 2024). Unrealized gains and losses in the fair value of the forward contract are recognized in selling, general and administrative expenses in the statement of income.

### *Net interest and other finance costs*

Net interest and other finance costs consist of the following:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Interest expense			
Short-term borrowings	0.2	—	—
Revolving facility	3.7	2.4	2.3
Term loan	8.7	11.7	10.4
Lease liabilities	8.4	—	—
Standby fees	0.8	0.6	0.4
Acceleration of unamortized costs on debt extinguishment	7.0	—	—
<b>Interest expense and other finance costs</b>	<b>28.8</b>	<b>14.7</b>	<b>13.1</b>
Interest income	(0.4)	(0.5)	(0.2)
<b>Net interest and other finance costs</b>	<b>28.4</b>	<b>14.2</b>	<b>12.9</b>

### **Note 18. Shareholders' equity**

The authorized and issued share capital of the Company are as follows:

#### *Authorized*

The authorized share capital of the Company consists of an unlimited number of subordinate voting shares without par value, an unlimited number of multiple voting shares without par value, and an unlimited number of preferred shares without par value, issuable in series.

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### Issued

**Multiple voting shares** - Holders of the multiple voting shares are entitled to 10 votes per multiple voting share. Multiple voting shares are convertible at any time at the option of the holder into one subordinate voting share. The multiple voting shares will automatically be converted into subordinate voting shares when they cease to be owned by one of the principal shareholders. In addition, the multiple voting shares of either of the principal shareholders will automatically be converted to subordinate voting shares at such time as the beneficial ownership of that shareholder falls below 15% of the outstanding subordinate voting shares and multiple voting shares outstanding, or additionally, in the case of DTR, when the current President and Chief Executive Officer no longer serves as a director of the Company or in a senior management position.

**Subordinate voting shares** - Holders of the subordinate voting shares are entitled to one vote per subordinate voting share.

The rights of the subordinate voting shares and the multiple voting shares are substantially identical, except for voting and conversion. Subject to the prior rights of any preferred shares, the holders of subordinate and multiple voting shares participate equally in any dividends declared and share equally in any distribution of assets on liquidation, dissolution, or winding up.

### Share capital transactions for the year ended March 29, 2020

#### Normal course issuer bid

The Board of Directors has authorized the Company to initiate a normal course issuer bid, in accordance with the requirements of the Toronto Stock Exchange, to purchase up to 1,600,000 subordinate voting shares over the 12-month period from May 31, 2019 to May 30, 2020. Purchased subordinate voting shares will be cancelled.

During the year ended March 29, 2020, the Company purchased 853,500 shares for cancellation at an average price per share of \$45.35 for total cash consideration of \$38.7. The amount paid to purchase subordinate voting shares has been charged to share capital at the average share capital amount per share outstanding of \$1.6, with the remaining \$37.1 charged to retained earnings.

The transactions affecting the issued and outstanding share capital of the Company are described below:

	Multiple voting shares		Subordinate voting shares		Total	
	Number	\$	Number	\$	Number	\$
<b>March 31, 2019</b>	51,004,076	1.4	59,106,998	111.2	110,111,074	112.6
Purchase of subordinate voting shares	—	—	(853,500)	(38.7)	(853,500)	(38.7)
Excess of purchase price over average share capital amount	—	—	—	37.1	—	37.1
Exercise of stock options	—	—	742,134	3.7	742,134	3.7
Settlement of RSUs	—	—	3,550	—	3,550	—
<b>March 29, 2020</b>	51,004,076	1.4	58,999,182	113.3	110,003,258	114.7

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### Share capital transactions for the year ended March 31, 2019

#### Secondary offerings

On June 21, 2018, the Company completed a secondary offering of 10,000,000 subordinate voting shares sold by the principal shareholders and a member of management. The Company received no proceeds from the sale of shares.

In connection with the secondary offering:

- The principal shareholders converted 9,900,000 multiple voting shares into subordinate voting shares, which were then sold to the public.
- One member of management exercised stock options to purchase 100,000 subordinate voting shares, which were then sold to the public.
- The Company incurred transaction costs for the secondary offering in the amount of \$1.2 that are included in selling, general and administrative expenses in the year ended March 31, 2019.

On November 26, 2018, the Company completed a secondary offering of 10,000,000 subordinate voting shares sold by the principal shareholders and a member of the Board of Directors. The Company received no proceeds from the sale of shares.

In connection with the secondary offering:

- The principal shareholders converted 9,990,000 multiple voting shares into subordinate voting shares, which were then sold to the public.
- A member of the Board of Directors sold 10,000 subordinate voting shares.
- The Company incurred transaction costs for the secondary offering in the amount of \$0.6 that are included in selling, general and administrative expenses in the year ended March 31, 2019.

The transactions affecting the issued and outstanding share capital of the Company in the year ended March 31, 2019 are described below:

	Multiple voting shares		Subordinate voting shares		Total	
	Number	\$	Number	\$	Number	\$
<b>March 31, 2018</b>	70,894,076	1.9	37,497,549	104.2	108,391,625	106.1
Issuance of subordinate voting shares in business combination (note 5)	—	—	16,946	1.5	16,946	1.5
Convert multiple voting shares to subordinate voting shares	(19,890,000)	(0.5)	19,890,000	0.5	—	—
Exercise of stock options	—	—	1,702,503	5.0	1,702,503	5.0
<b>March 31, 2019</b>	<b>51,004,076</b>	<b>1.4</b>	<b>59,106,998</b>	<b>111.2</b>	<b>110,111,074</b>	<b>112.6</b>

### Share capital transactions for the year ended March 31, 2018

#### Secondary offering

On July 5, 2017, the Company completed a secondary offering of 12,500,000 subordinate voting shares sold by the principal shareholders and certain members of management. The Company received no proceeds from the sale of shares.

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In connection with the secondary offering:

- The principal shareholders converted 12,414,078 multiple voting shares into subordinate voting shares, which were then sold to the public.
- Certain members of management exercised stock options to purchase 85,922 subordinate voting shares, which were then sold to the public.
- The completion of the secondary offering represents an exit event such that 820,543 performance vested exit event stock options that were eligible to vest became vested (note 19).
- The Company incurred transaction costs for the secondary offering in the amount of \$1.5 that are included in selling, general and administrative expenses in the year ended March 31, 2018.

The transactions affecting the issued and outstanding share capital of the Company in the year ended March 31, 2018 are described below:

	Multiple voting shares		Subordinate voting shares		Total	
	Number	\$	Number	\$	Number	\$
<b>March 31, 2017</b>	83,308,154	2.2	23,088,883	101.1	106,397,037	103.3
Convert multiple voting shares to subordinate voting shares	(12,414,078)	(0.3)	12,414,078	0.3	—	—
Exercise of stock options	—	—	1,994,588	2.8	1,994,588	2.8
<b>March 31, 2018</b>	<b>70,894,076</b>	<b>1.9</b>	<b>37,497,549</b>	<b>104.2</b>	<b>108,391,625</b>	<b>106.1</b>

### Note 19. Share-based payments

The Company has issued stock options to purchase subordinate voting shares under its incentive plans, prior to the public share offering on March 21, 2017, the Legacy Plan, and subsequently, the Omnibus Plan. All options are issued at an exercise price that is not less than market value at the time of grant and expire ten years after the grant date.

#### *Legacy Plan*

Under the terms of the Legacy Plan, options were granted to certain executives of the Company which are exercisable to purchase subordinate voting shares. The options vest contingent upon meeting the service, performance goals and exit event conditions of the Legacy Plan. No new options will be issued under the Legacy Plan.

#### a) Service-vested options

Service-vested options are subject to the executive's continuing employment and generally are scheduled to vest 40% on the second anniversary of the date of grant, 20% on the third anniversary, 20% on the fourth anniversary and 20% on the fifth anniversary.

#### b) Performance-vested and exit event options

Performance-vested options that are tied to an exit event are eligible to vest pro rata on the same schedule as service-vested options, but do not vest until the exit event has occurred. All exit event conditions have been met, and no outstanding options are subject to exit event conditions.

Other performance-vested options vest based on measurable performance targets that do not involve an exit event. Performance-vested options are subject to the executive's continued employment.

## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

### Omnibus Plan

Under the terms of the Omnibus Plan, options are granted to certain employees of the Company which are exercisable to purchase subordinate voting shares. The options vest over four years contingent upon meeting the service conditions of the Omnibus Plan, 25% on each anniversary of the date of grant.

Stock option transactions are as follows:

	March 29, 2020		March 31, 2019	
	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares
<b>Options outstanding, beginning of period</b>	\$ 15.75	2,037,665	\$ 4.71	3,647,571
Granted to purchase shares	\$ 59.19	558,489	\$ 79.59	236,256
Exercised	\$ 3.25	(742,134)	\$ 1.85	(1,702,503)
Cancelled	\$ 59.83	(59,297)	\$ 10.99	(143,659)
Expired	\$ 83.53	(346)	\$ —	—
<b>Options outstanding, end of period</b>	\$ 32.97	<u>1,794,377</u>	\$ 15.75	<u>2,037,665</u>

The following table summarizes information about stock options outstanding and exercisable at March 29, 2020:

Exercise price	Options Outstanding		Options Exercisable	
	Number	Weighted average remaining life in years	Number	Weighted average remaining life in years
\$0.02	156,247	4.1	156,247	4.1
\$0.25	74,322	4.4	74,322	4.4
\$1.79	213,748	4.9	124,855	4.8
\$4.62	212,033	5.9	56,541	5.9
\$8.94	133,332	6.8	79,992	6.8
\$23.64	50,560	7.4	21,288	7.4
\$30.73	180,798	7.2	87,378	7.2
\$31.79	35,622	7.6	15,832	7.6
\$45.34	95,911	9.2	—	—
\$46.38	11,430	9.7	—	—
\$51.71	7,143	9.4	—	—
\$63.03	415,582	9.0	—	—
\$71.73	7,075	8.9	1,768	8.9
\$83.53	200,574	8.2	50,126	8.2
	<u>1,794,377</u>	<u>7.0</u>	<u>668,349</u>	<u>5.7</u>

## Notes to the Consolidated Financial Statements

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### Restricted share units

Under the Omnibus Plan, the Company has granted RSUs to employees of the Company. The RSUs are treated as equity instruments for accounting purposes. We expect that vested RSUs will be paid at settlement through the issuance of one subordinate voting share per RSU. The RSUs vest over a period of three years, a third on each anniversary of the date of grant.

RSUs transactions are as follows:

	<b>March 29, 2020</b>	<b>March 31, 2019</b>
	<b>Number</b>	<b>Number</b>
<b>RSUs outstanding, beginning of period</b>	10,650	—
Granted	35,171	10,650
Settled	(3,550)	—
Cancelled	(2,839)	—
<b>RSUs outstanding, end of period</b>	<b>39,432</b>	<b>10,650</b>

Subordinate voting shares, to a maximum of 6,730,983 shares, have been reserved for issuance under equity incentive plans to select employees of the Company, with vesting contingent upon meeting the service, performance goals and other conditions of the Plan.

### Accounting for share-based awards

For the year ended March 29, 2020, the Company recorded \$7.8 as contributed surplus and compensation expense for stock options and RSUs (March 31, 2019 - \$3.8, March 31, 2018 - \$2.0). Share-based compensation expense is included in selling, general and administrative expenses.

