PET VALU HOLDINGS LTD.

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

(Third Quarter Ended October 3, 2026)

The following Management's Discussion and Analysis ("MD&A") for Pet Valu Holdings Ltd. ("we", "our", "Pet Valu" or the "Company") was prepared as at November 9, 2026 and provides information concerning the Company's financial condition and results of operations for the 13-week and 39-week periods ended October 3, 2026 and September 27, 2025, respectively. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the 13-week and 39-week periods ended October 3, 2026 and September 27, 2025 (the "Interim Financial Statements"), which have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*; the Company's audited consolidated financial statements for the years ended January 3, 2026 and December 28, 2024 (the "Annual Financial Statements"); our management's discussion and analysis for the fiscal year ended January 3, 2026; and our other recent filings on SEDAR+ at www.sedarplus.ca, including the Company's Annual Information Form dated March 2, 2026 ("AIF").

The Company operates on a 52- or 53-week fiscal year, concluding on the Saturday nearest to December 31. The Company's fiscal quarters conclude on the Saturday nearest to the end of each quarter. Each quarterly period has 13 weeks, except for a 53-week year when the fourth quarter will have 14 weeks. All references in this MD&A to "Q3 2026" are to the 13-week period ended October 3, 2026, to "Q3 2025" are to the 13-week period ended September 27, 2025, to "YTD 2026" are to the 39-week period ended October 3, 2026, to "YTD 2025" are to the 39-week period ended September 27, 2025, to "Fiscal 2026" are to the 52-week period ending January 2, 2027, and to "Fiscal 2025" are to the 53-week period ended January 3, 2026.

The Interim Financial Statements and this MD&A were approved and authorized for issue by the Company's Board of Directors on November 9, 2026.

Non-IFRS and Other Financial Measures

This MD&A makes reference to certain non-IFRS financial measures and non-IFRS ratios. These measures and ratios are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for the Company's analysis of its financial information reported under IFRS. The Company uses non-IFRS financial measures, including "EBITDA", "Adjusted EBITDA", "Adjusted Net Income", "Free Cash Flow", and "Net Capital Expenditures", and non-IFRS ratios, including "Adjusted EBITDA margin", "Adjusted EBITDA as a percentage of revenue", "Adjusted Net Income as a percentage of revenue", and "Adjusted Net Income per Diluted Share". This MD&A also makes reference to certain supplementary financial measures that are commonly used in the retail industry, including "system-wide sales", "same-store sales growth (decline)", "same-store transaction growth (decline)", and "same-store average spend per transaction growth (decline)". These non-IFRS financial measures, non-IFRS ratios and supplementary

financial measures are used to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use such non-IFRS financial measures, non-IFRS ratios and supplementary financial measures in the evaluation of issuers. Management of the Company uses non-IFRS financial measures, non-IFRS ratios and supplementary financial measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. Refer to "Selected Consolidated Financial Information and Industry Metrics" and "Selected Quarterly Results and Performance Measures" for a reconciliation of net income, an IFRS measure, to EBITDA, Adjusted EBITDA and Adjusted Net Income. Refer to "Liquidity and Capital Resources - Free Cash Flows" for a reconciliation of Free Cash Flow.

Forward-Looking Information

This MD&A contains forward-looking information. Forward-looking information is provided as at the date of this MD&A and is based on management's opinions, estimates and assumptions in light of its experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. Such forward-looking information is intended to provide information about management's current expectations and plans, and may not be appropriate for other purposes. Pet Valu does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities laws.

Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, store openings and enhancements, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking information, including, without limitation, the factors discussed in the "Risk Factors" section of this MD&A and in our AIF. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully.

The purpose of the forward-looking information is to provide the reader with a description of management's current expectations regarding the Company's financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking information contained herein. To the extent any forward-looking information in this MD&A constitutes future-oriented financial information, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information, as with forward-looking information generally, is based on current assumptions and subject to risks, uncertainties and other factors. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Financial Highlights

The following tables set forth the selected financial information and industry metrics for the periods indicated (in thousands, except system-wide stores or as otherwise noted). We refer the reader to the section entitled "How We Assess the Performance of Our Business" of this MD&A for the definition of the items in the following tables and, when applicable, to the section entitled "Selected Consolidated Financial

Information and Industry Metrics" for reconciliations of non-IFRS financial measures with the most directly comparable IFRS measures.

Q3 2026 Compared to Q3 2025

	Quarters Ended		
	October 3, 2026	September 27, 2025	
	13 weeks	13 weeks	% Change
Revenue	**$ 299,524**	$ 289,462	3.5 %
Gross profit margin	**32.5 %**	33.0 %	n/a
Operating income	**$ 43,350**	$ 41,928	3.4 %
Net income	**$ 26,314**	$ 24,862	5.8 %
System-wide sales[1]	**$ 388,603**	$ 373,859	3.9 %
System-wide stores	**882**	849	3.9 %
Same-store sales growth[1]	**1.5 %**	2.3 %	n/a
Same-store transaction growth[1]	**0.1 %**	0.3 %	n/a
Same-store average spend per transaction growth[1]	**1.4 %**	2.0 %	n/a
EBITDA[2]	**$ 62,032**	$ 60,059	3.3 %
Adjusted EBITDA[2]	**$ 66,624**	$ 63,598	4.8 %
Adjusted Net Income[2]	**$ 29,849**	$ 27,648	8.0 %
Adjusted Net Income per Diluted Share[3]	**$ 0.44**	$ 0.40	10.0 %
Free Cash Flow[2]	**$ 25,186**	$ 24,679	2.1 %

[(i)] The notes have been presented beneath the table for "YTD 2026 Compared to YTD 2025".

YTD 2026 Compared to YTD 2025

	Year to Date		
	October 3, 2026	September 27, 2025	
	39 weeks	39 weeks	% Change
Revenue	**$ 878,149**	$ 849,196	3.4 %
Gross profit margin	**32.1 %**	33.1 %	n/a
Operating income	**$ 120,173**	$ 116,048	3.6 %
Net income	**$ 71,294**	$ 68,434	4.2 %
System-wide sales[1]	**$ 1,141,077**	$ 1,109,872	2.8 %
System-wide stores	**882**	849	3.9 %
Same-store sales growth[1]	**0.4 %**	2.1 %	n/a
Same-store transaction decline[1]	**(0.6)%**	0.0 %	n/a
Same-store average spend per transaction growth[1]	**1.1 %**	2.1 %	n/a
EBITDA[2]	**$ 176,919**	$ 169,487	4.4 %
Adjusted EBITDA[2]	**$ 187,520**	$ 182,511	2.7 %
Adjusted Net Income[2]	**$ 79,609**	$ 79,210	0.5 %
Adjusted Net Income per Diluted Share[3]	**$ 1.17**	$ 1.13	3.5 %
Free Cash Flow[2]	**$ 71,096**	$ 67,128	5.9 %

Notes

[(1)] System-wide sales, same-store sales growth (decline), same-store transaction growth (decline), and same-store average spend per transaction growth (decline) are supplementary financial measures. For further information on supplementary financial measures, see "Non-IFRS and Other Financial Measures".

[(2)] EBITDA, Adjusted EBITDA, Adjusted Net Income, and Free Cash Flow are non-IFRS financial measures. Non-IFRS financial measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. See "Selected Consolidated Financial Information and Industry

Metrics" for a reconciliation of net income, an IFRS measure, to EBITDA, Adjusted EBITDA and Adjusted Net Income. See "Liquidity and Capital Resources – Free Cash Flow" for a reconciliation of Free Cash Flow.

(3) Adjusted Net Income per Diluted Share is a non-IFRS ratio. Non-IFRS ratios are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. For further information on non-IFRS ratios, see "Non-IFRS and Other Financial Measures" and "How We Assess the Performance of our Business".

Overview

Our mission is to be Canada's preferred pet retailer delivering the products, care, expertise, and memorable moments that devoted pet lovers want — locally in our stores and everywhere online.

Since opening our first store in 1976, Pet Valu has grown to become Canada's leading retailer of pet food and pet-related supplies. At the end of Q3 2026, we operated 882 corporate-owned and franchised locations across the country, supported by a full suite of e-commerce capabilities. Throughout our history, we have earned the trust and loyalty of devoted pet owners with our compassionate and knowledgeable service, our premium product offering, which includes our award-winning proprietary brands, our in-store services and our expanding omni-channel capabilities. This winning strategy is underpinned by our highly flexible operating model, which allows us to deliver superior unit economics and growth.

Together with our franchisees, we operate the largest specialty pet store network in Canada, with more than three times the number of stores of our closest specialty pet competitor, putting our stores within five kilometres of approximately 76% of Canadians. Together with our e-commerce platform, our market presence generates significant brand awareness, provides our channels with access to millions of Canadian pet owners and enables us to earn the leading dollar share in the Canadian pet retail industry. We combine our scale with a highly localized retail strategy allowing us to offer our customers premium products at competitive prices while delivering personalized service. In addition to our nationally recognized and trusted Pet Valu banner, we also operate three banners in British Columbia (Bosley's by Pet Valu, Tisol, and Total Pet), the Paulmac's Pets banner in Ontario, and the Chico banner in Quebec. These longstanding banners are deeply embedded in their respective communities and benefit from the scale of our national operating network.

