



## Dollarama to acquire Australian discount retailer The Reject Shop

March 26, 2025





# Cautionary statement

---

## Forward-Looking Statements

Certain statements contained in this presentation, and in any discussion during or following this presentation, about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements in this presentation include statements about the attractiveness of the transaction (including from a financial perspective and expected impact on accretion and leverage) and other anticipated benefits of the acquisition and their expected impact on Dollarama’s growth strategies and international expansion, results of operations, performance, business, prospects, opportunities, development, and other strategic priorities; plans for the business and the future potential expansion of the business, including the potential growth of the store network to 700 stores in Australia by 2034; expectations regarding the strength, complementarity and compatibility of The Reject Shop’s business and culture with those of Dollarama; the anticipated timing of the completion of the acquisition; available liquidities; and other statements that are not historical facts. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s expectations as at March 26, 2025, and, accordingly, are subject to change after such date. Except as may be required by law, management has no intention and undertakes no obligation to update or revise any forward-looking statements.

Forward-looking statements are based on information currently available to management and on estimates and assumptions made by management regarding, among other things, the satisfaction of all closing conditions and completion of the acquisition within the anticipated timeframe; Dollarama’s ability to successfully integrate The Reject Shop business upon completion of the acquisition; the realization of the expected strategic, financial and other benefits of the transaction in the timeframe anticipated; The Reject Shop’s ability to continue to attract and retain key employees; the accuracy and completeness of the information provided by The Reject Shop in connection with the Transaction; the absence of undisclosed costs or liabilities associated with the acquisition, the ability of The Reject Shop to maintain its current key business relationships; management’s estimates and expectations in relation to future economic and business conditions in relation to the transaction and future performance and other factors in relation to The Reject Shop’s business, and their resulting impact on growth, leverage and accretion; as well as other factors that are believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including Dollarama’s inability to successfully integrate The Reject Shop’s business upon completion of the transaction, the potential failure to realize anticipated benefits from the transaction, the potential failure to satisfy the necessary closing conditions in a timely manner, or at all, and the possible delay or failure to close the transaction, Dollarama’s reliance upon information provided by The Reject Shop in connection with the transaction, potential undisclosed costs or liabilities associated with the transaction, Dollarama’s or The Reject Shop’s businesses being adversely impacted during the pendency of the transaction, as well as the risk factors which are outlined in Dollarama’s management’s discussion and analysis for the third quarter of the fiscal year ended February 2, 2025 and discussed in greater detail in the “Risks and Uncertainties” section of Dollarama’s annual management’s discussion and analysis for the fiscal year ended January 28, 2024, both available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Corporation’s website at [www.dollarama.com](http://www.dollarama.com).



## Cautionary statement (cont'd)

---

### Forward-Looking Statements (cont'd)

These factors are not intended to represent a complete list of the factors that could affect Dollarama, The Reject Shop or the transaction; however, they should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding Dollarama, The Reject Shop and the transaction and may not be appropriate for other purposes. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's expectations as at March 26, 2025, and, accordingly, are subject to change after such date. Furthermore, unless otherwise stated, the forward-looking statements contained in this presentation are made as of today and management has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All of the forward-looking statements contained in this in this presentation, and in any discussion during or following this presentation, are expressly qualified by this cautionary statement.

### Market and Industry Data

We have obtained the market and industry data presented in this presentation from a combination of internal company surveys and third-party information and estimates of our management. We know of no third-party source that reports on the Canadian or Australian discount retail market and industry data. As such, all Canadian or Australian discount retail store market and industry data presented in this presentation is based on internally generated management estimates, including estimates based on our review of third-party web sites. While we believe our internal surveys, third party information, and estimates of our management are reliable, we have not verified them with, nor have they been verified by, any third party or independent sources and we have no assurance that the information contained in web sites is current and up-to-date. While we are not aware of any misstatements regarding the market and industry data presented in this presentation, such data involves risks and uncertainties and are subject to change based on various factors, including those factors discussed under "Forward-Looking Statements".

### Important Notice

This presentation does not constitute an offer to buy or sell or a solicitation of an offer to buy or sell any securities. This presentation is not, and is not intended to be, an advertisement, prospectus or offering memorandum, and is made available on the express understanding that it does not contain all information that may be required to evaluate, and will not be used by readers in connection with, the purchase of or investment in any securities of any entity. This presentation accordingly should not be treated as giving investment advice and is not intended to form the basis of any investment decision. It does not, and is not intended to, constitute or form part of, and should not be construed as, any recommendation or commitment by Dollarama or any of its directors, officers, employees, shareholders, agents, affiliates, advisors or any other person, or as an offer or invitation for the sale or purchase of, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of any entity, nor shall it or any part of it be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever. Readers should not construe the contents of this presentation as legal, tax, regulatory, financial or accounting advice and are urged to consult with their own advisers in relation to such matters.