The assumptions used to measure the fair value of options granted under the Black-Scholes option pricing model at the grant date were as follows:

	<b>March 29, 2020</b>	<b>March 31, 2019</b>
Weighted average stock price valuation	\$ 59.19	\$ 79.59
Weighted average exercise price	\$ 59.19	\$ 79.59
Risk-free interest rate	1.50%	1.82%
Expected life in years	5	5
Expected dividend yield	—%	—%
Volatility	40%	40%
Weighted average fair value of options issued	\$ 18.11	\$ 32.68

### Note 20. Related party transactions

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of the Board of Directors by incurring expenses for business services. During the year ended March 29, 2020, the Company incurred expenses with related parties of \$1.7 (March 31, 2019 - \$1.0, March 31, 2018 - \$1.3) from companies related to certain shareholders. Net balances owing to related parties as at March 29, 2020 were \$0.4 (March 31, 2019 - \$0.1).

## Notes to the Consolidated Financial Statements

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(in millions of Canadian dollars, except share and per share data)

With the initial application of IFRS 16, the Company has recognized a lease liability to the Baffin Vendor for the leased premises; the lease liability as at March 29, 2020 was \$5.3. During the year ended March 29, 2020, the Company paid principal and interest on the lease liability and other operating costs to entities affiliated with the Baffin Vendor totalling \$1.4 (March 31, 2019 - \$0.6). In connection with the acquisition of Baffin, the Company agreed to acquire the inventories in transit and purchases of such inventories in the year ended March 31, 2019 amounted to \$3.0. No amounts were owing to Baffin entities as at March 29, 2020 and March 31, 2019. Furthermore, \$3.0 is payable to the Baffin Vendor on November 1, 2020 and will be charged to expense over two years (note 5).

### *Terms and conditions of transactions with related parties*

Transactions with related parties are conducted on terms pursuant to an approved agreement, or are approved by the Board of Directors.

### *Key management compensation*

Key management consists of the Board of Directors, the President and Chief Executive Officer and the executives who report directly to the President and Chief Executive Officer.

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Short term employee benefits	9.1	13.2	10.4
Long term employee benefits	0.1	0.1	—
Termination benefits	—	—	0.2
Share-based compensation	5.9	2.9	1.6
<b>Compensation expense</b>	<b>15.1</b>	<b>16.2</b>	<b>12.2</b>

## **Note 21. Financial instruments and fair values**

Management assessed that the fair values of cash, trade receivables, accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company's derivative financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, in particular, the valuation technique(s) and inputs used.



## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Relationship of unobservable inputs to fair value
Foreign currency forward contracts	Level 2	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	Increases (decreases) in the forward exchange rate increase (decrease) fair value.  Increases (decreases) in discount rate decrease (increase) fair value.
Foreign currency swap contracts	Level 2	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	Increases (decreases) in the forward exchange rate increase (decrease) fair value.  Increases (decreases) in discount rate decrease (increase) fair value.
Embedded derivative related to term loan interest rate floor	Level 2	Future cash flows are estimated based on interest rates and forward interest rates, discounted at a rate that reflects the credit risk of the counterparties.	Increases (decreases) in the forward interest rate decrease (increase) fair value.  Increases (decreases) in the discount rate decrease (increase) fair value.  Increase (decrease) in the US\$:C\$ exchange rate decrease (increase) fair value.

## Notes to the Consolidated Financial Statements

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(in millions of Canadian dollars, except share and per share data)

The following table presents the fair values and fair value hierarchy of the Company's financial instruments and excludes financial instruments carried at amortized cost that are short-term in nature:

	March 29, 2020					March 31, 2019				
	Level 1	Level 2	Level 3	Carrying value	Fair value	Level 1	Level 2	Level 3	Carrying value	Fair value
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>										
Cash	31.7	—	—	31.7	31.7	88.6	—	—	88.6	88.6
Derivatives included in other current assets	—	11.3	—	11.3	11.3	—	1.8	—	1.8	1.8
Derivatives included in other long-term assets	—	5.9	—	5.9	5.9	—	7.0	—	7.0	7.0
<b>Financial liabilities</b>										
Derivatives included in accounts payable and accrued liabilities	—	19.0	—	19.0	19.0	—	1.6	—	1.6	1.6
Short-term borrowings	—	—	—	—	—	—	—	—	—	—
Derivatives included in other long-term liabilities	—	2.9	—	2.9	2.9	—	4.4	—	4.4	4.4
Revolving facility	—	—	—	—	—	—	—	—	—	—
Term loan	—	—	158.1	158.1	159.3	—	—	145.2	145.2	152.4
Lease liabilities	—	—	227.9	227.9	227.9	—	—	—	—	—

There were no transfers between the levels of the fair value hierarchy.

### Note 22. Financial risk management objectives and policies

The Company's primary risk management objective is to protect the Company's assets and cash flow, in order to increase the Company's enterprise value.

The Company is exposed to capital management risk, market risk, credit risk, and liquidity risk. The Company's senior management and Board of Directors oversee the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

## **Notes to the Consolidated Financial Statements**

**March 29, 2020**

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### ***Capital management***

The Company manages its capital, which consists of equity (subordinate voting shares and multiple shares voting shares), short-term borrowings, and long-term debt (the revolving facility and the term loan), with the objectives of safeguarding sufficient net working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. Management targets a ratio of trailing 52 or 53-week period adjusted EBITDAR (defined as adjusted earnings before interest, taxes, depreciation, amortization and in fiscal 2019, rent expense) to net debt, reflecting the seasonal change in the business as net working capital builds through the second fiscal quarter. The Board of Directors of the Company monitors the Company's capital management on a regular basis. The Company will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business. Refer to Note 24. Subsequent Events for further enhancements to our capital management program subsequent to March 29, 2020 in response to the impact of COVID-19.

### ***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise interest rate risk and foreign currency risk.

### ***Interest rate risk***

The Company is exposed to interest rate risk related to the effect of interest rate changes on borrowings outstanding under short-term borrowings, the revolving facility and the term loan. As at March 29, 2020, the Company had no amounts owing on the short-term borrowings and the revolving facility. The amount outstanding under the term loan was \$159.3 as at March 29, 2020 which currently bears interest at 5.10%. Based on the weighted average amount of outstanding borrowings under the short-term borrowings during the year ended March 29, 2020, a 1.00% increase in the average interest rate on our borrowings would have increased annual interest expense by less than \$0.1 (March 31, 2019 - \$nil). Correspondingly, a 1.00% increase in the average interest rate would have increased annual interest expense on the revolving facility and term loan by \$0.9 and \$1.5, respectively (March 31, 2019 - \$0.6 and \$1.5, respectively). Interest rate risk on the term loan is partially mitigated by cross-currency swap hedges. The impact on future interest expense because of future changes in interest rates will depend largely on the gross amount of borrowings at that time.

### ***Foreign exchange risk***

#### ***Foreign exchange risk in operating cash flows***

The Company's consolidated financial statements are expressed in Canadian dollars, but a substantial portion of the Company's revenues, inventory purchases and expenses are denominated in foreign currencies, primarily U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan, and Hong Kong dollars. The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk associated with revenues, purchases, and expenses denominated in these currencies. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges. The operating hedge program for the fiscal years ending March 29, 2020 and March 28, 2021 was initiated during the fourth quarter of the 2019 fiscal year.

## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

The Company recognized the following unrealized losses in the fair value of derivatives designated as cash flow hedges in other comprehensive income:

	March 29, 2020		March 31, 2019		Year ended March 31, 2018	
	Net loss	Tax recovery	Net loss	Tax recovery	Net loss	Tax recovery
	\$	\$	\$	\$	\$	\$
Forward foreign exchange contracts designated as cash flow hedges	(3.7)	1.1	(3.9)	0.8	(1.4)	0.5

The Company reclassified the following gains and losses from other comprehensive income on derivatives designated as cash flow hedges to locations in the consolidated financial statements described below:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
<b>(Gain) loss from other comprehensive income</b>	\$	\$	\$
Forward foreign exchange contracts designated as cash flow hedges			
Revenue	(0.2)	6.5	—
Selling, general and administrative expenses	1.0	(4.5)	0.3
Inventory	0.1	(1.0)	—

During the year ended March 29, 2020, an unrealized loss of \$3.2 (March 31, 2019 - unrealized gain of \$3.7, March 31, 2018 - unrealized gain of \$0.1) on forward exchange contracts that are not treated as hedges has been recorded selling, general and administrative expenses in the statement of income.

## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

Foreign currency contracts outstanding as at March 29, 2020 related to operating cash flows are:

(in millions)	Aggregate Amounts		Currency
Forward contract to purchase Canadian dollars	US\$	127.4	U.S. dollars
	€	120.4	euros
Forward contract to sell Canadian dollars	US\$	79.1	U.S. dollars
	€	57.9	euros
	£	0.2	British pounds sterling
Forward contract to purchase euros	CHF	2.1	Swiss francs
	CNY	455.1	Chinese yuan
	£	30.1	British pounds sterling
	HKD	47.6	Hong Kong dollars
	SEK	4.8	Swedish kronor
Forward contract to sell euros	CHF	13.8	Swiss francs
	£	1.8	British pounds sterling

Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. Appreciating foreign currencies relative to the Canadian dollar, to the extent they are not hedged, will positively impact operating income and net income, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

### *Foreign exchange risk on borrowings*

The Company is exposed to fluctuations in the amount owing on the term loan that is denominated in U.S. dollars as at March 29, 2020. Based on the outstanding balance of \$159.3 (US\$113.8) under the term loan as at March 29, 2020, a \$0.01 depreciation in the value of the Canadian dollar relative to the U.S. dollar would result in a decrease in pre-tax income of \$1.1 (March 31, 2019 - \$1.1) solely as a result of that exchange rate fluctuation's effect on the debt. Appreciating foreign currencies relative to the Canadian dollar, to the extent they are not hedged, will positively impact operating income and net income, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

The Company hedges a portion of its exposure to foreign currency exchange risk on principal and interest payments on its term loan denominated in U.S. dollars (note 17).

## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

The Company recognized the following unrealized gains and losses in the fair value of derivatives designed as hedging instruments in other comprehensive income:

	March 29, 2020		March 31, 2019		Year ended March 31, 2018	
	Net gain (loss)	Tax (expense) recovery	Net gain (loss)	Tax (expense) recovery	Net gain (loss)	Tax (expense) recovery
	\$	\$	\$	\$	\$	\$
Cross-currency swap designated as a cash flow hedge	1.3	(0.2)	(0.7)	0.2	1.5	(0.5)
Euro-denominated cross-currency swap designated as a net investment hedge	(0.3)	(0.2)	3.5	(1.2)	(3.5)	1.2

The Company reclassified the following gains and losses from other comprehensive income on derivatives designated as hedging instruments to selling, general and administrative expenses:

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
<b>(Gain) loss from other comprehensive income</b>	\$	\$	\$
Cross-currency swap designated as a cash flow hedge	(5.3)	0.4	1.1

During the year ended March 29, 2020, an unrealized gain of \$3.3 (March 31, 2019 - \$2.9, March 31, 2018 - \$0.3) in the fair value of the long-dated forward exchange contract related to a portion of the term loan balance has been recognized in selling, general and administrative expenses in the statement of income.

### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Company has a significant number of customers which minimizes the concentration of credit risk. The Company does not have any customers which account for more than 10% of sales or accounts receivable. The Company has entered into an agreement with a third party who has insured the risk of loss for up to 90% of accounts receivable from certain designated customers subject to a total deductible of less than \$0.1, to a maximum of \$30.0 per year. As at March 29, 2020, accounts receivable totaling approximately \$20.1 (March 31, 2019 - \$14.1) were insured under this agreement, representing 89.6% of trade accounts receivable. In addition, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

Customer deposits are received in advance from certain customers for seasonal orders, and applied to reduce accounts receivable when goods are shipped. Credit terms are normally sixty days for

## Notes to the Consolidated Financial Statements

### March 29, 2020

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seasonal orders, and thirty days for re-orders. As at March 29, 2020, customer deposits of \$2.1 (March 31, 2019 - \$0.3) were included in accounts payable and accrued liabilities.