Recent Developments

2025 Normal Course Issuer Bid

On November 28, 2025, the Company announced that the TSX had accepted its notice of intention to renew its normal course issuer bid ("2025 NCIB"). The 2025 NCIB permits the purchase of up to 3,449,181 common shares, representing approximately 5% of the common shares of the Company outstanding as at November 19, 2025. The 2025 NCIB commenced December 2, 2025 and will continue until the earliest of December 1, 2026, the date the authorized number of common shares are acquired, or earlier termination by the Company.

In connection with the 2025 NCIB, the Company implemented an automatic share purchase plan with a designated broker effective December 2, 2025 ("2025 ASPP"). The 2025 ASPP allows for repurchases during periods in which the Company would otherwise be restricted from buying common shares under insider-trading or blackout rules. Prior to entering blackout periods, the Company may, but is not required to, instruct its broker to make purchases at the broker's discretion, subject to parameters set by the Company and in accordance with the NCIB, TSX rules, securities laws, and the terms of the 2025 ASPP. The ASPP is operated concurrently with, and terminated upon completion or expiry of, its related NCIB.

As at November 9, 2026, under the 2025 NCIB, the Company repurchased an aggregate of 2,802,595 common shares for cancellation for cash consideration of $57.7 million.

Chief Executive Officer Succession Plan

On August 5, 2025, the Company announced that its Board of Directors had unanimously approved the recommendation of Chief Executive Officer Richard Maltsbarger to implement a senior leadership succession plan. Greg Ramier, the Company's then President and Chief Operating Officer, succeeded Mr. Maltsbarger as Chief Executive Officer and was appointed to the Company's Board of Directors effective

September 21, 2025. Mr. Maltsbarger continued in his role as Chief Executive Officer until September 21, 2025, after which he moved into the role of Senior Advisor to the Chief Executive Officer to assist with the leadership transition until his retirement on April 4, 2026. Mr. Maltsbarger continued to serve as a member of Pet Valu's Board of Directors until his retirement date.

Opening of the Calgary Distribution Centre

In July 2025, the Company officially commenced operation of its new Calgary distribution centre, a 295,000 square foot, LEED-Gold certified distribution centre in Calgary, Alberta, representing the completion of the Company's nationwide supply chain transformation.

2025 Secondary Offerings

On May 16, 2025, a secondary offering of the Company's common shares was completed by its principal shareholders on a bought deal basis, and on May 21, 2025, the exercise in full of the over-allotment option granted to the underwriters in connection with the secondary offering was completed (collectively, the "May 2025 Secondary Offering"). The May 2025 Secondary Offering of 5,980,000 common shares at an offering price of $28.85 per common share raised gross proceeds of $172.5 million for the principal shareholders. The Company did not issue additional common shares or receive any of the proceeds from the May 2025 Secondary Offering. Underwriting fees were paid by the principal shareholders, and other expenses related to the May 2025 Secondary Offering of approximately $0.3 million were paid by the Company and included in selling, general and administrative expenses in Fiscal 2025.

On June 9, 2025, a secondary offering (the "June 2025 Secondary Offering") of the Company's common shares was completed by its principal shareholders on a bought deal basis. The June 2025 Secondary Offering of 19,969,450 common shares at an offering price of $28.85 per common share raised gross proceeds of $576.1 million for the principal shareholders. The Company did not issue additional common shares or receive any of the proceeds from the June 2025 Secondary Offering. Underwriting fees and other expenses were paid by the principal shareholders. Following the completion of the June 2025 Secondary Offering, the principal shareholders no longer own any common shares of the Company.

Share Repurchase

On May 12, 2025, the Company purchased for cancellation an aggregate of 2,079,000 common shares at a price of $28.85 per common share from PV Holdings S.à.r.l., Roark Capital Partners II AIV AG, L.P., RCPS Equity Cayman LP, and Roark Capital Partners Parallel II AIV AG, L.P. (collectively, the "principal shareholders"), each an entity controlled directly or indirectly by Roark Capital Management, LLC, for total cash consideration of $60.0 million (the "Share Repurchase").

Selected Consolidated Financial Information and Industry Metrics

The following table summarizes the Company's recent results of operations and selected financial position data for the periods indicated. The selected consolidated financial information set out below has been derived from the Interim Financial Statements (in thousands unless otherwise noted):

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	$	**$**	$
Revenue				
Retail sales	**108,607**	104,601	**324,168**	306,069
Franchise and other revenues	**190,917**	184,861	**553,981**	543,127
Total revenue	**299,524**	289,462	**878,149**	849,196
Cost of sales	**202,297**	193,900	**595,876**	567,937
Gross profit	**97,227**	95,562	**282,273**	281,259
Selling, general and administrative expenses	**53,877**	53,634	**162,100**	165,211
Operating income	**43,350**	41,928	**120,173**	116,048
Interest expenses, net	**7,299**	7,884	**21,996**	22,463
(Gain) loss on foreign exchange	**(47)**	249	**263**	(146)
Income before income taxes	**36,098**	33,795	**97,914**	93,731
Income tax expense	**9,784**	8,933	**26,620**	25,297
Net income and comprehensive income	**26,314**	24,862	**71,294**	68,434
Net income per share				
Basic	**0.39**	0.36	**1.05**	0.99
Diluted	**0.39**	0.36	**1.05**	0.97

	As at	
	October 3, 2026	January 3, 2026
	$	$
Total assets	**1,043,457**	1,037,660
Total non-current liabilities	**744,906**	740,519

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods indicated (in thousands unless otherwise noted):

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	$	**$**	$
Reconciliation of net income to Adjusted EBITDA				
Net income	**26,314**	24,862	**71,294**	68,434
Depreciation and amortization	**18,635**	18,380	**57,009**	53,293
Interest expenses, net	**7,299**	7,884	**21,996**	22,463
Income tax expense	**9,784**	8,933	**26,620**	25,297
EBITDA	**62,032**	60,059	**176,919**	169,487
Adjustments to EBITDA				
Transformation costs[(1)]	**2,494**	3,153	**6,692**	5,854
Other professional fees[(2)]	**27**	36	**55**	459
Share-based compensation[(3)]	**1,118**	101	**2,476**	6,857
Asset impairments[(4)]	**1,000**	—	**1,115**	—
(Gain) loss on foreign exchange	**(47)**	249	**263**	(146)
Adjusted EBITDA	**66,624**	63,598	**187,520**	182,511
Adjusted EBITDA as a percentage of revenue[(5)]	**22.2 %**	22.0 %	**21.4 %**	21.5 %

The following table provides a reconciliation of net income to Adjusted Net Income for the periods indicated (in thousands unless otherwise noted):

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	$	**$**	$
Reconciliation of net income to Adjusted Net Income				
Net income	**26,314**	24,862	**71,294**	68,434
Adjustments to net income				
Transformation costs[(1)]	**2,494**	3,511	**6,692**	7,074
Other professional fees[(2)]	**27**	36	**55**	459
Share-based compensation[(3)]	**1,118**	101	**2,476**	6,857
Asset impairments[(4)]	**1,000**	—	**1,115**	—
(Gain) loss on foreign exchange	**(47)**	249	**263**	(146)
Tax effect of adjustments to net income	**(1,057)**	(1,111)	**(2,286)**	(3,468)
Adjusted Net Income	**29,849**	27,648	**79,609**	79,210
Adjusted Net Income as a percentage of revenue[(5)]	**10.0%**	9.6%	**9.1%**	9.3%
Adjusted Net Income per Diluted Share	**0.44**	0.40	**1.17**	1.13

Notes

(1) Represents (i) discrete, project-based implementation costs associated with new information technology systems related to transformational initiatives supporting finance systems, e-commerce and omni-channel capabilities and other key processes; (ii) costs associated with supply chain and merchandise transformation initiatives, such as duplicative warehousing and distribution costs, implementation costs associated with new information technology systems, other transition costs incurred during the transition to a new distribution centre; and for Adjusted Net Income, duplicative depreciation expense on property and equipment

and right-of-use assets, and interest expense on lease liabilities; and (iii) severance expenses associated with restructuring activities in certain business support functions and expenses related to a reorganization of the senior leadership team.

For Adjusted EBITDA, the transformation costs included in cost of sales in Q3 2026 and YTD 2026 were $nil (Q3 2025 and YTD 2025 – $1.2 million and $1.7 million, respectively) and in selling, general, and administrative expenses were $2.5 million and $6.7 million, respectively (Q3 2025 and YTD 2025 – $2.0 million and $4.1 million, respectively).

For Adjusted Net Income, the transformation costs included in cost of sales in Q3 2026 and YTD 2026 were $nil (Q3 2025 and YTD 2025 – $1.5 million and $2.6 million, respectively) and in selling, general, and administrative expenses were $2.5 million and $6.7 million, respectively (Q3 2025 and YTD 2025 – $2.0 million and $4.1 million, respectively). For Adjusted Net Income, the interest expense on the lease liability in Q3 2026 and YTD 2026 were $nil (Q3 2025 and YTD 2025 – $0.1 million and $0.3 million, respectively).