# Transaction rationale



## Strategic entry into a complementary new geography

Expands Dollarama business model into a new growth platform in Australia

- Builds on proven track record in Canada and LATAM

At-scale entry with strong foundation for future growth

- Largest Australian discount retailer with nationwide presence



## Compelling value creation opportunity

Unlock The Reject Shop's growth and margin potential

- Leverage Dollarama's retail expertise and operational excellence

Opportunity to generate attractive risk-adjusted returns

- Disciplined capital deployment to scale the business



## Underpenetrated Australian retail market with Canadian parallels

Low discount retailer penetration and no national dollar store chains

- Network expansion target to 700 stores in Australia by 2034

Australia's retail market shares parallels with Dollarama's Canadian market

- Consumer spending habits, socio-economic and macro environment



## Local management leading alongside Dollarama

Dollarama strategic vision to be implemented by strong local leadership

- Supported by Dollarama know-how and experience

Compatible corporate cultures and values

- Facilitates execution of optimization and growth objectives

Strategic acquisition to establish a new and complementary growth platform for Dollarama

## Transaction summary

<b>Acquisition summary</b>	<ul style="list-style-type: none"> <li>On March 26, 2025, Dollarama entered into a scheme implementation agreement with The Reject Shop (ASX: TRS)</li> <li>Proposed acquisition of all ordinary shares of The Reject Shop for an all-cash consideration of A\$6.68 per share             <ul style="list-style-type: none"> <li>Represents 108% premium to The Reject Shop's 20-day volume-weighted average price</li> </ul> </li> </ul>
<b>Purchase price &amp; key metrics</b>	<ul style="list-style-type: none"> <li>Equity value of approximately A\$259 million (C\$233 million<sup>1</sup>)</li> <li>Enterprise value of approximately A\$189 million pre-AASB 16 (C\$170 million<sup>1</sup>) / A\$421 million post-AASB 16 (C\$379 million<sup>1</sup>)</li> <li>Represents 8.9x LTM EBITDA<sup>2</sup> multiple pre-AASB 16 / 3.3x LTM EBITDA multiple post-AASB 16<sup>3</sup></li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>Mix of cash on hand and available liquidities under Dollarama's revolving credit facility</li> </ul>
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>Expected to have a minimal immediate impact to net earnings per share</li> <li>Limited impact on Dollarama's pro forma net-debt-to-EBITDA ratio<sup>2</sup></li> </ul>
<b>Special dividend</b>	<ul style="list-style-type: none"> <li>Special dividend of up to A\$0.77 per ordinary share may be paid by The Reject Shop to its shareholders</li> <li>If special dividend is paid, the cash consideration to be paid by Dollarama will be reduced by the amount of the special dividend</li> </ul>
<b>Board / key shareholder approval</b>	<ul style="list-style-type: none"> <li>The transaction has been unanimously recommended by the Board of Directors of The Reject Shop, subject to customary conditions</li> <li>Kin Group, which owns 20.8% of the ordinary shares outstanding, has publicly announced its intention to vote in favour of the transaction in the absence of a superior proposal</li> </ul>
<b>Closing date &amp; conditions</b>	<ul style="list-style-type: none"> <li>Expected to close in the second half of 2025</li> <li>Subject to customary closing conditions, including shareholder approval and receipt of necessary regulatory and court approvals</li> </ul>