The aging of trade receivables is as follows:

	Total	Current	Past due		
			≤ 30 days	31-60 days	≥ 61 days
	\$	\$	\$	\$	\$
Trade accounts receivable	32.0	21.8	4.4	2.5	3.3
Credit card receivables	2.1	2.1	—	—	—
<b>March 29, 2020</b>	<b>34.1</b>	<b>23.9</b>	<b>4.4</b>	<b>2.5</b>	<b>3.3</b>
Trade accounts receivable	19.7	12.9	4.7	0.5	1.6
Credit card receivables	1.6	1.6	—	—	—
<b>March 31, 2019</b>	<b>21.3</b>	<b>14.5</b>	<b>4.7</b>	<b>0.5</b>	<b>1.6</b>

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to satisfy the requirements for business operations, capital expenditures, debt service and general corporate purposes, under normal and stressed conditions. The primary source of liquidity is funds generated by operating activities; the Company also relies on short-term borrowings and the revolving facility as sources of funds for short term working capital needs. The Company continuously reviews both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements as at March 29, 2020:

Contractual obligations	2021	2022	2023	2024	2025	Thereafter	Total
	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	136.8	—	—	—	—	—	136.8
Term loan	—	—	—	—	159.3	—	159.3
Note payable (notes 5, 20)	3.0	—	—	—	—	—	3.0
Interest commitments relating to borrowings <sup>(1)</sup>	8.1	8.1	8.1	8.1	5.4	—	37.8
Foreign exchange forward contracts	7.8	—	—	—	—	—	7.8
Lease obligations	49.0	50.0	49.5	44.5	43.0	90.8	326.8
Pension obligation	—	—	—	—	—	2.8	2.8

<sup>(1)</sup> Interest commitments are calculated based on the term loan balance and the interest rate payable on the loan of 5.10% as at March 29, 2020.

The Company accrues expenses when incurred. Accounts are deemed payable once a past event occurs that requires payment by a specific date.

**Notes to the Consolidated Financial Statements****March 29, 2020**

(in millions of Canadian dollars, except share and per share data)

**Note 23. Selected cash flow information***Changes in non-cash operating items*

	<b>March 29, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade receivables	(10.6)	3.4	(3.1)
Inventories	(141.8)	(87.3)	(39.5)
Other current assets	6.1	(10.3)	(5.6)
Accounts payable and accrued liabilities	(1.3)	(14.7)	41.5
Provisions	14.5	5.6	1.6
Deferred rent	—	3.3	2.3
Other	2.5	(0.7)	0.5
<b>Change in non-cash operating items</b>	<b>(130.6)</b>	<b>(100.7)</b>	<b>(2.3)</b>



## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

### Changes in liabilities and equity arising from financing activities

	Short-term borrowings and revolving facility	Term loan	Net derivative asset on terminated contracts	Lease liabilities	Share capital
	\$	\$			\$
<b>March 31, 2019</b> <sup>(1)</sup>	(1.2)	145.2	(5.5)	—	112.6
Cash flows:					
Transaction costs on financing activities	(0.9)	(1.4)	—	—	—
Subordinate voting shares purchased for cancellation	—	—	—	—	(38.7)
Principal paid on lease liabilities	—	—	—	(24.7)	—
Settlement of term loan derivative contracts	—	—	4.6	—	—
Exercise of stock options	—	—	—	—	2.4
Non-cash items:					
Amortization of debt costs					
Discount	—	0.1	—	—	—
Interest rate modification	—	0.1	—	—	—
Deferred transaction costs	0.4	0.3	—	—	—
Acceleration of unamortized costs on term loan extinguishment	—	7.0	—	—	—
Unrealized foreign exchange (gain) loss	—	6.8	0.9	4.8	—
IFRS 16 initial application (notes 4 and 9)	—	—	—	150.8	—
Additions and amendments to lease liabilities (note 9)	—	—	—	97.0	—
Share purchase charge to retained earnings	—	—	—	—	37.1
Contributed surplus on exercise of stock options	—	—	—	—	1.3
<b>March 29, 2020</b> <sup>(1)</sup>	(1.7)	158.1	—	227.9	114.7

<sup>(1)</sup> Deferred financing charges on the revolving facility are included in other long-term liabilities.

## Notes to the Consolidated Financial Statements

March 29, 2020

(in millions of Canadian dollars, except share and per share data)

	Revolving facility	Term loan	Share capital
	\$	\$	\$
<b>March 31, 2018</b> <sup>(1)</sup>	(1.7)	137.1	106.1
Cash flows:			
Exercise of stock options	—	—	3.1
Non-cash items:			
Issuance of shares in business combination (note 5)	—	—	1.5
Amortization of debt costs			
Discount	—	0.9	—
Embedded derivative	—	0.2	—
Interest rate modification	—	1.2	—
Deferred transaction costs	0.5	0.3	—
Unrealized foreign exchange loss	—	5.5	—
Contributed surplus on exercise of stock options	—	—	1.9
<b>March 31, 2019</b> <sup>(1)</sup>	(1.2)	145.2	112.6

<sup>(1)</sup> Deferred financing charges on the revolving facility are included in other long-term liabilities.

### Note 24. Subsequent events

#### *Letter of guarantee facility*

On April 14, 2020, Canada Goose Inc. entered into a letter of guarantee facility in the amount of \$10.0. Letters of guarantee are available for terms of up to twelve months. Amounts issued on the facility will be used to finance working capital requirements through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits.

#### *Restructuring*

On May 20, 2020, the Company underwent a reorganization to address the impact of the COVID-19 pandemic, resulting in the lay-off of 125 employees or approximately 2.5% of its workforce.

#### *Amendments to the revolving facility*

On May 26, 2020, the Company entered into a further amendment to the revolving facility to increase its ability to borrow against the borrowing base by up to \$50.0. The amended revolving facility consists of the existing revolving facility with a reduced commitment in the amount of \$417.5 with a seasonal increase of up to \$467.5 during the peak season (June 1 - November 30), and a first-in, last-out (“FILO”) revolving facility in the amount of \$50.0. Borrowings under the existing revolving facility were transferred to the FILO revolving facility on the transaction date and future amounts will be drawn in priority of the FILO revolving facility. Amounts drawn on the FILO revolving facility are subject to an interest rate charge that is 2.00% higher than the existing revolving facility. The FILO revolving facility matures on May 25, 2021 and upon maturity, the credit commitments on the existing revolving facility will be restored.

**SCHEDULE I – CONDENSED FINANCIAL INFORMATION OF  
CANADA GOOSE HOLDINGS INC.  
(PARENT COMPANY)**

All operating activities of the Company are conducted by its subsidiaries. Canada Goose Holdings Inc. is a holding company and does not have any material assets or conduct business operations other than investments its subsidiaries. The credit agreement of Canada Goose, Inc, a wholly owned subsidiary of Canada Goose Holdings Inc., contains provisions whereby Canada Goose Inc. has restrictions on the ability to pay dividends, loan funds and make other upstream distributions to Canada Goose Holdings Inc.

These condensed parent company financial statements have been prepared using the same accounting principles and policies described in the notes to the consolidated financial statements. Refer to the consolidated financial statements and notes presented above for additional information and disclosures with respect to these condensed financial statements.

**PARENT COMPANY INFORMATION**  
**Canada Goose Holdings Inc.**  
**Schedule I – Condensed Statements of Income**  
(in millions of Canadian dollars)

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Equity in comprehensive income of subsidiary	156.6	147.6	97.5
Fee income from subsidiary	7.2	3.4	0.9
	163.8	151.0	98.4
Selling, general and administration expenses	9.9	7.7	5.2
<b>Income before income taxes</b>	<b>153.9</b>	<b>143.3</b>	<b>93.2</b>
Income tax recovery	(0.6)	(1.0)	(1.1)
<b>Net income</b>	<b>154.5</b>	<b>144.3</b>	<b>94.3</b>

*The accompanying notes to the condensed financial statements are an integral part of these financial statements.*

**PARENT COMPANY INFORMATION**  
**Canada Goose Holdings Inc.**  
**Schedule I – Condensed Statements of Financial Position**  
(in millions of Canadian dollars)

	<b>March 29, 2020</b>	<b>March 31, 2019</b>
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	0.6	1.1
Other current assets	0.1	0.1
<b>Total current assets</b>	<b>0.7</b>	<b>1.2</b>
Note receivable from subsidiary	54.0	43.5
Investment in subsidiary	497.8	384.8
Deferred income taxes	2.6	2.1
<b>Total assets</b>	<b>555.1</b>	<b>431.6</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	0.3	0.2
Due to subsidiary	34.6	32.3
<b>Total liabilities</b>	<b>34.9</b>	<b>32.5</b>
<b>Shareholders' equity</b>		
Share capital	114.7	112.6
Contributed surplus	15.7	9.2
Retained earnings	389.8	277.3
<b>Total shareholders' equity</b>	<b>520.2</b>	<b>399.1</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>555.1</b>	<b>431.6</b>

*The accompanying notes to the condensed financial statements are an integral part of these financial statements.*

**PARENT COMPANY INFORMATION**  
**Canada Goose Holdings Inc.**  
**Schedule I – Condensed Statements of Changes in Equity**  
(in millions of Canadian dollars)

	Share capital	Contributed surplus	Retained earnings	Total
	\$	\$	\$	\$
<b>Balance at March 31, 2017</b>	103.3	4.1	38.7	146.1
Exercise of stock options	2.8	(1.6)	—	1.2
Net income	—	—	94.3	94.3
Share-based compensation	—	2.0	—	2.0
<b>Balance at March 31, 2018</b>	106.1	4.5	133.0	243.6
Issuance of common shares in business combination	1.5	—	—	1.5
Exercise of stock options	5.0	(1.9)	—	3.1
Net income	—	—	144.3	144.3
Share-based compensation (including equity in contributed surplus of \$2.8)	—	6.6	—	6.6
<b>Balance at March 31, 2019</b>	112.6	9.2	277.3	399.1
IFRS 16 initial application in subsidiaries	—	—	(4.9)	(4.9)
Normal course issuer bid purchase of subordinate voting shares	(1.6)	—	(37.1)	(38.7)
Exercise of stock options	3.7	(1.3)	—	2.4
Net income	—	—	154.5	154.5
Share-based compensation	—	7.8	—	7.8
<b>Balance at March 29, 2020</b>	114.7	15.7	389.8	520.2

*The accompanying notes to the condensed financial statements are an integral part of these financial statements.*

**PARENT COMPANY INFORMATION**  
**Canada Goose Holdings Inc.**  
**Schedule I – Condensed Statements of Cash Flows**  
(in millions of Canadian dollars)

	Year ended		
	March 29, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
<b>Operating activities</b>			
Net income	154.5	144.3	94.3
Items not affecting cash:			
Equity in undistributed earnings of subsidiary	(156.6)	(147.6)	(97.5)
Income tax recovery	(0.6)	(1.0)	(1.1)
Share-based compensation	7.8	3.8	2.0
	5.1	(0.5)	(2.3)
Changes in assets and liabilities	(9.6)	(1.3)	2.0
<b>Net cash used in operating activities</b>	(4.5)	(1.8)	(0.3)
<b>Investing activities</b>			
Dividend received	38.7	—	—
Investment in shares of subsidiary	—	(1.5)	—
<b>Net cash from (used in) investing activities</b>	38.7	(1.5)	—
<b>Financing activities</b>			
Subordinate voting shares purchased for cancellation	(37.1)	—	—
Exercise of stock options	2.4	3.1	1.2
<b>Net cash (used in) from financing activities</b>	(34.7)	3.1	1.2
(Decrease) increase in cash	(0.5)	(0.2)	0.9
<b>Cash, beginning of year</b>	1.1	1.3	0.4
<b>Cash, end of year</b>	0.6	1.1	1.3

*The accompanying notes to the condensed financial statements are an integral part of these financial statements.*

**PARENT COMPANY INFORMATION**  
**Canada Goose Holdings Inc.**  
**Schedule I – Notes to the Condensed Financial Statements**  
(in millions of Canadian dollars)

**1. BASIS OF PRESENTATION**

Canada Goose Holdings Inc. (the “Parent Company”) is a holding company that conducts substantially all of its business operations through its subsidiary. The Parent Company (a British Columbia corporation) was incorporated on November 21, 2013.