(2) Represents professional fees primarily incurred with respect to (i) the Canada Revenue Agency's ("CRA") examination of the Company's Canadian tax filings discussed in the "Income Taxes" section; and (ii) the May 2025 Secondary Offering. These fees are included in selling, general and administrative expenses.

(3) Represents share-based compensation in respect of our amended and restated share option plan, long-term incentive plan, and deferred share unit plan which is included in selling, general and administrative expenses.

(4) Represents non-cash impairment charges primarily related to property and equipment, and right-of-use assets for corporate stores which were included in selling, general and administrative expenses.

(5) Adjusted EBITDA as a percentage of revenue and Adjusted Net Income as a percentage of revenue are non-IFRS ratios. Non-IFRS ratios are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. For further information on non-IFRS ratios, see "Non-IFRS and Other Financial Measures" and "How We Assess the Performance of Our Business".

Supplemental Information on Leased Premises

The following table provides additional information on expenses for leased premises associated with the application of IFRS 16, *Leases*:

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	$	**$**	$
Depreciation expense on right-of-use assets[1]	**10,018**	9,644	**29,790**	27,914
Interest expense on lease liabilities[1]	**6,402**	6,249	**19,141**	18,469
Interest income on lease receivables[1]	**(2,681)**	(2,514)	**(7,832)**	(7,678)
Net depreciation and interest expense associated with leased premises	**13,739**	13,379	**41,099**	38,705

Note

(1) Represents income and expenses for leased premises related to the application of IFRS 16, *Leases*. Specifically, this includes depreciation on right-of-use assets for leased premises, interest expense on lease liabilities for leased premises and interest income on lease receivables. For additional information, refer to the Interim Financial Statements.

Summary of Factors Affecting Performance

We believe that our performance and future success depends on a number of factors that present significant opportunities for us. These factors are also subject to, and may pose, a number of inherent risks and challenges. Refer to "Risk Factors" in our AIF for additional information.

Store Expansion and Enhancement

Between 2023 and 2025, we grew our store network at a compound annual growth rate of 5.1%, having opened 39 net new stores in 2023, 41 net new stores in 2024, and 39 net new stores in 2025. In Fiscal 2026, the Company plans to open approximately 37 new stores, including both corporate-owned and franchised stores, of which 22 were opened during YTD 2026. In addition to opening new stores, the Company has increased sales and operating results by enhancing elements of its existing stores by enlarging square footage, adding in-store services, and relocating or renovating stores. From 2023 to 2025, we and our franchisees expanded, renovated, or relocated an average of 76 stores per year. The Company and its franchisees plan to expand, renovate or relocate approximately 30 stores in Fiscal 2026,

including renovations to culinary departments across approximately 15 stores, of which 18 were completed during YTD 2026.

The following table summarizes the change in the Company's store count for the periods indicated:

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	#	#	**#**	#
Corporate-owned stores				
Beginning of period	**255**	228	**250**	220
New stores opened	**7**	14	**17**	21
Re-franchised[(1)]	**(7)**	(3)	**(18)**	(5)
Franchise acquisition[(1)]	**2**	2	**8**	6
Stores closed	**—**	—	**—**	(1)
Corporate-owned stores end of period	**257**	241	**257**	241
Franchised stores				
Beginning of period	**622**	605	**613**	604
New stores opened	**—**	2	**5**	5
Re-franchised[(1)]	**7**	3	**18**	5
Franchise acquisition[(1)]	**(2)**	(2)	**(8)**	(6)
Stores closed	**(2)**	—	**(3)**	—
Franchised stores end of period	**625**	608	**625**	608
System-wide stores	**882**	849	**882**	849
Stores renovated, expanded or relocated[(2)]	**11**	72	**18**	91

Notes

(1) Re-franchised means a previously corporate-owned store is now owned and operated by a franchisee. Franchise acquisition means a store previously owned and operated by a franchisee is now a corporate-owned store.

(2) During Q3 2026, Q3 2025, YTD 2026, and YTD 2025, the Company renovated, expanded, or relocated a total of six, 65, seven, and 78 corporate-owned stores, respectively. During Q3 2026, Q3 2025, YTD 2026, and YTD 2025, there were five, seven, 11, and 13 franchised stores renovated, expanded, or relocated, respectively.

How We Assess the Performance of Our Business

Revenue. The Company's revenue is comprised of retail sales and franchise and other revenues.

The following is a brief description of the components of our revenue:

- The Company's retail sales include corporate-owned retail store and e-commerce merchandise sales, as well as in-store grooming and dog wash services. Retail sales are net of sales tax collected from the customer on behalf of government authorities;
- Franchise and other revenues include both one-time and ongoing amounts, consisting of initial and renewal franchise fees, royalties, percentage rent and common area maintenance and realty tax revenues from properties subleased to franchisees, wholesale merchandise sales, promotion fees, and fees for other services. Franchise royalties, promotion fees and percentage rent are based on a percentage of the franchisees' retail sales. Percentage rent represents the Company's variable participation in sales performance when such figure is in excess of a contractual minimum base rent. The portion in excess of base rent is included in royalties and sublease revenues.

Cost of sales. Cost of sales reflects inventory and product-related costs, warehousing and distribution costs, depreciation expense for store right-of-use assets and distribution centre assets, and occupancy costs related to store operations, such as variable lease payments, common area maintenance, utilities and general store maintenance.

Gross profit. Gross profit reflects our revenue less cost of sales.

Gross profit margin. Gross profit margin is defined as gross profit as a percentage of revenue, and is impacted by components of cost of sales, product mix and markdowns.

Selling, general and administrative expenses. Selling, general and administrative ("SG&A") expenses are predominantly comprised of wages, benefits, share-based compensation, franchise development expenses, travel, marketing, professional fees and other expenses related to the corporate infrastructure required to support our corporate-owned and franchised stores. SG&A expenses also include depreciation and amortization expenses for all property and equipment at corporate-owned stores and the corporate office, intangible assets, and corporate office right-of-use assets.

Operating income. Operating income is defined as gross profit less selling, general and administrative expense*s.*

EBITDA. EBITDA is defined as net income before interest expense, net, income tax expense (recovery) and depreciation and amortization.

Adjusted EBITDA. Adjusted EBITDA is defined as net income before interest expense, net, income tax expense (recovery) and depreciation and amortization adjusted for the impact of certain expenses, costs or benefits incurred which in management's view are not indicative of the underlying business performance, including transformation costs, other professional fees, share-based compensation expense, asset impairments, and gain or loss on foreign exchange. Refer to the sections entitled "Selected Consolidated Financial Information and Industry Metrics" and "Selected Quarterly Results and Performance Measures" for additional information on these items. We believe Adjusted EBITDA is a useful measure of operating performance as it provides a more relevant picture of operating results by facilitating a comparison of our performance on a consistent basis from period-to-period and provides a more complete understanding of factors and trends affecting our business.

Adjusted EBITDA as a percentage of revenue or Adjusted EBITDA margin. Adjusted EBITDA as a percentage of revenue or Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue. We believe Adjusted EBITDA as a percentage of revenue or Adjusted EBITDA margin is a useful measure to assess performance as it facilitates a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business.

*Adjusted Net Income. A*djusted Net Income is defined as net income, adjusted for the impact of certain expenses, costs or benefits incurred which in management's view are not indicative of the underlying business performance, including transformation costs, other professional fees, share-based compensation expense, asset impairments, gain on modification of debt, and gain or loss on foreign exchange. Refer to the sections entitled "Selected Consolidated Financial Information and Industry Metrics" and "Selected Quarterly Results and Performance Measures" for additional information on these items. We believe Adjusted Net Income is a useful measure of performance, as it provides a more relevant picture of results and facilitates a comparison of our performance on a consistent basis from period-to-period and provides a more complete understanding of factors and trends affecting our business.

Adjusted Net Income as a percentage of revenue. Adjusted Net Income as a percentage of revenue is defined as Adjusted Net Income divided by revenue. We believe Adjusted Net Income as a percentage of revenue is a useful measure to assess performance as it facilitates a comparison of our operating performance on a consistent basis from period-to-period and provides a more complete understanding of factors and trends affecting our business.

Adjusted Net Income per Diluted Share. Adjusted Net Income per Diluted Share is defined as Adjusted Net Income divided by the total weighted average number of outstanding diluted common shares at the end of the most recently completed quarter for the relevant period. We believe Adjusted Net Income per Diluted Share is a useful measure to assess the performance of the Company.

Free Cash Flow. Free Cash Flow is defined as net cash generated from operating activities, and investing activities, plus tenant allowances, less repayments of principal on lease liabilities, interest on lease liabilities and notes receivables. It is a key metric as an indicator of how much cash is available for debt repayment, shareholder distributions, re-investment in the Company and other financing activities. Our ability to generate Free Cash Flow is an indicator of the financial strength of our business, as we require capital expenditures to build and maintain stores and purchase new equipment to improve our business and infrastructure.

Net Capital Expenditures. Net Capital Expenditures represents purchases of property and equipment, purchases of intangible assets, and proceeds on disposal of property and equipment as disclosed under investing activities in the Company's consolidated statements of cash flows, as well as tenant allowances as disclosed under financing activities in the Company's consolidated statements of cash flows. Net Capital Expenditures is used by management as an indicator of investment in long-term growth and operational capacity.

System-wide stores. System-wide stores reflects the number of total stores, including corporate-owned and franchised stores, open across the system at the end of a particular reporting period. The number of corporate-owned and franchised stores along with the number of operating weeks is used by management to evaluate new store growth, system-wide sales, franchise revenues and store performance.

System-wide sales. System-wide sales reflects the aggregation of retail sales at corporate-owned stores, e-commerce sales, plus the franchise retail sales occurring at franchised stores to their customers. This measure allows management to assess changes in the Company's overall system performance, the health of its brand and the strength of its market position relative to its competitors. System-wide sales are driven by the number of system-wide stores open in any period and their respective growth. For clarity, franchise retail sales are not included in the total revenue figure. The Company's revenue reflects retail sales and franchise and other revenue as defined under the definition of revenue above.

Same-store sales growth (decline). Same-store sales growth (decline) is defined as the percentage change in retail sales generated by system-wide stores, that have been opened for at least 52 weeks and e-commerce sales relative to the same period in the prior fiscal year. Stores that are renovated, expanded, or relocated are included in the metric on the first day of operation if the original store was open for at least 52 weeks. Stores that are acquired through business acquisitions are excluded from this metric for at least 52 weeks from the date of the acquisition. The primary drivers of same-store sales growth (decline) are changes in the transaction count and the average spend per transaction. Same-store sales growth (decline) is used by management to better understand our business as it explains what portion of the sales change is attributable to established stores and what portion can be attributed to the opening of new stores.

Same-store transaction growth (decline). Same-store transaction growth (decline) is defined as the percentage change in the number of store transactions generated by system-wide stores, that have been opened for at least 52 weeks and e-commerce sales relative to the same period in the prior fiscal year. Stores that are renovated, expanded, or relocated are included in the metric on the first day of operation if the original store was open for at least 52 weeks. Stores that are acquired through business acquisitions are excluded from this metric for at least 52 weeks from the date of the acquisition.

Same-store average spend per transaction growth (decline). Same-store average spend per transaction growth (decline) is defined as retail sales generated by system-wide stores, that have been opened for at least 52 weeks and e-commerce sales relative to the same period in the prior fiscal year divided by the number of same-store transactions generated by system-wide stores, unless otherwise noted, that have been opened for at least 52 weeks and e-commerce sales relative to the same period in the prior fiscal year. Stores that are acquired through business acquisitions are excluded from this metric for at least 52 weeks from the date of the acquisition.

Changes during the last twelve months

During Q4 2025, we revised our definition of Adjusted EBITDA and Adjusted Net Income to remove investment in associate, as this adjustment is no longer relevant to the current or comparative periods.

During Q3 2025, we revised our definition of Free Cash Flow to include tenant allowances as a standalone adjustment separate from net cash generated from investing activities. This change aligned with the reclassification of tenant allowances from investing activities to financing activities in the Company's consolidated statements of cash flows. Comparative amounts have also been reclassified to ensure consistency with current period presentation, however the change had no overall impact on Free Cash Flow.

During Q3 2025, we revised our definition of Net Capital Expenditures to specify that tenant allowances are presented separately within net cash generated from financing activities, rather than being included in net cash generated from investing activities. This change aligned with the reclassification of tenant allowances from investing activities to financing activities in the Company's consolidated statements of cash flows. There was no change to the comparative information and the change had no overall impact on Net Capital Expenditures.

Results of Operations

Analysis of Results for Q3 2026 compared to Q3 2025

Revenue. Revenue was $299.5 million in Q3 2026 compared to $289.5 million in Q3 2025, an increase of $10.1 million, or 3.5%. The increase was primarily due to higher retail sales and franchise and other revenues, as discussed below.

Retail sales. Retail sales were $108.6 million in Q3 2026 compared to $104.6 million in Q3 2025, an increase of $4.0 million, or 3.8%. The increase was primarily due to higher retail sales from stores opened and acquired in the last 12 months, and same-store sales growth, partially offset by re-franchised stores.

Franchise and other revenues. Franchise and other revenues were $190.9 million in Q3 2026 compared to $184.9 million in Q3 2025, an increase of $6.1 million, or 3.3%. The increase was primarily due to higher wholesale merchandise sales due to the growth in wholesale penetration and an increase in the number of new and re-franchised stores in the last 12 months.

Same-store sales growth (decline). Same-store sales growth was 1.5% in Q3 2026, primarily due to a 1.4% same-store average spend per transaction growth and a 0.1% same-store transaction growth. This is compared to a 2.3% same-store sales growth in Q3 2025, which was primarily driven by a 2.0% same-store average spend per transaction growth and a 0.3% same-store transaction growth.

Gross profit. Gross profit was $97.2 million in Q3 2026 compared to $95.6 million in Q3 2025, an increase of $1.7 million, or 1.7%. Gross profit margin was 32.5% in Q3 2026 compared to 33.0% in Q3 2025, a decrease of 0.5%. Excluding costs related to the supply chain transformation, gross profit margin was 32.5% in Q3 2026 and 33.5% in Q3 2025, respectively, a decrease of 1.0%. The decrease was primarily due to (i) price investments made in late 2025; (ii) higher fuel costs; (iii) higher occupancy costs; partially offset by (iv) distribution efficiencies from the new distribution centres.

SG&A expenses. SG&A expenses were $53.9 million in Q3 2026 compared to $53.6 million in Q3 2025, an increase of $0.2 million, or 0.5%. The increase was primarily due to (i) higher gain on sale of assets for re-franchised stores; and (ii) lower professional fees; partially offset by (iii) higher marketing and advertising expenses; (iv) impairment of assets for corporate-owned stores; (v) higher technology expenditures related to cloud services. SG&A expenses, as a percentage of revenue, for Q3 2026 and Q3 2025, were 18.0% and 18.5%, respectively.

Operating income. Operating income was $43.4 million in Q3 2026 compared to $41.9 million in Q3 2025, an increase of $1.4 million, or 3.4%. The increase is due to the factors impacting gross profit and SG&A expenses that are described above.

Interest expense, net. Interest expense, net was $7.3 million in Q3 2026 compared to $7.9 million in Q3 2025, a decrease of $0.6 million, or 7.4%. The decrease was primarily due to lower interest expense on the Term Facility primarily due to a decline in interest rates compared to Q3 2025.

Income tax expense. Income tax expense was $9.8 million in Q3 2026 compared to $8.9 million in Q3 2025, an increase of $0.9 million, or 9.5%. The increase was primarily due to higher taxable earnings in Q3 2026 with an effective tax rate of 27.1% in Q3 2026, compared to 26.4% in Q3 2025. The Q3 2026 and Q3 2025 effective tax rates were higher than the statutory tax rate primarily because of non-deductible expenses.

Net income. Net income was $26.3 million in Q3 2026 compared to $24.9 million in Q3 2025, an increase of $1.5 million, or 5.8%. The increase was primarily due to higher operating income, lower interest expense, net, and gain on foreign exchange, partially offset by higher income tax expense as described above.

Diluted net income per common share. Diluted net income per common share was $0.39 in Q3 2026 compared to $0.36 in Q3 2025, an increase of $0.03 per common share, or 8.3%. The increase was primarily due to higher net income, as explained by the factors described above, and a lower diluted weighted average number of common shares outstanding as a result of the common share repurchases under the 2025 NCIB.

Adjusted EBITDA. Adjusted EBITDA was $66.6 million in Q3 2026 compared to $63.6 million in Q3 2025, an increase of $3.0 million, or 4.8%. The increase was primarily due to (i) lower SG&A expenses, excluding share-based compensation and costs not indicative of business performance, driven by higher gain on sale of assets for re-franchised stores, lower professional fees, and lower compensation costs, partially offset by higher advertising expenses, and higher technology expenditures related to cloud services; and (ii) higher gross profit, excluding costs related to the supply chain transformation. Adjusted EBITDA as a percentage of revenue was 22.2% and 22.0% in Q3 2026 and Q3 2025, respectively.

Adjusted Net Income. Adjusted Net Income was $29.8 million in Q3 2026, compared to $27.6 million in Q3 2025, an increase of $2.2 million, or 8.0%. The increase was primarily due to (i) lower SG&A expenses, excluding share-based compensation and costs not indicative of business performance, driven by higher gain on sale of assets for re-franchised stores, lower professional fees, and lower compensation costs, partially offset by higher advertising expenses, and higher technology expenditures related to cloud services; partially offset by (ii) higher income taxes (adjusted for items not indicative of business performance). Adjusted Net Income as a percentage of revenue was 10.0% and 9.6% in Q3 2026 and Q3 2025, respectively.