The Parent Company has accounted for the earnings of its subsidiary under the equity method in these unconsolidated condensed financial statements.

**2. STATEMENT OF COMPLIANCE**

The Parent Company prepared these unconsolidated financial statements in accordance with International Accounting Standards 27, “*Separate Financial Statements*”, as issued by the International Accounting Standards Board.

**3. COMMITMENTS AND CONTINGENCIES**

The Parent Company has no material commitments or contingencies during the reported periods.

**4. SHAREHOLDERS’ EQUITY**

See the Annual Consolidated Financial Statements Note 18 in reference to the normal course issuer bid transaction during the year ended March 29, 2020.



**Description of Rights of Each Class of Securities Registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”)**

As of March 29, 2020, Canada Goose Holdings, Inc. (the “Company”, “we” or “our”) has one class of securities, subordinate voting shares, registered under the Exchange Act.

The following description of our subordinate voting shares is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Company’s Articles of Canada Goose Holdings Inc. (incorporated by reference to Exhibit 1.1 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017), and certain related sections of the Business Corporations Act (British Columbia) (the “BCBCA”).

**Authorized Share Capital**

The authorized share capital of the Company consists of an unlimited number of subordinate voting shares without par value, an unlimited number of multiple voting shares without par value, and an unlimited number of preferred shares without par value, issuable in series. Our subordinate voting shares and multiple voting shares may be issued in registered form. As of March 29, 2020, there are no preferred shares outstanding.

The instrument of transfer in respect of any subordinate voting share and multiple voting share of the Company must be either in the form, if any, on the back of the Company’s share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred. The provision in our Articles requiring the consent of the board of directors for any transfer of subordinate voting shares or multiple voting shares is not applicable for so long as we are a public company.

We have filed an undertaking with the Ontario Securities Commission pursuant to which we have agreed to provide reasonable prior notice to the Ontario Securities Commission in the event that we intend to issue a series of preferred shares that would restrict the rights of the subordinate voting shares, regardless of any existing restrictions on the subordinate voting shares due to the existence of the multiple voting shares.

***Subordinate Voting Shares and Multiple Voting Shares***

Holders of our multiple voting shares are entitled to 10 votes per multiple voting share and holders of subordinate voting shares are entitled to one vote per subordinate voting share on all matters upon which holders of shares are entitled to vote. Subject to the prior rights of the holders of our preferred shares, the holders of our multiple voting shares and subordinate voting shares are entitled to receive dividends as and when declared by our board of directors, without preference or distinction among or between the subordinate voting shares and the multiple voting shares, provided that in the event of payment of a dividend in the form of shares, holders of subordinate voting shares shall receive subordinate voting shares and holders of multiple voting shares shall receive multiple voting shares. Subject to the prior payment to the holders of our preferred shares, in the event of our liquidation, dissolution or winding-up or other distribution of our assets among our shareholders, the holders of our multiple voting shares and subordinate voting shares are entitled to share pro rata in the distribution of the balance of our assets, without preference or distinction among or between the subordinate voting shares and the multiple voting shares. Holders of multiple voting shares and subordinate voting shares have no pre-emptive or conversion or exchange rights or other subscription rights, except that each outstanding multiple voting share may at any time, at the option of the holder, be converted into one subordinate voting share and our multiple voting shares will automatically convert into our subordinate voting shares upon certain transfers and other events, as described below under “—Conversion.” There are no redemption, retraction, purchase for cancellation or surrender provisions or sinking or purchase fund provisions applicable to our subordinate voting shares or multiple voting shares. There is no provision in our articles requiring holders of subordinate voting shares or multiple voting shares to contribute additional capital, or permitting or restricting the issuance of additional securities or any other material restrictions. The special rights or restrictions attached to the subordinate voting shares and multiple voting shares are subject to and may be adversely affected by, the rights attached to any series of preferred shares that we may designate in the future.

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### **Conversion**

The subordinate voting shares are not convertible into any other class of shares. Each outstanding multiple voting share may at any time, at the option of the holder, be converted into one subordinate voting share. Upon the first date that any multiple voting share shall be held by a person other than by a Permitted Holder (as defined below), the Permitted Holder which held such multiple voting share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such multiple voting share into a fully paid and non-assessable subordinate voting share.

In addition:

- all multiple voting shares held by the Bain Group Permitted Holders will convert automatically into subordinate voting shares at such time as the Bain Group Permitted Holders that hold multiple voting shares no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 15% of the issued and outstanding subordinate voting shares and multiple voting shares; and
- all multiple voting shares held by the Reiss Group Permitted Holders will convert automatically into subordinate voting shares at such time that is the earlier to occur of the following: (i) the Reiss Group Permitted Holders that hold multiple voting shares no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 15% of the issued and outstanding subordinate voting shares and multiple voting shares, and (ii) Dani Reiss is no longer serving as a director or in a senior management position at our Company.

For the purposes of the foregoing:

“Affiliate” means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such specified Person;

“Bain Group Permitted Holders” means Brent (B.C.) Participation S.à r.l. and any of its Affiliates, and entities controlled, directly or indirectly, or managed by Bain Capital or an Affiliate of Bain Capital;

“Members of the Immediate Family” means with respect to any individual, each parent (whether by birth or adoption), spouse, or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatory due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the *Income Tax Act* (Canada) as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

“Permitted Holders” means any of (i) the Bain Group Permitted Holders, and (ii) the Reiss Group Permitted Holders;

“Person” means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company;

“Reiss Group Permitted Holders” means (i) Dani Reiss and any Members of the Immediate Family of Dani Reiss, and (ii) any Person controlled, directly or indirectly by one or more of the Persons referred to in clause (i) above; and

A Person is “controlled” by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

### ***Preferred Shares***

Under our articles, the preferred shares may be issued in one or more series. Accordingly, our board of directors is authorized, without shareholder approval but subject to the provisions of the BCBCA, to determine the maximum number of shares of each series, create an identifying name for each series and attach such special rights or restrictions, including dividend, liquidation and voting rights, as our board of directors may determine, and such special rights or restrictions, including dividend, liquidation and voting rights, may be superior to those of each of the subordinate voting shares and the multiple voting shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change of control of our Company and might adversely affect the market price of our subordinate voting shares and multiple voting shares and the voting and other rights of the holders of subordinate voting shares and multiple voting shares.

### **Certain Important Provisions of our Articles and the BCBCA**

The following is a summary of certain important provisions of our Articles and certain related sections of the BCBCA. Please note that this is only a summary and is not intended to be exhaustive. This summary is subject to, and is qualified in its entirety by reference to, the provisions of our Articles and the BCBCA.

#### ***Issuance of Additional Multiple Voting Shares***

The rules of the TSX generally prohibit us from issuing additional multiple voting shares, however there may be certain circumstances where additional multiple voting shares may be issued, including upon receiving shareholder approval. Notably, approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the subordinate voting shares and the multiple voting shares.

#### ***Subdivision or Consolidation***

No subdivision or consolidation of the subordinate voting shares or the multiple voting shares may be carried out unless, at the same time, the multiple voting shares or the subordinate voting shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

#### ***Certain Amendments and Change of Control***

In addition to any other voting right or power to which the holders of subordinate voting shares shall be entitled by law or regulation or other provisions of our articles from time to time in effect, but subject to the provisions of our articles, holders of subordinate voting shares shall be entitled to vote separately as a class, in addition to any other vote of our shareholders that may be required, in respect of any alteration, repeal or amendment of our articles which would adversely affect the rights or special rights of the holders of subordinate voting shares or affect the holders of subordinate voting shares and multiple voting shares differently, on a per share basis, including an amendment to our articles that provides that any multiple voting shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into subordinate voting shares.

Pursuant to our articles, holders of subordinate voting shares and multiple voting shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders

under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our subordinate voting shares and multiple voting shares, each voting separately as a class.

Our articles do not otherwise contain any change of control limitations with respect to a merger, acquisition or corporate restructuring that involves us.

***Take-Over Bid Protection***

Under applicable securities laws in Canada, an offer to purchase multiple voting shares would not necessarily require that an offer be made to purchase subordinate voting shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of subordinate voting shares will be entitled to participate on an equal footing with holders of multiple voting shares, the holders of multiple voting shares have entered into a customary coattail agreement with us and a trustee (the “Coattail Agreement”). The Coattail Agreement contains provisions customary for dual-class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of subordinate voting shares of rights under applicable securities laws in Canada to which they would have been entitled if the multiple voting shares had been subordinate voting shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by the holders of multiple voting shares or their Permitted Holders of multiple voting shares if concurrently an offer is made to purchase subordinate voting shares that:

- (a) offers a price per subordinate voting share at least as high as the highest price per share to be paid pursuant to the take-over bid for the multiple voting shares;
- (b) provides that the percentage of outstanding subordinate voting shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of multiple voting shares to be sold (exclusive of multiple voting shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for subordinate voting shares tendered if no shares are purchased pursuant to the offer for multiple voting shares; and
- (d) is in all other material respects identical to the offer for multiple voting shares.

In addition, the Coattail Agreement does not prevent the transfer of multiple voting shares to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of multiple voting shares into subordinate voting shares, whether or not such subordinate voting shares are subsequently sold, would not constitute a disposition of multiple voting shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of multiple voting shares by a holder of multiple voting shares party to the Coattail Agreement is conditional upon the transferee becoming a party to the Coattail Agreement, to the extent such transferred multiple voting shares are not automatically converted into subordinate voting shares in accordance with our articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the subordinate voting shares. The obligation of the trustee to take such action is conditional on us or holders of the subordinate voting shares providing such funds and indemnity as the trustee may reasonably require. No holder of subordinate voting shares will have the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the

Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding subordinate voting shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of subordinate voting shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of subordinate voting shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to subordinate voting shares held by the holders of multiple voting shares or their affiliates and related parties and any persons who have an agreement to purchase multiple voting shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of subordinate voting shares under applicable law.

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**CANADA GOOSE HOLDINGS INC.**

**OMNIBUS INCENTIVE PLAN**

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**March 13, 2017**

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**CANADA GOOSE HOLDINGS INC.  
OMNIBUS INCENTIVE PLAN**

Canada Goose Holdings Inc. (the “**Corporation**”) hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or consultants of the Corporation or any of its Subsidiaries.