Adjusted Net Income per Diluted Share. Adjusted Net Income per Diluted Share was $0.44 in Q3 2026, compared to $0.40 in Q3 2025, an increase of $0.04 per common share or 10.0%. The increase was primarily due to higher Adjusted Net Income and the lower diluted weighted average number of common shares outstanding as a result of the common share repurchases under the 2025 NCIB.

Analysis of Results for YTD 2026 compared to YTD 2025

Revenue. Revenue was $878.1 million in YTD 2026 compared to $849.2 million in YTD 2025, an increase of $29.0 million, or 3.4%. The increase was primarily due to higher retail sales and franchise and other revenues, as discussed below.

Retail sales. Retail sales were $324.2 million in YTD 2026 compared to $306.1 million in YTD 2025, an increase of $18.1 million, or 5.9%. The increase was primarily due to higher retail sales from stores opened and acquired in the last 12 months, and same-store sales growth, partially offset by re-franchised stores.

Franchise and other revenues. Franchise and other revenues were $554.0 million in YTD 2026 compared to $543.1 million in YTD 2025, an increase of $10.9 million, or 2.0%. The increase was primarily due to higher wholesale merchandise sales due to the growth in wholesale penetration and an increase in the number of new and re-franchised stores.

Same-store sales growth (decline). Same-store sales growth was 0.4% in YTD 2026 primarily due to a 1.1% same-store average spend per transaction growth partially offset by a 0.6% same-store transaction decline. This is compared to same-store sales growth of 2.1% in YTD 2025, which was primarily driven by a 2.1% same-store average spend per transaction growth and flat same-store transaction growth.

Gross profit. Gross profit was $282.3 million in YTD 2026 compared to $281.3 million in YTD 2025, an increase of $1.0 million, or 0.4%. Gross profit margin was 32.1% in YTD 2026 compared to 33.1% in YTD 2025, a decrease of 1.0%. Excluding costs related to the supply chain transformation, gross profit margin was 32.1% in YTD 2026 compared to 33.4% in YTD 2025, a decrease of 1.3%. The decrease was primarily due to (i) price investments made in late 2025; (ii) higher occupancy costs; (iii) higher fuel costs; partially offset by (iv) distribution efficiencies from the new distribution centres.

SG&A expenses. SG&A expenses were $162.1 million in YTD 2026 compared to $165.2 million in YTD 2025, a decrease of $3.1 million, or 1.9%. The decrease was primarily due to (i) higher gain on sale of assets for re-franchised stores; (ii) lower employee benefits related to share-based compensation; and (iii) lower professional fees; partially offset by (iv) higher technology expenditures related to cloud services; (v) higher marketing and advertising expenses; and (vi) higher depreciation and amortization primarily driven by corporate store network growth. SG&A expenses, as a percentage of revenue, for YTD 2026 and YTD 2025, were 18.5% and 19.5%, respectively.

Operating income. Operating income was $120.2 million in YTD 2026 compared to $116.0 million in YTD 2025, an increase of $4.1 million, or 3.6%. The increase is due to the factors impacting gross profit and SG&A expenses that are described above.

Interest expense, net. Interest expense, net was $22.0 million in YTD 2026 compared to $22.5 million in YTD 2025, a decrease of $0.5 million, or 2.1%. The decrease was primarily due to lower interest expense on the Term Facility primarily due to a decline in interest rates compared to YTD 2025; partially offset by higher interest expense on lease liabilities resulting from store network expansion and renewal of existing leases.

Income tax expense. Income tax expense was $26.6 million in YTD 2026 compared to $25.3 million in YTD 2025, an increase of $1.3 million, or 5.2%. The increase was primarily due to higher taxable earnings in YTD 2026 with an effective income tax rate of 27.2% in YTD 2026, compared to 27.0% in YTD 2025. The YTD 2026 and YTD 2025 effective tax rates were higher than the blended statutory tax rate of 26.5% primarily because of non-deductible expenses.

Net income. Net income was $71.3 million in YTD 2026 compared to $68.4 million in YTD 2025, an increase of $2.9 million, or 4.2%. The increase was primarily due to higher operating income, and lower interest expense, net, partially offset by the loss on foreign exchange and higher income tax expense as described above.

Diluted net income per common share. Diluted net income per common share was $1.05 in YTD 2026 compared to $0.97 in YTD 2025, an increase of $0.08 per common share, or 8.2%. The increase is primarily due to the increase in net income, as explained by the factors described above, and a lower diluted weighted average number of common shares outstanding as a result of the common share repurchases under the 2025 NCIB.

Adjusted EBITDA. Adjusted EBITDA was $187.5 million in YTD 2026, compared to $182.5 million in YTD 2025, an increase of $5.0 million, or 2.7%. The increase was primarily due to (i) lower SG&A expenses, excluding share-based compensation and costs not indicative of business performance, driven by higher gain on sale of assets for re-franchised stores, and lower professional fees, partially offset by higher technology expenditures related to cloud services, higher advertising expenses; and (ii) higher gross profit, excluding costs related to the supply chain transformation. Adjusted EBITDA as a percentage of revenue was 21.4% and 21.5% in YTD 2026 and YTD 2025, respectively.

Adjusted Net Income. Adjusted Net Income was $79.6 million in YTD 2026 compared to $79.2 million in YTD 2025, an increase of $0.4 million, or 0.5%. The increase was primarily due to (i) lower SG&A expenses, excluding share-based compensation and costs not indicative of business performance, driven by higher gain on sale of assets for re-franchised stores, and lower professional fees, partially offset by higher technology expenditures related to cloud services, higher advertising expenses, and higher depreciation and amortization; partially offset by (ii) lower gross profit, excluding costs related to the supply chain transformation. Adjusted Net Income as a percentage of revenue was 9.1% and 9.3% in YTD 2026 and YTD 2025, respectively.

Adjusted Net Income per Diluted Share. Adjusted Net Income per Diluted Share was $1.17 in YTD 2026, compared to $1.13 in YTD 2025 an increase of $0.04 per common share or 3.5%. The increase was due to the higher Adjusted Net Income and the lower diluted weighted average number of common shares outstanding as a result of the common share repurchases under the 2025 NCIB.

Total Assets

Q3 2026 compared to Fiscal 2025

Total assets were $1,043.5 million at Q3 2026 compared to $1,037.7 million at Fiscal 2025, an increase of $5.8 million, or 0.6%. The increase was primarily due to (i) an increase in lease receivable of $13.9 million resulting from the renewal of existing leases and growth in new and refranchised stores; (ii) an increase in income taxes recoverable of $8.3 million due to the timing of corporate income tax instalments; (iii) an increase in inventory of $7.1 million to support the growth of the store network and wholesale penetration; (iv) an increase in trade and other receivables of $3.7 million primarily due to the timing of franchise and vendor receivables; partially offset by (v) a decrease in cash and cash equivalents of $12.6 million (refer to "Liquidity and Capital Resources"); and (vi) a decrease in property and equipment of $9.0 million and right-of-use assets of $9.0 million due to the sale of corporate-owned stores to franchisees, depreciation, and impairment.

Total Non-Current Liabilities

Q3 2026 compared to Fiscal 2025

Total non-current liabilities were $744.9 million at Q3 2026 compared to $740.5 million at Fiscal 2025, an increase of $4.4 million, or 0.6%. The increase was primarily due to an increase in long-term lease liabilities of $3.7 million resulting from lease renewals and store network expansion.

Selected Quarterly Results and Performance Measures

The following table summarizes selected results of the Company's operations for the last eight most recently completed quarters (information is in thousands of Canadian dollars unless otherwise noted). The unaudited quarterly results, excluding other performance measures, have been prepared in accordance with IFRS. Due to seasonality, the results of operations for any quarter are not necessarily indicative of the results of operations for the fiscal year. In general, the fourth quarter has the strongest volume due to the holiday season. Additionally, quarterly performance can be impacted by the timing of holidays and significant weather changes.

	Fiscal 2026			Fiscal 2025				Fiscal 2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	13 weeks	13 weeks	14 weeks	13 weeks	13 weeks	13 weeks	13 weeks	13 weeks
IFRS Measures								
Revenue	**$299,524**	$290,682	$287,943	$326,360	$289,462	$280,647	$279,087	$295,149
Gross profit	**$ 97,227**	$ 94,601	$ 90,445	$107,581	$ 95,562	$ 93,642	$ 92,055	$100,216
Gross profit margin	**32.5%**	32.5%	31.4%	33.0%	33.0%	33.4%	33.0%	34.0%
Operating Income	**$ 43,350**	$ 41,899	$ 34,924	$ 48,108	$ 41,928	$ 36,748	$ 37,372	$ 47,872
Net income	**$ 26,314**	$ 24,933	$ 20,047	$ 29,366	$ 24,862	$ 21,810	$ 21,762	$ 28,905
Weighted average number of common shares *(in thousands)*	**67,065**	67,918	68,731	68,818	68,476	69,242	70,592	71,334
Weighted average number of diluted common shares *(in thousands)*	**67,082**	67,936	68,884	69,312	69,235	69,856	71,056	71,858
Basic net income per common share	**$ 0.39**	$ 0.37	$ 0.29	$ 0.43	$ 0.36	$ 0.31	$ 0.31	$ 0.41
Diluted net income per common share	**$ 0.39**	$ 0.37	$ 0.29	$ 0.42	$ 0.36	$ 0.31	$ 0.31	$ 0.40
Non-IFRS Financial Measures and Supplementary Financial Measures								
System-wide sales	**$388,603**	$377,299	$375,175	$423,659	$373,859	$369,894	$366,119	$388,094
System-wide stores	**882**	877	870	863	849	833	830	824
Same-store sales (decline) growth	**1.5%**	(0.2%)	0.0%	0.3%	2.3%	2.6%	1.4%	(0.2%)
EBITDA	**$ 62,032**	$ 60,862	$ 54,025	$ 68,434	$ 60,059	$ 55,040	$ 54,388	$ 63,391
Adjusted EBITDA	**$ 66,624**	$ 64,985	$ 55,911	$ 74,605	$ 63,598	$ 60,175	$ 58,738	$ 68,173
Adjusted Net Income	**$ 29,849**	$ 28,163	$ 21,597	$ 33,962	$ 27,648	$ 26,208	$ 25,354	$ 32,183
Adjusted Net Income per Diluted Share	**$ 0.44**	$ 0.41	$ 0.31	$ 0.49	$ 0.40	$ 0.38	$ 0.36	$ 0.45

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods indicated (in thousands unless otherwise noted):

	Fiscal 2026				Fiscal 2025			Fiscal 2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	13 weeks	13 weeks	14 weeks	13 weeks	13 weeks	13 weeks	13 weeks	13 weeks
	$	$	$	$	$	$	$	$
Reconciliation of net income to Adjusted EBITDA								
Net income	**26,314**	24,933	20,047	29,366	24,862	21,810	21,762	28,905
Depreciation and amortization	**18,635**	19,151	19,223	20,394	18,380	17,658	17,255	16,784
Interest expenses, net	**7,299**	7,453	7,244	8,017	7,884	7,447	7,132	6,552
Income tax expense	**9,784**	9,325	7,511	10,657	8,933	8,125	8,239	11,150
EBITDA	**62,032**	60,862	54,025	68,434	60,059	55,040	54,388	63,391
Adjustments to EBITDA								
Transformation costs[(1)]	**2,494**	2,675	1,523	6,673	3,153	1,266	1,435	2,376
Other professional fees[(2)]	**27**	25	3	—	36	405	18	221
Share-based compensation[(3)]	**1,118**	1,120	238	(842)	101	4,098	2,658	176
Asset impairments[(4)]	**1,000**	115	—	272	—	—	—	744
(Gain) loss on foreign exchange	**(47)**	188	122	68	249	(634)	239	1,265
Adjusted EBITDA	**66,624**	64,985	55,911	74,605	63,598	60,175	58,738	68,173

The following table provides a reconciliation of net income to Adjusted Net Income for the periods indicated (in thousands unless otherwise noted):

	Fiscal 2026				Fiscal 2025			Fiscal 2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	13 weeks	13 weeks	14 weeks	13 weeks	13 weeks	13 weeks	13 weeks	13 weeks
	$	$	$	$	$	$	$	$
Reconciliation of net income to Adjusted Net Income								
Net income	**26,314**	24,933	20,047	29,366	24,862	21,810	21,762	28,905
Adjustments to net income								
Transformation costs[1]	**2,494**	2,675	1,523	6,680	3,511	1,920	1,643	2,496
Other professional fees[2]	**27**	25	3	—	36	405	18	221
Share-based compensation[3]	**1,118**	1,120	238	(842)	101	4,098	2,658	176
Asset impairments[4]	**1,000**	115	—	272	—	—	—	744
Gain on modification of debt[5]	**—**	—	—	—	—	—	—	(1,019)
(Gain) loss on foreign exchange	**(47)**	188	122	68	249	(634)	239	1,265
Tax effect of adjustments to net income	**(1,057)**	(893)	(336)	(1,582)	(1,111)	(1,391)	(966)	(605)
Adjusted Net Income	**29,849**	28,163	21,597	33,962	27,648	26,208	25,354	32,183

Notes

(1) Represents discrete, project-based implementation costs associated with new information technology systems related to transformational initiatives supporting finance systems, e-commerce and omni-channel capabilities and other key processes. Also, represents expenses associated with supply chain and merchandise transformation initiatives, such as duplicative warehousing and distribution costs, implementation costs associated with new information technology systems, and other transition costs incurred during the transition to a new distribution centre. For Adjusted Net Income, this also includes duplicative depreciation expense on property and equipment and right-of-use assets, and interest expense on lease liabilities. Additionally, transformation costs include severance related expenses associated with restructuring activities in certain business support functions and reorganization in the senior leadership team.

(2) Represents professional fees primarily incurred with respect to (i) the CRA's examination of the Company's Canadian tax filings discussed in the "Income Taxes" section; and (ii) the May 2025 Secondary Offering. These fees are included in selling, general and administrative expenses.

(3) Represents share-based compensation in respect of our amended and restated share option plan, long-term incentive plan, and deferred share unit plan which is included in selling, general and administrative expenses.

(4) Represents non-cash impairment charges primarily related to property and equipment, and right-of-use assets for corporate stores which was included in selling, general and administrative expenses.

(5) Represents a gain on debt modification recognized in interest expenses, net in connection with the third amendment of the credit agreement completed on October 31, 2024.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity and capital resources are cash generated from operating activities and borrowings under the Credit Facilities (as hereinafter defined). Our principal uses of funds are operating expenses, working capital, capital expenditures, and debt service requirements.

At the end of Q3 2026, the Company's available liquidity was $173.6 million compared to $186.2 million at the end of Fiscal 2025, and was comprised of the following:

- Cash and cash equivalents of $23.1 million compared to $35.7 million at the end of Fiscal 2025; and

- Available borrowings of $150.5 million under the Revolving Facility (as hereinafter defined) as at the end of Q3 2026 and Fiscal 2025.

We believe that our cash, together with expected cash flows from operations and available liquidity under the Credit Facilities, will be sufficient to fund our ongoing operations for at least the next 12 months, including operating expenses, capital expenditures, debt service obligations and returns to shareholders. In addition, we believe that our capital structure provides significant financial flexibility to support our future growth strategies and return capital to shareholders, including through repurchases of common shares and where appropriate, increases to our targeted dividend policy. However, our funding capacity will depend on our future operating performance and other factors, including general economic and financial conditions, some of which are beyond our control. See “Risk Factors” and “Summary of Factors Affecting Performance” in this MD&A.

Credit Facilities

Credit Agreement

As at the end of Q3 2026, the aggregate amount outstanding under the Company’s Term Facility and Revolving Facility (together, the “Credit Facilities”) was $282.0 million and $10.0 million, respectively. Borrowings under the Credit Facilities bear interest, according to the type of borrowing advanced, at short-term floating rates based on a reference rate (CORRA, the U.S. base rate, the Canadian prime rate, or SOFR as applicable), plus a margin per annum determined by the Company’s net total leverage ratio. As at the end of Q3 2026, the interest rate in effect on the Credit Facilities was 4.12% (Q3 2025 — 4.50%).

Under the Revolving Facility, standby letters of credit, not in excess of $20.0 million, may be advanced to the Company in Canadian or U.S. dollars. As at Q3 2026, the Company has outstanding standby letters of credit under the Revolving Facility of $14.5 million (Fiscal 2025 — $14.5 million). The standby letters of credit were advanced in relation to income tax matters with the CRA. See “Income Taxes” section in this MD&A.

As at Q3 2026 and Fiscal 2025, the Company has unused borrowing capacity available under the Revolving Facility of $150.5 million, respectively.

The Credit Agreement contains affirmative and negative covenants customary for credit facilities of this nature, subject to certain exceptions. The Credit Agreement also contains certain financial covenants to be complied with over the term of the Credit Facilities, specifically, (i) a net total leverage ratio and a net first lien leverage coverage ratio that must be no greater than 5 times and 4.25 times, respectively, of consolidated earnings before interest, taxes, depreciation and amortization (“EBITDA”) as defined in the credit agreement; and (ii) an interest coverage ratio of not less than 3 times consolidated EBITDA. The covenants are tested for compliance at the end of each quarter. As at Q3 2026, the Company was in full compliance with all of its covenants, and there are no indications that it will have difficulty complying with these covenants in the future.

Cash Flows

The following table presents cash flows for the periods indicated:

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	$	**$**	$
Net cash provided by operating activities	**42,321**	45,674	**123,578**	134,812
Net cash used in financing activities	**(52,671)**	(37,244)	**(161,623)**	(149,663)
Net cash provided by (used in) investing activities	**9,088**	(4,785)	**25,490**	(5,436)
Effect of exchange rate changes on cash and cash equivalents	**96**	(263)	**(49)**	(96)
Net (decrease) increase in cash and cash equivalents	**(1,166)**	3,382	**(12,604)**	(20,383)

Analysis of Cash Flow for Q3 2026 and YTD 2026

Net cash provided by operating activities

For Q3 2026, net cash provided by operating activities was $42.3 million compared to $45.7 million in Q3 2025, a decrease of $3.4 million. The decrease was primarily due to an unfavourable net change in operating working capital of $5.6 million, partially offset by lower income tax payments of $1.5 million, and higher net income of $0.7 million (adjusted for items not involving cash). The unfavourable net change in operating working capital was primarily due to (i) higher net change in inventory due to the timing of purchases; (ii) higher trade and other receivables related to the timing of franchisee billings, and the construction and renovation of franchise stores; and (iii) higher prepaid expenses due to the timing of payments for cloud and other services.