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions.**

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Account**” means an account maintained for each Participant on the books of the Corporation which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliates**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

“**Associate**”, where used to indicate a relationship with a Participant, means (i) any domestic partner of that Participant and (ii) the spouse of that Participant and that Participant’s children, as well as that Participant’s relatives and that Participant’s spouse’s relatives, if they share that Participant’s residence;

“**Award**” means any of an Option, a SAR, an Unvested Share or an RSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Corporation (including the Corporation’s insider trading policy), any securities of the Corporation may not be traded by certain Persons designated by the Corporation;

“**Board**” has the meaning ascribed thereto in Section 2.2(1) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario and New York, New York, for the transaction of banking business;

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any applicable taxes in accordance with Section 10.2, on the RSU Settlement Date;

“**Cause**” has the meaning ascribed thereto in Section 7.2(1) hereof;

“**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (ii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation’s equity incentive plans; or (B) as a result of the conversion of the Multiple Voting Shares in the capital of the Corporation into Shares;
- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation’s assets to a Person other than a Person that was an Affiliate of the Corporation at the time of such sale, lease, exchange,

license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than 50% of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;

- (iv) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (v) individuals who, on the Effective Date, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

provided, however, that any payment considered to be nonqualified deferred compensation under Section 409A, to the extent applicable, that is payable upon a Change of Control of the Corporation or other similar event, to avoid the imposition of an additional tax, interest or penalty under Section 409A, no amount will be payable unless such Change of Control constitutes a "change in control event" within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Corporation**" means Canada Goose Holdings Inc., a corporation existing under the *Business Corporations Act* (British Columbia), as amended from time to time;

"**Delay Period**" has the meaning ascribed thereto in Section 8.4(3) hereof;

"**Dividend Equivalent**" means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant's Account;

"**Eligibility Date**" the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Corporation by the insurance company providing such long-term disability benefits);

"**Eligible Participants**" means any director, executive officer, employee or consultant of the Corporation or any of its Subsidiaries;

"**Employment Agreement**" means, with respect to any Participant, any written employment agreement between the Corporation or a Subsidiary and such Participant;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Exercise Notice**" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

"**Grant Agreement**" means an agreement evidencing the grant to a Participant of an Award, including an Unvested Share Agreement, an Option Agreement, a SAR Agreement, an RSU Agreement or an Employment Agreement;

"**Incentive Stock Option**" means, in the case of a Participant who is a U.S. Resident, any Option granted under and in accordance with the terms of Section 8.3 hereof, that meets the requirements of Section 422 of the Code or any successor provision thereto and is designated by the Board in the applicable Grant Agreement as an Incentive Stock Option;

"**Insider**" means a "reporting insider" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and includes Associates and affiliates (as such term is defined in Part 1 of the TSX Company Manual) of such "reporting insider";

"**Legacy Option Plan**" means the Canada Goose Holdings Inc. Amended and Restated Stock Option Plan dated March 13, 2017, including any amendments or supplements thereto made after the effective date thereof;

“**Market Value**” means at any date when the Market Value of Shares is to be determined, (i) if the Shares are listed on the TSX, the VWAP on the TSX for the five (5) trading days immediately preceding such date; (ii) if the Shares are not listed on the TSX, then as calculated in paragraph (i) by reference to the price on any other stock exchange on which the Shares are listed (if more than one, then using the exchange on which a majority of Shares are listed); or (iii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and, in the case of a Participant who is a U.S. Resident, in accordance with Section 409A, and such determination shall be conclusive and binding on all Persons;

“**Multiple Voting Shares**” means the multiple voting shares in the capital of the Corporation;

“**Nonstatutory Stock Option**” means, in the case of a Participant who is a U.S. Resident, any Option which is not an Incentive Stock Option;

“**NYSE**” means the New York Stock Exchange;

“**Option**” means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof;

“**Option Agreement**” means a written agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, a form of which is attached hereto as Exhibit A;

“**Option Price**” has the meaning ascribed thereto in Section 4.2 hereof;

“**Option Term**” has the meaning ascribed thereto in Section 4.4 hereof;

“**Participants**” means Eligible Participants that are granted Awards under the Plan;

“**Performance Based Exception**” means, in the case of a Participant who is a U.S. Resident, the performance-based exception from the tax deductibility limitations of Section 162(m)(4)(C) of the Code (including, to the extent applicable, the special provision for options thereunder);

“**Performance Criteria**” means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. A Performance Criterion and any targets with respect thereto need not be based upon an increase, a positive or improved result or avoidance of loss. For purposes of Awards that are intended to qualify for the performance-based compensation exception under Section 162 (m), a Performance Criterion will mean an objectively determinable measure or objectively determinable measures of performance relating to any or any combination of the following (measured either absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): sales; net sales; sales by location or store type; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, and/or amortization, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; operating efficiencies; operating income; net income; share price; shareholder return; sales of particular products or services; customer acquisition or retention; buyer contribution; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. To the extent consistent with the requirements for satisfying the performance-based compensation exception under Section 162(m), the Board may provide in the case of any Award intended to qualify for such exception that one or more of the Performance Criteria applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, but without limitation, acquisitions or dispositions) occurring during the performance period that affect the applicable Performance Criterion or Criteria;

“**Performance Period**” means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

“**Person**” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“**Plan**” means this Canada Goose Holdings Inc. Omnibus Incentive Plan, including any amendments or supplements hereto made after the effective date hereof;

“**Restriction Period**” means the period determined by the Board pursuant to Section 5.3 hereof;

“**RSU**” means a right awarded to a Participant to receive a payment in the form of Shares, cash equivalent or a combination thereof as provided in Article 5 hereof and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a written agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof;

“**RSU Settlement Date**” has the meaning determined in Section 5.5(1);

“**RSU Vesting Determination Date**” has the meaning described thereto in Section 5.4 hereof;

“**SAR**” means a right to receive a payment, in cash or in Shares, equal to the appreciation in the Corporation’s Shares over a specified period, as set forth in the respective SAR Agreement;

“**SAR Agreement**” means a written agreement between the Corporation and a Participant evidencing the grant of SARs and the terms and conditions thereof;

“**SAR Price**” has the meaning ascribed thereto in Section 6.2 hereof;

“**SAR Term**” has the meaning ascribed thereto in Section 6.4 hereof;

“**Section 409A**” means Section 409A of the Code and the Treasury Regulations promulgated thereunder; “**Section 162(m)**” means Section 162(m) of the Code and the Treasury Regulations promulgated thereunder;

“**Shares**” means the subordinate voting shares in the share capital of the Corporation;

“**Share Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, or consultants of the Corporation or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, Insider, or consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

“**Stock Exchange**” means the TSX or the NYSE or, if the Shares are not listed or posted for trading on any of such stock exchanges at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;

“**Subsidiary**” means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;

“**Tax Act**” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“**Termination Date**” means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or consultant of the Corporation or one of its Subsidiaries and (ii) in the event of the termination of the Participant’s employment, or position as director, executive or officer of the Corporation or a Subsidiary, or consultant providing ongoing services to the Corporation and its Subsidiaries, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be;

“**Treasury Regulations**” means the tax regulations promulgated by the United States Internal Revenue Service under the Code; “**TSX**” means the Toronto Stock Exchange;

“**U.S. Resident**” means any individual who is treated as a resident of the United States for United States federal tax purposes;

“**Unvested Share**” means a Share granted to a Participant with such restrictions and vesting conditions upon such Shares as may be determined by the Board at the time of the grant and granted in accordance with Article 3 hereof;

“**Unvested Share Agreement**” means a written agreement between the Corporation or a Subsidiary and a Participant evidencing the grant of Unvested Shares and the terms and conditions thereof;

“**Vested Awards**” has the meaning described thereto in Section 7.2(5) hereof; and

“**VWAP**” means the volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares traded for the relevant period.

## Section 1.2 Interpretation.

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2**

### **PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

#### **Section 2.1 Purpose of the Plan.**

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

#### **Section 2.2 Implementation and Administration of the Plan.**

- (1) The Plan shall be administered and interpreted by the board of directors of the Corporation (the “**Board**”) or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the “**Board**” herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 9 hereof and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable non-Canadian jurisdiction.
- (3) Subject to the provisions herein, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Corporation, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part, to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3(d)(1) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Corporation and will not cause Awards intended to qualify as “qualified performance-based compensation” under Section 162(m) to fail to so

qualify. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.

- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constraint the Board with regard to the allotment or issuance of any Shares or any other securities, including Multiple Voting Shares, in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or Multiple Voting Shares, or varying or amending its share capital or corporate structure.

### **Section 2.3 Participation in this Plan.**

- (1) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award or the exercise of an Option or a SAR or transactions in the Shares. With respect to any fluctuations in the market price of the Shares, neither the Corporation, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation and its Subsidiaries do not assume responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.
- (3) Unless otherwise determined by the Board, the Corporation shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.

### **Section 2.4 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to Article 9 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares reserved for issuance, in the aggregate, under this Plan shall be equal to 4,600,340 Shares, plus any Shares underlying Options granted under the Legacy Option Plan that, after the effective date of the Plan, expire or are forfeited. No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards. For greater certainty, Section 2.4 shall not limit the Corporation's ability to issue Awards that are payable other than in Shares issued from treasury.
- (3) The Corporation shall, at all times during the term of this Plan, ensure that the number of Shares it is authorized to issue is sufficient to satisfy the requirement of this Plan and the Legacy Option Plan; provided that awards will no longer be granted under the Legacy Option Plan.
- (4) If the Corporation issues Shares from treasury, such Shares will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such

issuance of Shares. The Board may cause Shares used to satisfy for the settlement of RSUs granted under the Plan to be purchased instead on the open market.

- (5) If an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture are forfeited, the Shares covered by such Award, if any, will again be available for issuance under the Plan. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash, but Shares purchased on the open market will be deemed to have been issued pursuant to the Plan for the purpose of the Share reserve set forth in Section 2.4(2).

#### **Section 2.5 Limits with Respect to Insiders and Individual Limits.**

- (1) The maximum number of Shares issuable to Eligible Participants who are Insiders, at any time, under this Plan, the Legacy Option Plan and any other proposed or established Share Compensation Arrangement, shall not exceed ten percent (10%) of the Shares and Multiple Voting Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (2) The maximum number of Shares issued to Eligible Participants who are Insiders, within any one year period, under this Plan, the Legacy Option Plan and any other proposed or established Share Compensation Arrangement, shall not exceed ten percent (10%) of the Shares and Multiple Voting Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (3) Any Award granted pursuant to the Plan, or securities issued under the Legacy Option Plan and any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be excluded from the purposes of the limits set out in Section 2.5 (1) and Section 2.5(2).
- (4) The following additional limits apply to Awards of the specified type granted, or in the case of cash Awards, payable to any Participant in any one fiscal year:
  - (a) Options: 200,000 Shares;
  - (b) SARs: 200,000 Shares;
  - (c) Awards other than Options, SARs or cash Awards: 200,000 Shares;
  - (d) Cash Awards with a Performance Period of up to one year: \$500,000; and
  - (e) Cash Awards with a Performance Period of longer than one year: \$1,000,000; and

in applying the foregoing limits, (i) all Awards of the specified type granted to the same person in the same fiscal year are aggregated and made subject to one limit; (ii) the limits applicable to Options and SARs refer to the number of Shares underlying those Awards; (iii) the Share limit under clause (c) refers to the maximum number of Shares that may be delivered, or the value of which could be paid in cash or other property, under an Award or Awards of the type specified in clause (c) assuming a maximum payout; (iv) Awards other than cash Awards that are settled in cash count against the applicable Share limit under clause (a), (b) or (c) and not against the dollar limit under clauses (d) or (e); and (v) the dollar limit under clauses (c) and (e) refers to the maximum dollar amount payable under a cash Award assuming a maximum payout. If an Award denominated in Shares is cancelled, to the extent such Award was either (a) an Option or SAR, or (b) was otherwise intended to satisfy the Performance Based Exception, the Shares subject to the cancelled Award continue to count against the maximum number of Shares which may be granted to a Participant who is a U.S. Resident in any fiscal year. All Shares specified in this Section 2.5(4) shall be adjusted to the extent necessary to reflect adjustments to Shares required by Article 9.

- (5) The Board may establish compensation for non-employee directors from time to time, subject to the limitations in the Plan. The Board will from time to time determine the terms, conditions and amounts of all such non-employee director compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the maximum aggregate grant date fair value, as determined in accordance with IFRS 2, of Awards granted to any non-employee director for service as a director pursuant to the Plan during any fiscal year, together with any other fees or compensation paid to such director outside of the Plan for services as a director may not exceed \$500,000 (or, in the fiscal year of any director's initial service, \$750,000).

## **Section 2.6 Granting of Awards.**

- (1) Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or SAR or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (2) The Corporation may require, as a condition to the exercise of an Award or the delivery of Shares under an Award, such representations or agreements as counsel for the Corporation may consider appropriate to avoid violation of the U.S. Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Shares required to be issued to Participants under the Plan will be evidenced in such manner as the Board may deem appropriate, including book-entry registration or delivery of share certificates. In the event that the Board determines that share certificates will be issued to Participants under the Plan, the Board may require that certificates evidencing Shares issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Shares, and the Corporation may hold the share certificates pending lapse of the applicable restrictions.

## **ARTICLE 3 UNVESTED SHARES**

### **Section 3.1 Nature of Unvested Shares.**

An Unvested Share is a Share with such restrictions and vesting and other conditions placed upon the Share as the Board may determine at the time of grant.

### **Section 3.2 Unvested Share Awards.**

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Unvested Shares under the Plan, (ii) fix the number of Unvested Shares, if any, to be granted to each Eligible Participant and the date or dates on which such Unvested Shares shall be granted, and (iii) determine the restrictions and vesting and other conditions applicable to such Unvested Shares (including, a restriction on or prohibition against the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Board determines, the whole subject to the terms and conditions prescribed in this Plan.

### **Section 3.3 Payment to Participant.**

- (1) The Corporation shall, as soon as possible after the grant of the Unvested Shares, cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant shall then be entitled to receive; or
  - (b) in the case of Unvested Shares issued in uncertificated form, cause the issuance of the aggregate number of Unvested Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares.
- (2) Each certificate representing Unvested Shares shall bear the following legend, as amended to reflect the restrictions and/or vesting conditions placed upon the Shares as the Board may determine at the time of grant:

“THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS IN ACCORDANCE WITH THE CORPORATION’S OMNIBUS INCENTIVE PLAN DATED MARCH 13, 2017 AND AN UNVESTED SHARE AGREEMENT DATED ●. THE SECURITIES REPRESENTED HEREBY MAY NOT BE TRANSFERRED UNTIL ●.
- (3) Unless the Board shall otherwise determine,



- (a) uncertificated Unvested Shares shall be accompanied by a notation on the records of the Corporation or the transfer agent to the effect that they are subject to forfeiture until such Unvested Shares are vested as provided in Section 3.3(4) below; and
  - (b) certificated Unvested Shares shall remain in the possession of the Corporation until such Unvested Shares have vested as provided in Section 3.3(4) below, and the Participant shall be required, as a condition of the grant of such Unvested Shares, to deliver to the Corporation such instruments of transfer as the Board may prescribe.
- (4) The Board, at the time of grant, shall specify the date or dates and/or the restrictions and vesting conditions on which the nontransferability of the Unvested Shares and the Corporation's right of repurchase or forfeiture shall lapse. Subsequent to such date, or dates and/or the attainment of the restrictions and vesting conditions, the Unvested Shares on for which all restrictions have lapsed shall no longer be Unvested Shares and shall be deemed "vested".

#### **Section 3.4 Unvested Share Agreements.**

The terms of the Unvested Shares shall be evidenced by Unvested Share Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan, as the Board may from time to time determine. The Unvested Share Agreement shall contain such terms that may be considered necessary in order that the Unvested Shares will comply with any provisions respecting restricted securities in the income tax or other laws in force in any country or jurisdiction of which a Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation, including applicable securities laws.

### **ARTICLE 4 OPTIONS**

#### **Section 4.1 Nature of Options.**

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

#### **Section 4.2 Option Awards.**

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**") and the relevant vesting provisions (including Performance Criteria, if applicable) and the Option Term, the whole subject to the terms and conditions prescribed in this Plan or in any Option Agreement, and any applicable rules of a Stock Exchange.

#### **Section 4.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

#### **Section 4.4 Option Term.**

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date the Option is granted ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- (2) Should the expiration date for an Option fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10<sup>th</sup>) Business Day after the end of the Black-Out Period, such tenth (10<sup>th</sup>) Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding

Section 9.3 hereof, the ten (10) Business Day-period referred to in this Section 4.4(2) may not be extended by the Board.

**Section 4.5 Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with the Corporation's insider trading policy.

**Section 4.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 4.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or the individual that the Corporate Secretary of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 10.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:
  - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

**Section 4.7 Option Agreements.**

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

**ARTICLE 5  
RESTRICTED SHARE UNITS**

**Section 5.1 Nature of RSUs.**

An RSU is an Award that, upon settlement, entitles the recipient Participant to acquire Shares at such purchase price (which may be zero) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria.

**Section 5.2 RSU Awards.**

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) In making such determination, the Board shall consider the timing of crediting RSUs to the Participant's Account and the vesting requirements applicable to such RSUs to ensure that the crediting of the RSUs to the Participant's Account and the vesting requirements are not considered a "salary deferral arrangement" for purposes of the Tax Act and any applicable provincial legislation.
- (3) Subject to the vesting and other conditions and provisions herein set forth and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof as soon as possible upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restriction Period.

### **Section 5.3 Restriction Period.**

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the performance of services, for which RSU is granted, occurred ("**Restriction Period**"). Unless otherwise determined by the Board, all unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 5.4) and, in any event, no later than the last day of the Restriction Period.

### **Section 5.4 RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period.

### **Section 5.5 Settlement of RSUs.**

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant may be settled within five (5) Business Days following their RSU Vesting Determination Date but no later than the end of the Restriction Period (the "**RSU Settlement Date**").
- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date, and no later than the end of the Restriction Period, and take the form determined by the Board, in its sole discretion. Settlement of RSUs shall take place through:
  - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of RSUs for Shares:
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares; or

(c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 5.6 Determination of Amounts.**

- (1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 5.5, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 5.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 5.7 RSU Agreements.**

RSUs shall be evidenced by an RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

#### **Section 5.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent pursuant to this Section 5.8 shall have an RSU vesting Determination Date which is the same as the RSU vesting Determination Date for the RSUs in respect of which such additional RSUs are credited.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Corporation's account.

## **ARTICLE 6 SHARE APPRECIATION RIGHTS**

#### **Section 6.1 Nature of SARs.**

A SAR is an Award entitling the recipient to receive Shares having a value equal to the excess of the Market Value of the Shares on the date of exercise over the SAR Price, which price shall not be less than 100% of the Market Value of the Share on the date of grant multiplied by the number of Shares with respect to which the SAR shall have been exercised. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with a SAR.

#### **Section 6.2 SAR Awards.**

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive SAR Awards under the Plan, (ii) fix the number of SAR Awards to be granted to each Eligible Participant and the date or dates on which such SAR Awards shall be granted, and (iii) determine the price per Share to be payable upon the vesting of each such

SAR (the “**SAR Price**”) and the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the SAR Term, the whole subject to the terms and conditions prescribed in this Plan and in any SAR Agreement.

**Section 6.3 SAR Price.**

The SAR Price for the Shares that are the subject of any SAR shall be fixed by the Board when such SAR is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

**Section 6.4 SAR Term.**

- (1) The Board shall determine, at the time of granting the particular SAR, the period during which the SAR is exercisable, which shall not be more than ten (10) years from the date the SAR is granted (“**SAR Term**”) and the vesting schedule of such SAR, which will be detailed in the respective SAR Agreement. Unless otherwise determined by the Board, all unexercised SARs shall be cancelled at the expiry of such SAR.
- (2) Should the expiration date for a SAR fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10<sup>th</sup>) Business Day after the end of the Black-Out Period, such tenth (10<sup>th</sup>) Business Day to be considered the expiration date for such SAR for all purposes under the Plan. Notwithstanding Section 9.3 hereof, the ten (10) Business Day-period referred to in this Section 6.4 may not be extended by the Board.

**Section 6.5 Exercise of SARs.**

Prior to its expiration or earlier termination in accordance with the Plan, each SAR shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular SAR, may determine in its sole discretion. For greater certainty, any exercise of SARs by a Participant shall be made in accordance with the Corporation’s insider trading policy.

**Section 6.6 Method of Exercise.**

- (1) Subject to the provisions of the Plan, a SAR granted under the Plan shall be exercisable (from time to time as provided in Section 6.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or to the individual that the Corporate Secretary of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, no less than three (3) Business Days in advance of the effective date of the proposed exercise, which notice shall specify the number of Shares with respect to which the SAR is being exercised and the effective date of the proposed exercise.
- (2) The exercise of a SAR with respect to any number of Shares shall entitle the Participant to receive, from the Corporation, a number of Shares having an aggregate Market Value equal to the excess of the Market Value of a Share on the effective date of such exercise over the per share SAR Price.
- (3) Upon the exercise, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
  - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

## Section 6.7 SAR Agreements.

SARs shall be evidenced by a SAR Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The SAR Agreement shall contain such terms that may be considered necessary in order that the SAR will comply with any provisions respecting stock appreciation rights in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## ARTICLE 7 GENERAL CONDITIONS

### Section 7.1 General Conditions Applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, Awards previously granted under this Plan

that, at the time of such change, are held by a Person who is a director, executive officer, employee or consultant of such Subsidiary of the Corporation and not of the Corporation itself, whether or not then exercisable, shall automatically terminate on the date of such change.

### Section 7.2 General Conditions Applicable to Options and SARs.

Each Option or SAR, as applicable, shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option or SAR granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for Cause shall be binding on the Participant. “Cause” shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation’s codes of conduct and any other reason determined by the Corporation to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Corporation or a Subsidiary being terminated without Cause, (i) any unvested Option or SAR granted to such Participant shall terminate and become void immediately and (ii) any vested Option or SAR granted to such Participant may be exercised by such Participant as the rights to exercise accrue. Unless otherwise determined by the Board, in its sole discretion, such Option or SAR shall only be exercisable within the earlier of thirty (30) days after the Termination Date, or the expiry date of the Award set forth in the Grant Agreement.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Corporation or a Subsidiary, (i) each unvested Option or SAR granted to such Participant shall terminate and become void immediately upon resignation and (ii) each exercisable Option or SAR granted to such Participant will cease to be exercisable on the earlier of the thirty (30) days following the Termination Date and the expiry date of the Award set forth in the Grant Agreement.
- (4) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement or permanent disability, (i) any unvested Option or SAR shall terminate and become void immediately, and (ii) any vested Option or SAR shall remain exercisable for a period of ninety (90) days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Corporation or any Subsidiary by reason of permanent disability, but not later than the expiry date of the Award set forth in the Grant Agreement, and thereafter any such Option or SAR shall expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option or SAR granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options or SARs (the “Vested Awards”) hereof on the date of such Participant’s death. Such Vested Awards shall only be exercisable within one (1) year after the Participant’s death or prior to the expiration of the original term of the Options or SARs whichever occurs earlier. Subject to the terms of the applicable Grant Agreement, any Options or SAR that would have vested within twelve (12) months following such Participant’s death shall be deemed to have vested on such date, and all other Options or SARs will be cancelled on the date of such Participant’s death.
- (6) **Leave of Absence.** Upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, the Board may determine, at its sole discretion but subject to applicable laws, that such Participant’s participation in the Plan shall be terminated, provided that all vested Options or SARs in the Participant’s Account shall remain outstanding and in effect until the applicable exercise date, or an earlier date determined by the Board at its sole discretion.