For YTD 2026, net cash provided by operating activities was $123.6 million compared to $134.8 million in YTD 2025, a decrease of $11.2 million. The decrease was primarily due to higher income tax payments of $10.2 million, lower net income of $2.5 million (adjusted for items not involving cash), partially offset by a favourable net change in operating working capital of $1.5 million. The favourable net change in operating working capital was primarily due to (i) lower net change in inventory due to the timing of purchases and sell-through of wholesale merchandise; partially offset by (ii) higher trade and other receivables related to the timing of franchisee billings, and the construction and renovation of franchise stores.

Net cash used in financing activities

For Q3 2026, net cash used in financing activities was $52.7 million compared to net cash used in financing activities of $37.2 million in Q3 2025, an increase of $15.4 million. The increase was primarily due to (i) an increase in shares repurchased for cancellation; (ii) lower tenant allowances as the comparative period included the new Calgary distribution centre; (iii) lower proceeds from the exercise of options; (iv) higher principal and interest payments on lease liabilities due to store network expansion; and (v) higher interest payments on long-term debt due to the timing of payments; partially offset by (vi) net drawings on the revolving facility.

For YTD 2026, net cash used in financing activities was $161.6 million compared to $149.7 million in YTD 2025, an increase of $12.0 million. The increase was primarily due to (i) net drawings on the revolving facility; (ii) lower tenant allowances as the comparative period included the new Calgary distribution centre; (iii) lower proceeds from the exercise of options; (iv) higher principal and interest payments on lease liabilities due to store network expansion; and (v) higher dividends paid on common shares; partially offset by (vi) fewer shares repurchased for cancellation as the comparative period included the Share Repurchase transaction.

Net cash provided by (used in) investing activities

For Q3 2026, net cash provided by investing activities was $9.1 million compared to net cash used in investing activities of $4.8 million in Q3 2025, an increase of $13.9 million. The increase was primarily due to (i) lower expenditures on property and equipment as the comparative period included construction costs related to the new distribution centres; (ii) higher proceeds on disposal of property and equipment from the sale of corporate-owned stores to franchisees; and (iii) higher principal payments collected on lease receivables; partially offset by (iv) higher expenditures to repurchase franchisee-owned stores.

For YTD 2026, net cash provided by investing activities was $25.5 million compared to net cash used in investing activities of $5.4 million in YTD 2025, an increase of $30.9 million. This increase was primarily due to (i) lower expenditures on property and equipment as the comparative period included construction costs related to the new distribution centres; (ii) higher proceeds on disposal of property and equipment from the sale of corporate-owned stores to franchisees; and (iii) higher principal payments collected on lease receivables; partially offset by (iv) higher expenditures to repurchase franchisee-owned stores.

Free Cash Flow

The following table presents Free Cash Flow for the periods indicated (in thousands unless otherwise noted):

	Quarters Ended		**Year to Date**	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	**$**	**$**	**$**
Cash provided by operating activities	**42,321**	45,674	**123,578**	134,812
Cash provided by (used in) investing activities	**9,088**	(4,785)	**25,490**	(5,436)
Tenant allowances	**418**	7,921	**747**	8,871
Repayment of principal on lease liabilities	**(20,122)**	(18,158)	**(59,300)**	(53,029)
Interest paid on lease liabilities	**(6,359)**	(5,878)	**(19,009)**	(17,737)
Notes receivable	**(160)**	(95)	**(410)**	(353)
Free Cash Flow	**25,186**	24,679	**71,096**	67,128

Analysis of Free Cash Flow for Q3 2026 and YTD 2026

Free Cash Flow was $25.2 million in Q3 2026 compared to $24.7 million in Q3 2025, an increase of $0.5 million. The increase was primarily due to (i) an increase in cash provided by investing activities as the comparative period included construction costs related to the new distribution centres and higher proceeds on disposal of property and equipment from the sale of corporate-owned stores to franchisees; partially offset by (ii) lower tenant allowances received as the comparative period included the new Calgary distribution centre; (iii) a decrease in cash from operating activities resulting from an unfavourable net change in operating working capital, partially offset by lower income taxes paid, and higher net income (adjusted for items not involving cash); and (iv) an increase in payments of principal and interest on lease liabilities due to store network expansion.

Free Cash Flow was $71.1 million in YTD 2026 compared to $67.1 million in YTD 2025, an increase of $4.0 million. The increase was primarily due to (i) an increase in cash provided by investing activities as the comparative period included construction costs related to the new distribution centres and higher proceeds on disposal of property and equipment from the sale of corporate-owned stores to franchisees; partially offset by (ii) a decrease in cash from operating activities resulting from higher income taxes paid, lower net income (adjusted for items not involving cash) despite a favourable net change in operating working capital; (iii) lower tenant allowances received as the comparative period included the new Calgary distribution centre; and (iv) an increase in payments of principal and interest on lease liabilities due to store network expansion.

Net Capital Expenditures

The following table provides a reconciliation of Net Capital Expenditures for the periods indicated (in thousands unless otherwise noted):

	Quarters Ended		Year to Date	
	October 3, 2026	September 27, 2025	**October 3, 2026**	September 27, 2025
	13 weeks	13 weeks	**39 weeks**	39 weeks
	$	$	**$**	$
Purchases of property and equipment	**(6,445)**	(16,837)	**(18,034)**	(39,790)
Purchases of intangible assets	**(750)**	(478)	**(2,017)**	(1,231)
Proceeds on disposal of property and equipment	**3,812**	1,071	**10,876**	1,747
Tenant allowances	**418**	7,921	**747**	8,871
Net Capital Expenditures[(1)]	**(2,965)**	(8,323)	**(8,428)**	(30,403)

Note

(1) Net Capital Expenditures is a non-IFRS financial measure. Non-IFRS financial measures are not determined in accordance with IFRS, do not have standardized meanings and may not be comparable to similar financial measures presented by other companies. See "How We Assess the Performance of Our Business" for the definition of Net Capital Expenditures.

Analysis of Net Capital Expenditures for Q3 2026 and YTD 2026

Net Capital Expenditures were $3.0 million in Q3 2026 compared to $8.3 million in Q3 2025, a decrease of $5.4 million. The decrease was primarily due to lower expenditures on property and equipment as the comparative period included construction costs related to the new distribution centres, and higher proceeds on disposal of property and equipment from the sale of corporate-owned stores to franchisees, partially offset by lower tenant allowances received as the comparative period included the new Calgary distribution centre.

Net Capital Expenditures were $8.4 million in YTD 2026 compared to $30.4 million in YTD 2025, a decrease of $22.0 million. The decrease was primarily due to lower expenditures on property and equipment as the comparative period included construction costs related to the new distribution centres, and higher proceeds on disposal of property and equipment from the sale of corporate-owned stores to franchisees, partially offset by lower tenant allowances received as the comparative period included the new Calgary distribution centre.

Contractual Obligations, Guarantees, and Contingencies

The following table summarizes our significant undiscounted payment maturities of our contractual obligations and commitments as at the end of Q3 2026:

	Fiscal 2026	**Fiscal 2027**	**Fiscal 2028**	**Fiscal 2029**	**Fiscal 2030**	**Thereafter**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other payables	108,914	—	—	—	—	—	108,914
Long-term debt	—	—	—	292,625	—	—	292,625
Lease liabilities	26,713	104,624	89,179	91,579	84,730	219,687	616,512
Lease commitments with future commencement dates[(1)]	167	1,632	1,918	1,983	1,983	13,059	20,742
Purchase obligations[(2)]	431	8,232	5,734	2,955	887	817	19,056
Total contractual obligations	**136,225**	**114,488**	**96,831**	**389,142**	**87,600**	**233,563**	**1,057,849**

Notes

(1) Represents lease commitments for future corporate-owned or franchised stores based on an initial lease term of approximately 10 years.

(2) Represents certain significant commitments associated to service agreements where the contract prescribes significant terms including fixed or minimum pricing or payments, and provisions for payment upon termination of services without cause. These obligations are estimates of financial commitments under these arrangements and the actual payment may vary. These purchase obligations also do not include purchase orders issued or agreements made in the normal course of business which are solely for goods meant for resale nor do they include any contracts that may be terminated under short notice or with a relatively insignificant cost or liability to the Company.

Bank comfort letters

The Company has provided comfort letters to certain financial institutions upon their request when they provide financing to new franchisees. Under these letters, the Company agrees that, for a period of three years from the date of issuance, if the bank is forced to realize on its security, including inventory held by the franchisee, the Company will repurchase inventory previously sold to the franchisee at a discount of 15%, provided the inventory can be transferred to the Company free and clear of all liens, charges, and encumbrances and third-party rights.

In practice, the Company typically exercises its rights under the franchise agreement before the franchisee reaches default under its finance arrangement; therefore, the likelihood of being required to repurchase inventory under these comfort letters is considered remote. As a result, no provision has been recorded in the accompanying Interim Financial Statements.

Litigation

The Company may, from time to time, be named as a defendant in legal proceedings that arise from its normal course of business. Although the amount of any liability that could arise with respect to any pending claims cannot be estimated, the Company believes that any such liability is not reasonably likely to have a material adverse effect on its consolidated financial position, operating results, or liquidity.

Income Taxes

The Company is subject to routine audits of its tax filing positions by the CRA. In January 2025, the CRA issued a proposal to deny the deduction of certain intercompany dividends for the Company's 2016, 2017, and 2018 taxation years. In March 2025, the CRA reassessed the Company for approximately $18.4 million of additional income tax plus interest based on the January 2025 proposal ("2016–2018 reassessments").

The Company has filed objections to, and intends to vigorously contest, the 2016–2018 reassessments. The Company and its tax advisors believe that the Company's tax filing positions are appropriate. Accordingly, no amount or provision has been recorded in the Interim Financial Statements in respect of the 2016–2018 reassessments.

The Company has outstanding standby letters of credit related to the notice of objections for the 2016–2018 reassessments.

Share Information

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. The holders of common shares are entitled to receive dividends as declared from time to time by the Board of Directors. Shareholders are entitled to one vote per common share at shareholder meetings of the Company.

Preferred shares of each series, if and when issued, will, with respect to the payment of dividends, be entitled to preference over common shares. Except as provided in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the holders of preferred shares will not be entitled to vote at any shareholder meetings of the Company.

During YTD 2026, under the 2025 NCIB, the Company repurchased an aggregate of 2,387,623 common shares for cancellation for cash consideration of $49.6 million. Subsequent to Q3 2026, under the 2025 NCIB, the Company repurchased 414,972 common shares for cancellation for cash consideration of $8.1 million.

As at November 9, 2026, there are 66,361,824 common shares and 1,168,150 share options, each exercisable for one common share, issued and outstanding.

For further details concerning the rights, privileges and restrictions attached to the common shares, please refer to the section entitled “Description of Share Capital” in the AIF.

Dividends

Subject to financial results, capital requirements, available cash flow, the need for funds to finance ongoing operations and other factors that the Board of Directors may consider relevant, it is the intention of the Board of Directors to declare a quarterly cash dividend. It is expected that future cash dividend payments will be made to common shareholders of record as at a date to be determined by the Board of Directors. The actual payment, amount and timing of any dividends are not guaranteed and are subject to the discretion of our Board of Directors. See “Risk Factors” in this MD&A.

During YTD 2026, the Company paid $26.4 million in dividends to holders of common shares or $0.39 per common share (YTD 2025 — $24.9 million or $0.36 per common share).

Critical Accounting Estimates and Judgments

The critical accounting estimates and judgments as disclosed in Note 2(c) of the Company’s Annual Financial Statements have been applied consistently in the preparation of this MD&A.

Risk Factors

For a detailed description of risk factors relating to the Company, please refer to the “Risk Factors” section of the Company’s AIF, which is available on SEDAR+ at www.sedarplus.ca.

The Company’s activities expose it to a variety of financial risks, which includes credit risk, market risk, including foreign exchange rate risk and interest rate risk, and liquidity risk. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company’s financial performance.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises primarily from the Company’s cash, trade and other receivables, and lease receivables. Credit risk related to cash is minimized by holding deposits with multiple high-quality financial institutions. Credit risk associated with supplier receivables is managed through the Company’s ability to offset amounts receivable from suppliers against amounts payable to them. Credit risk related to franchisee receivables and lease receivables is mitigated through short-term settlement terms and a thorough franchisee screening process, including an assessment of each franchisee’s access to adequate financing prior to acceptance.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company manages this risk through active working capital and cash flow management, and by maintaining access to various sources of financing, including bank debt and finance leases. All trade and other payables are expected to be settled within 12 months of the period end.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of two types of risk, which are foreign currency risk and interest rate risk.

Foreign Currency Risk

The Company is exposed to foreign currency risk related to purchases of merchandise in U.S. dollars. Inventory purchases sourced outside Canada and primarily denominated in U.S. dollars represented approximately 19% on a trailing 12-month basis as at the end of YTD 2026.

The Company is also exposed to foreign currency risk on financial assets and liabilities denominated in foreign currencies. These assets and liabilities are short-term in nature and management does not consider the related exposure to be a significant risk. A five-percentage point change in the Canadian dollar relative to the U.S. dollar, assuming all other variables remain constant, would have changed income before income taxes for YTD 2026 by $0.3 million due to the revaluation on these financial assets and liabilities (YTD 2025 — $0.3 million).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Term Facility bears interest at variable interest rates, and fluctuations in short-term floating rates can affect the Company's interest payments and related cash flows.

For YTD 2026, a one percentage point change in the applicable interest rate under the credit agreement based on the debt outstanding as at YTD 2026, would have changed income before income taxes by $2.2 million (YTD 2025 — $2.2 million).

Recent Accounting Pronouncements

Adoption of new IFRS Accounting Standards and amendments

Beginning January 4, 2026, the Company applied the amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date if specific conditions are met. Also included in the amendments are clarifications regarding the classification of financial assets, including those with features linked to environmental, social governance. Under the amendments, additional disclosures are required for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. There was no material impact on the Company's Interim Financial Statements.

New standards and amendments not yet adopted

IFRS 18*, Presentation and Disclosure of Financial Statements* ("IFRS 18") — IFRS 18 replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new categories and subtotals in the statement of income and comprehensive income, new requirements for the disclosure of management-defined performance measures, and new requirements for the location, aggregation and disaggregation of financial information. In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows* ("IAS 7"), which include changing the starting point for determining cash flows from operations under the indirect method and the removal of the optionality around the classification of cash flows from dividends and interest. The amendments are effective for reporting periods beginning on or after January 1, 2027. The Company expects that the introduction of IFRS 18 will have a material impact on the Company's financial statements given the new presentation requirements and the requirement to disclose management-defined performance measures.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the

time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the Company's management, including its certifying officers, namely the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding public disclosure. An evaluation of the design of the Company's disclosure controls and procedures, as defined under National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109")*, was carried out under the supervision of the CEO and CFO and with the participation of the Company's management.

The Company also maintains a system of internal controls over financial reporting designed under the supervision of the Company's CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As required by NI 52-109, the CEO and the CFO have caused the effectiveness of the internal controls over financial reporting to be evaluated using the framework (2013) established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). During YTD 2026, there were no changes in the Company's internal controls over financial reporting that materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Subsequent Events

On November 9, 2026, the Board of Directors of the Company declared a dividend of $0.13 per common share payable on December 15, 2026 to holders of common shares of record as at the close of business on November 30, 2026.

Subsequent to Q3 2026, under the 2025 NCIB, the Company repurchased 414,972 common shares for cancellation for cash consideration of $8.1 million.

Outlook

Fiscal 2026 will be a 52-week fiscal year, compared to a 53-week fiscal year in Fiscal 2025. Factoring in Q3 2026 performance, the Company now expects the following in Fiscal 2026, on a 52-week comparable basis:

- revenue growth between 2.5% and 3.5%, supported by approximately 37 new store openings, flat to 1% same-store sales growth and higher wholesale merchandise sales penetration; as compared to the Company's previously disclosed expected revenue growth between 2% and 4% for Fiscal 2026;
- Adjusted EBITDA margin of approximately 21.5%, which incorporates heightened value-seeking consumer demand trends and higher fuel costs, offset by operating expense leverage; as compared to the Company's previously disclosed expected Adjusted EBITDA margin of approximately 21% for Fiscal 2026;
- Adjusted Net Income per Diluted Share growth in the low single-digit range; as compared to the Company's previously disclosed expectation that Adjusted Net Income per Diluted Share for Fiscal 2026 would be similar to Fiscal 2025; and
- business reinvestment of approximately $30 million, consisting of approximately $18 million in Net Capital Expenditures and approximately $12 million in transformation costs; as compared to the Company's previously disclosed expected business reinvestment of approximately $35 million for Fiscal 2026.

The Company estimates the 53rd week contributed approximately 2% of reported revenue, Adjusted EBITDA and Adjusted Net Income in Fiscal 2025. This estimate was derived using (i) actual revenue recorded and employee benefits expense incurred in the 53rd week, and (ii) gross profit margin and prorated expenses, other than employee benefits, from the final fiscal period of 2025.

The Company continues to monitor the evolving governmental foreign trade environment and believes it has the appropriate mechanisms in place to adapt, as necessary. The Outlook for 2026 is based on

several assumptions, including, but not limited to, governmental foreign trade policies currently in place as of this release.

Additional Information

Additional information relating to the Company, including the Company's AIF, is available on SEDAR+ at www.sedarplus.ca. The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol "PET".