### Section 7.3 General Conditions Applicable to RSUs.

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant’s participation in the Plan shall be terminated immediately, all RSUs credited to such Participant’s Account that have not vested shall be forfeited and cancelled, and the Participant’s rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant’s unvested RSUs shall be forfeited and cancelled on the Termination Date.

- (2) **Death, Leave of Absence or Cessation of Employment or Service Relationship.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (i) death, (ii) retirement, (iii) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by the Corporation or a Subsidiary for reasons other than for Cause, (iv) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, the Participant's participation in the Plan shall be terminated immediately (provided that, for the Participant becoming eligible to receive long-term disability benefits, such termination shall occur on the Eligibility Date), provided that all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain outstanding and in effect until the applicable RSU Vesting Determination Date, and
- (a) If, on the RSU Vesting Determination Date, the Board determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such unvested RSUs shall be forfeited and cancelled; and
- (b) If, on the RSU Vesting Determination Date, the Board determines that the vesting conditions were met for such RSUs, the Participant shall be entitled to receive pursuant to Section 5.5 that number of Shares or Cash Equivalent or a combination thereof equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the applicable Restriction Period as of the date of the Participant's death, retirement, termination or Eligibility Date and the denominator of which shall be equal to the total number of months included in the applicable Restriction Period (which calculation shall be made on the applicable RSU Vesting Determination Date) and the Corporation shall distribute such number of Shares or Cash Equivalent or a combination thereof to the Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant, as soon as practicable thereafter, but no later than the end of the Restriction Period, the Corporation shall debit the corresponding number of RSUs from the Account of such Participant's or such deceased Participants', as the case may be, and the Participant's rights to all other Shares or Cash Equivalent or a combination thereof that relate to such Participant's RSUs shall be forfeited and cancelled;
- provided that, notwithstanding the foregoing, upon a Participant ceasing to be an Eligible Participant by reason of retirement, this Section 7.3(2) shall not apply to a Participant in the event such Participant, directly or indirectly, in any capacity whatsoever, alone, through or in connection with any Person, carries on or becomes employed by, engaged in or otherwise commercially involved in, any activity or business in the apparel industry including the outerwear and luxury segments of such industry prior to the applicable RSU Vesting Determination Date. In such event, Section 7.3(1) shall apply to such Participant. Except as expressly provided for in an RSU Agreement, none of the foregoing provisions of this Section 7.3(2), shall apply to a U.S. Resident.
- (3) **General.** For greater certainty, where (i) a Participant's employment or service relationship with the Corporation or a Subsidiary is terminated pursuant to Section 7.3(1) or Section 7.3(2) hereof or (ii) a Participant elects for a voluntary leave of absence pursuant to Section 7.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

#### **Section 7.4 General Conditions Applicable to Unvested Shares.**

Upon a Participant ceasing to be an Eligible Participant for any reason, any Unvested Shares that have not vested at such time shall automatically and without any requirement of notice to such Participant, or other action by or on behalf of the Corporation, be deemed to have been reacquired by the Corporation from such Participant, and thereafter shall cease to represent any ownership in the Corporation by the Participant or rights of the Participant as a shareholder of the Corporation. Following such deemed reacquisition, the Participant shall surrender any certificates representing Unvested Shares in such Participant's possession to the Corporation upon request without consideration.



**ARTICLE 8**  
**COMPLIANCE WITH U.S. TAX LAWS**

**Section 8.1 Compliance with Section 162(m) and Other Limits.**

- (1) To the extent the Board determines that compliance with the Performance Based Exception is desirable with respect to an Award to a Participant who is a U.S. Resident, Section 8.1 and Section 8.2 shall apply and the Board shall establish the Performance Criteria within the time period required under Section 162(m) and the grant, vesting or payment, as the case may be, of the Award will be conditioned upon the satisfaction of the Performance Criteria as certified by the Board. The preceding sentence will not apply to an Award eligible (as determined by the Board) for exemption from the limitations of Section 162(m) by reason of the post-initial public offering transition relief in Section 1.162-27(f) of the Treasury Regulations. The Board may, subject to the terms of the Plan, amend a previously granted performance Award or take any other action that disqualifies such Award from the performance-based compensation exception under Section 162(m).
- (2) In the event that changes are made to Section 162(m) to permit flexibility with respect to any Awards available under the Plan, the Board may, subject to this Section 8.1, make any adjustments to such Awards as it deems appropriate.
- (3) The Board shall designate the Participants who are U.S. Residents to be granted Awards intended to satisfy the Performance Based Exception. For Awards with a Performance Period based on a year, or a period lasting longer than a year, such designation shall occur within the first ninety (90) days of such year or Performance Period, as applicable. For Awards with a Performance Period lasting less than a year, such designation shall occur on or prior to the date that is no later than twenty-five percent (25%) through the duration of the relevant Performance Period. The opportunity to be granted an Award intended to satisfy the Performance Based Exception shall be evidenced by a Grant Agreement in such form as the Board may approve.
- (4) With respect to Awards intended to satisfy the Performance Based Exception, the Board shall establish Performance Criteria for the applicable Performance Period (which may be the same or different for some or all Eligible Participants who are U.S. Residents) and may establish the threshold, target and/or maximum incentive opportunity or vesting provisions for each Participant for the attainment of specified threshold, target and/or maximum Performance Criteria. Performance Criteria, incentive opportunities and vesting provisions shall be set forth in the applicable Grant Agreement, and may be weighted for different factors and measures as the Board may determine.
- (5) Prior to the payment of cash or delivery of Shares in connection with any Award that is intended to satisfy the Performance Based Exception, the Board shall determine and certify in writing the degree of attainment of Performance Criteria. The Board reserves the discretion to reduce (but not below zero) the amount of an individual's payment or Share entitlement below the amount that might otherwise be due based on the degree of attainment of Performance Criteria. The determination of the Board to reduce (or not to pay) an individual shall not affect the maximum amount payable to any other individual. No amount shall be payable in respect of an Award intended to qualify for the Performance Based Exception unless at least the established Performance Criteria (if any) is attained.
- (6) Notwithstanding the foregoing in this Section 8.1, to the extent the Board determines that compliance with the Performance Based Exception is desirable with respect to an Award, then (a) to the extent the Board administers the Plan, the Plan shall be administered by only those directors of the Corporation who are "Independent" and (b) no Participant shall receive any payment under the Plan unless the Board has certified, by resolution or other appropriate action in writing, that the Performance Criteria and any other material terms previously established by the Board or set forth in the Plan, have been satisfied to the extent necessary to qualify as "qualified performance based compensation" under Section 162(m). For purposes of qualifying any Award hereunder as exempt from Section 162(m), "Independent", when referring to the members of the Board shall mean meeting the requirements to qualify as an "outside director" under Section 1.162-27(e)(3) of the Treasury Regulations.

**Section 8.2 Performance Based Exception Under Section 162(m).**

- (1) Subject to Section 8.2(4), unless and until the Board proposes for a stockholders vote and stockholders approve a change in the general Performance Criteria, for Awards (other than Options and SARs) designed to qualify for the Performance Based Exception, the objective Performance Criteria shall be based upon one or more of the performance measures set forth in the definition of "Performance Criteria" set forth in Section 1.1.

- (2) For Awards intended to comply with the Performance Based Exception, the Board shall set the Performance Criteria within the time period prescribed by Section 162(m). The levels of performance required with respect to Performance Criteria may be expressed in absolute or relative levels and may be based upon a set increase, set positive result, maintenance of the status quo, set decrease or set negative result. Performance Criteria may differ for Awards to different Participants. The Board shall specify the weighting (which may be the same or different for multiple objectives) to be given to each Performance Criteria for purposes of determining the final amount payable with respect to any such Award. Any one or more of the Performance Criteria may apply to the Participant, a department, unit, division or function within the Corporation or any one or more Affiliates or the Corporation as a whole; and may apply either alone or relative to the performance of other businesses or individuals (including industry or general market indices).
- (3) The Board shall have the discretion to adjust the determinations of the degree of attainment of the pre-established Performance Criteria; provided that Awards which are designed to qualify for the Performance Based Exception may not (unless the Board determines to amend the Award so that it no longer qualified for the Performance Based Exception) be adjusted upward (the Board shall retain the discretion to adjust such Awards downward). To the extent consistent with the requirements for satisfying the Performance Based Exception under Section 162(m), the Board, or a committee of the Board that satisfies the requirements of Section 1.162-27(e)(3) of the Treasury Regulations, may provide in the case of any Award intended to qualify for such exception that one or more of the Performance Criteria applicable to an Award will be adjusted in an objectively determinable manner to reflect event (such as, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, extraordinary items, and other unusual or non-recurring items, and the cumulative effects of tax or accounting changes, each as defined by generally accepted accounting principles) occurring during the Performance Period of such Award that affect the applicable Performance Criteria. The Board may not, unless the Board determines to amend the Award so that it no longer qualifies for the Performance Based Exception, delegate any responsibility with respect to Awards intended to qualify for the Performance Based Exception; provided, however, that the Board may delegate such responsibility to a committee of the Board that satisfies the requirements of Section 1.162-27(e)(3). All determinations by the Board or such committee as to the achievement of the Performance Criteria shall be in writing prior to payment of the Award.
- (4) In the event that applicable laws, rules or regulations change to permit the Board discretion to alter the governing Performance Criteria without obtaining stockholder approval of such changes, and still qualify for the Performance Based Exception, the Board shall have sole discretion to make such changes without obtaining stockholder approval.

### **Section 8.3 Incentive Stock Options.**

Each Option granted to a U.S. Resident shall be designated in the Grant Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Any Option designated as an Incentive Stock Option: (a) shall be granted only to a Participant who is an employee of the Corporation or Subsidiary; (b) in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns shares of the Corporation representing more than ten percent (10%) of the voting power of all classes of shares of the Corporation or any parent or subsidiary, shall be granted with an Option Price that is not less than one hundred ten percent (110%) of the Market Value of a Share on the date of grant; (c) shall not have an aggregate Market Value (determined for each Incentive Stock Option at the date of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under the Plan and any other employee stock option plan of the Corporation or any parent or subsidiary), determined in accordance with the provisions of Section 422 of the Code, that exceeds \$100,000; and (d) shall have a term not exceeding ten (10) years from the date of grant or such shorter term as may be provided in the Grant Agreement and, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns shares of the Corporation representing more than ten percent (10%) of the voting power of all classes of shares of the Corporation or any parent or subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Grant Agreement. No Incentive Stock Options may be granted under the Plan after the tenth (10<sup>th</sup>) anniversary of the earlier of the effective date of the Plan or the date the Plan was approved by the Board.

### **Section 8.4 Section 409A.**

- (1) Without limiting the generality of this Section 8.4, each Award will contain such terms as the Board determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

- (2) Notwithstanding Section 8.1 and Section 8.2 of this Plan or any other provision of this Plan or any Grant Agreement to the contrary, the Board may unilaterally amend, modify or terminate the Plan or any outstanding Award, including but not limited to changing the form of the Award, if the Board determines that such amendment, modification or termination is necessary or advisable to avoid the imposition of an additional tax, interest or penalty under Section 409A.
- (3) If a Participant is deemed on the date of the Participant's termination of employment or other service relationship with the Corporation or a Subsidiary to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B), then, with regard to any payment that is considered nonqualified deferred compensation under Section 409A, to the extent applicable, payable on account of a "separation from service", such payment will be made or provided on the date that is the earlier of (i) the expiration of the six-month period measured from the date of such "separation from service" and (ii) the date of the Participant's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 8.4(3) (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) will be paid on the first Business Day following the expiration of the Delay Period in a lump sum and any remaining payments due under the Award will be paid in accordance with the normal payment dates specified for them in the applicable Grant Agreement.
- (4) For purposes of Section 409A, each payment made under this Plan will be treated as a separate payment.

## **ARTICLE 9 ADJUSTMENTS AND AMENDMENTS**

### **Section 9.1 Adjustment to Shares Subject to Outstanding Awards.**

At any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award or the forfeiture or cancellation of such Award, in the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Corporation, of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award;
- (c) adjustments permitting the immediate exercise of any outstanding Awards that are not otherwise exercisable; or
- (d) adjustments to the number of kind of Shares reserved for issuance pursuant to the Plan.

### **Section 9.2 Change of Control.**

Notwithstanding anything else to the contrary herein, in the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards (including, for greater certainty, to cause the vesting of all unvested Awards) to assist the Participants to tender into a take-over bid or participating in any other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (i) provide that any or all Awards shall thereupon terminate, provided that any such outstanding Awards that have vested shall remain exercisable until consummation of such Change of Control, and (ii) permit Participants to conditionally exercise their Options and SARs, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-

over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). If, however, the potential Change of Control referred to in this Section 9.2 is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 9.2 or the definition of "Change of Control": (i) any conditional exercise of vested Options and/or SARs shall be deemed to be null, void and of no effect, and such conditionally exercised Awards shall for all purposes be deemed not to have been exercised, (ii) Shares which were issued pursuant to exercise of Options and/or SARs which vested pursuant to this Section 9.2 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares, and (iii) the original terms applicable to Awards which vested pursuant to this Section 9.2 shall be reinstated.

### **Section 9.3 Amendment or Discontinuance of the Plan.**

- (1) The Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or any granted Award without the consent of the Participants provided that such suspension, termination, amendment or revision shall:
  - (a) not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) be in compliance with applicable law and with the prior approval, if required, of the shareholders of the Corporation, the TSX, the NYSE or any other regulatory body having authority over the Corporation; and
  - (c) be subject to shareholder approval, where required by law or the requirements of the TSX and the NYSE, provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Corporation make the following amendments to this Plan:
    - (i) any amendment to the vesting provision, if applicable, or assignability provisions of the Awards;
    - (ii) any amendment to the expiration date of an Award that does not extend the terms of the Award past the original date of expiration of such Award;
    - (iii) any amendment regarding the effect of termination of a Participant's employment or engagement;
    - (iv) any amendment which accelerates the date on which any Option or SAR may be exercised under the Plan;
    - (v) any amendment to the definition of an Eligible Participant under the Plan;
    - (vi) any amendment necessary to comply with applicable law or the requirements of the TSX, the NYSE or any other regulatory body;
    - (vii) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
    - (viii) any amendment regarding the administration of the Plan;
    - (ix) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback which is adopted; and
    - (x) any other amendment that does not require the approval of the shareholders of the Corporation under Section 9.3 (2).
- (2) Notwithstanding Section 9.3(1), the Board shall be required to obtain shareholder approval to make the following amendments:
  - (a) any increase to the maximum number of Shares issuable under the Plan, except in the event of an adjustment pursuant to Article 9;
  - (b) except in the case of an adjustment pursuant to Article 9, any amendment which reduces the exercise price of an Option or SAR or any cancellation of an Option or SAR and replacement of such Option or SAR with an Option or SAR with a lower exercise price, to the extent such reduction or replacement benefits an Insider;

- (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date or Restriction Period to the extent such amendment benefits an Insider;
- (d) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 9; and
- (e) any amendment to the amendment provisions of the Plan;

provided that Shares held directly or indirectly by Insiders benefiting from the amendments shall be excluded when obtaining such shareholder approval.

- (3) The Board may, by resolution, advance the date on which any Award may be exercised or payable or, subject to applicable regulatory provisions, including any rules of a Stock Exchange or shareholder approval requirements of Section 409A, extend the expiration date of any Award, in the manner to be set forth in such resolution provided that the period during which an Option or a SAR is exercisable or RSU is outstanding does not exceed ten (10) years from the date such Option or SAR is granted in the case of Options and SARs and three (3) years after the calendar year in which the award is granted in the case of RSUs. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which any Option or SAR may be exercised or RSU may be outstanding by any other Participant.

## **ARTICLE 10 MISCELLANEOUS**

### **Section 10.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

### **Section 10.2 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable taxes and source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 10.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) Notwithstanding Section 10.2(1), the applicable tax withholdings may be waived where a Participant other than a U.S. Resident directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

### **Section 10.3 Clawback.**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Corporation pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the

generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Corporation, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Corporation applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Corporation of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Exchange Act, and any related policy adopted by the Corporation. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Corporation nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 10.3.

#### **Section 10.4 Securities Law Compliance.**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option or SAR, and the Corporation's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any foreign jurisdiction (other than Canada and the United States) or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (3) The Corporation shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (4) If Shares cannot be issued to a Participant upon the exercise of an Option or a SAR due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option or SAR will be returned to the applicable Participant as soon as practicable.

#### **Section 10.5 Reorganization of the Corporation.**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

#### **Section 10.6 Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Corporation must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 10.7 No Fractional Shares.**

No fractional Shares shall be issued upon the exercise of any Option or SAR granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of such Option or SAR, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

**Section 10.8 Governing Laws.**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**Section 10.9 Severability.**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

**Section 10.10 Effective Date of the Plan**

The Plan was approved by the Board and shall take effect on March 13, 2017.

## EXHIBIT A

### CANADA GOOSE HOLDINGS INC. FORM OF OPTION AGREEMENT

This option agreement (this “**Option Agreement**”) evidences an award of Options granted by Canada Goose Holdings Inc. (the “**Corporation**”) to the undersigned (the “**Participant**”) pursuant to and subject to the terms and conditions of the Canada Goose Holdings Inc. Omnibus Incentive Plan (the “**Plan**”), which is incorporated herein by reference and forms an integral part of this Option Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan. Certain provisions of the Plan are reproduced or summarized herein for your convenience; however, this Option Agreement is not comprehensive.

#### Section 1.1 Grant of Options

- (1) The Corporation confirms that the Participant has been granted Options under the Plan on the following basis, subject to the terms and conditions of the Plan:

**Date of Grant**

**Number of Options**

**Option Price (C\$)**

**Vesting Schedule (including Performance Criteria) Option Term**

**Type of Options (U.S. Participant)**

- (2) Attached hereto and forming an integral part of this Option Agreement as Schedule A is a Form of Election to Exercise that the Participant may use to exercise any of his or her Options in accordance with the Plan at any time and from time to time prior to the expiry of the Option Term of such Options, subject to any vesting or other applicable conditions. Such notice shall be delivered at the Corporation’s registered office to the attention of the Corporate Secretary of the Corporation or any other individual that the Corporate Secretary of the Corporation may from time to time designate.
- (3) If the Participant has executed and become a party to a non-competition or a non-solicitation agreement with the Corporation or any of its Subsidiaries, the Participant’s rights hereunder shall be subject to the restrictive covenants and other provisions contained in that agreement. Where the Participant is determined by the Board in its sole and absolute discretion to have breached any such restrictive covenant, all outstanding Options shall terminate and be forfeited immediately; provided, however, that the foregoing will not limit the application of the provisions contained in the Plan and in this Option Agreement.
- (4) Any exercise of Options by the Participant shall be made in accordance with the Corporation’s insider trading policy. Should the expiry date of any Option Term fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiry date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiry date for such Options for all purposes under the Plan.

#### Section 1.2 Transferrable Option

Each Option granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Option granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

#### Section 1.3 Acknowledgments

By accepting this Option Agreement, the Participant represents, warrants and acknowledges that (i) he or she has read and understands the Plan and agrees to the terms and conditions thereof and of this Option Agreement; (ii) his or her participation in the trade and acceptance of the Options is voluntary; (iii) he or she has not been induced to participate in the Plan by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable, with the Corporation or its Affiliates; and (iv) neither the Participant nor the Participant’s personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by the Participant’s Options by reason of the grant of such Options until such Options have been duly exercised and Shares have been issued in respect thereof. By accepting this Option Agreement, the Participant agrees that the Plan, this Option Agreement as well as any notice, document or instrument relating thereto be drawn up in English only. *Par l’acceptation de ce contrat, le*

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*participant reconnaît avoir convenu que le régime incitatif de la société, ce contrat, ainsi que tout autre avis, acte ou document s'y rattachant soient rédigés en anglais seulement.*

**Section 1.4 Governing Law**

This Option Agreement and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**Section 1.5 Counterparts**

This Option Agreement may be executed and delivered in any number of counterparts (including by facsimile, email or other electronic means), each of which is deemed to be an original, and such counterparts together constitute one and the same agreement.

*[The remainder of this page is intentionally left blank]*

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Accepted and agreed to this day of \_\_\_\_\_, 20\_\_

**Corporation:**

**CANADA GOOSE HOLDINGS INC.**

By: \_\_\_\_\_

Name:

Title:

**Participant:**

\_\_\_\_\_  
*Signature of Participant*

\_\_\_\_\_  
*Name of Participant (Please Print)*

**Address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**SCHEDULE A  
FORM OF ELECTION TO EXERCISE OPTIONS**

**TO: CANADA GOOSE HOLDINGS INC. (the "Corporation")**

I, the undersigned option holder, hereby irrevocably elect to exercise Options granted by the Corporation to me pursuant to an Option Agreement dated \_\_\_\_\_, 20\_\_ under Canada Goose Holdings Inc. Omnibus Incentive Plan (the "**Plan**"), for the number of Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

I hereby elect to surrender my Options, in whole or in part, in accordance with Sections 4.6 of the Plan:

Number of Shares to be Acquired:	_____
Option Price (per Share):	\$ _____
Aggregate Option Price:	\$ _____
Amount Enclosed:	\$ _____

and hereby tender a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate exercise price, and, if applicable, all source deductions, and direct such Shares to be registered in the name of:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

**DATED** this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
*Signature of Option holder*

\_\_\_\_\_  
*Name of Option holder (Please Print)*

**SUBSIDIARIES OF CANADA GOOSE HOLDINGS, INC.**

Entity	Jurisdiction
Canada Goose Inc.	Ontario
Canada Goose International Holdings Limited	United Kingdom
Canada Goose US, Inc.	Delaware
Canada Goose International AG	Zug (Switzerland)
Canada Goose Services Limited	United Kingdom
Canada Goose UK Retail Limited	United Kingdom
Canada Goose France Retail SAS	France
Canada Goose Italy Retail S.r.l	Italy
Canada Goose Asia Holdings Limited	Hong Kong
CG (Shanghai) Trading Co., Ltd.	Jing'an, Shanghai
Canada Goose HK Limited	Hong Kong
Baffin Limited	Ontario
Baffin US, Inc.	Delaware

**CERTIFICATION**

I, Dani Reiss, certify that:

1. I have reviewed this annual report on Form 20-F of Canada Goose Holdings Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
  4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
    - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
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5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 3, 2020

By:

/s/ Dani Reiss

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Dani Reiss

*President and Chief Executive Officer*

**CERTIFICATION**

I, Jonathan Sinclair, certify that:

1. I have reviewed this annual report on Form 20-F of Canada Goose Holdings Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
  4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
    - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
-







**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this annual report on Form 20-F of Canada Goose Holdings Inc. (the “Company”) for the fiscal year ended March 29, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jonathan Sinclair, Executive Vice President and Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 3, 2020

By:

/s/ Jonathan Sinclair

\_\_\_\_\_  
Jonathan Sinclair  
*Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)*

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 20-F or as a separate disclosure document.

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in Registration Statement No. 333-216812 on Form S-8 and Registration Statement No. 333-225757 on Form F-3 of our reports dated June 2, 2020, relating to the financial statements of Canada Goose Holdings Inc. (the “Company”) and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 20-F of the Company for the year ended March 29, 2020.

/s/ Deloitte LLP

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
June 3, 2020