# The Reject Shop today

**A\$866 million**

LTM sales

**~7,700 sq. ft.<sup>1</sup>**

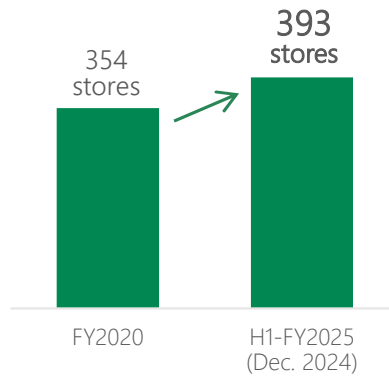
Average store size

**A\$2.3 million<sup>2</sup>**

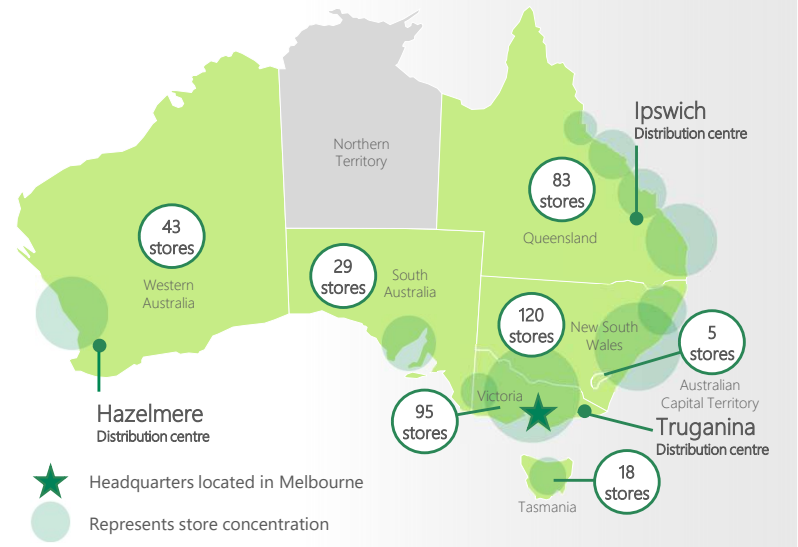
Average revenue per store

- Focused on helping all Australians save money everyday since 1981
- Broad discount-oriented offering of private-label and national brands

## Network growth



## Well-located store network spanning every Australian state



The largest and only national pure-play discount retailer in Australia; represents a solid foothold for market entry


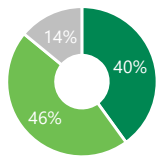
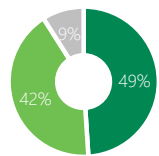
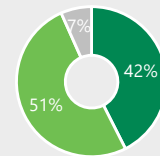
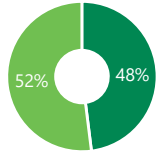
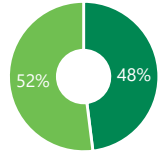
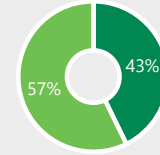
6 - Dollarama Proposed Acquisition of The Reject Shop

1. Denotes Gross Leasable Area (GLA).  
 2. For the last twelve months (LTM) ended December 29, 2024. Only includes revenues from stores that have traded for the full financial period. All figures as at December 29, 2024 unless otherwise indicated.



7 - Dollarama Proposed Acquisition of The Reject Shop

## Parallels with Dollarama business model

	<b>DOLLARAMA</b> 	<b>Dollarcity</b>	<b>THE REJECT SHOP</b>
	(Fiscal year ended January 28, 2024)	(Fiscal year ended December 31, 2023)	(Fiscal year ended June 30, 2024)
<b>Product categories<sup>1</sup></b>	 <ul style="list-style-type: none"> <li>General merchandise</li> <li>Consumables</li> <li>Seasonal</li> </ul>	 <ul style="list-style-type: none"> <li>General merchandise</li> <li>Consumables</li> <li>Seasonal</li> </ul>	 <ul style="list-style-type: none"> <li>General merchandise</li> <li>Consumables</li> <li>Seasonal</li> </ul>
<b>Sourcing mix<sup>2</sup></b>	 <ul style="list-style-type: none"> <li>Imported</li> <li>Domestic</li> </ul>	 <ul style="list-style-type: none"> <li>Imported</li> <li>Domestic</li> </ul>	 <ul style="list-style-type: none"> <li>Imported</li> <li>Domestic</li> </ul>
<b>Price point range</b>	Up to C\$5.00	Up to US\$4.00	A\$0.45 - A\$15.00 <sup>3</sup>
<b># of stores</b>	1,601 <sup>4</sup>	588 <sup>4</sup>	393 <sup>4</sup>
<b># of employees</b>	~28,000	~6,900	~5,000 <sup>4</sup>
<b>Average store size</b>	~10,500 sq. ft. <sup>4</sup>	~7,400 sq. ft.	~7,700 sq. ft.

### Business parallels enabling The Reject Shop to leverage Dollarama business model and value proposition

1. Based on sales for respective latest full fiscal years; categories may differ slightly between Dollarama, Dollarcity and The Reject Shop.  
 2. Dollarama and Dollarcity sourcing mix based on annual procurement volume for respective latest full fiscal years. For Dollarama, domestic refers to merchandise purchased in Canada and US. For Dollarcity, domestic refers to merchandise purchased in countries of operation. The Reject Shop sourcing mix is based on sales for latest full fiscal year. For The Reject Shop, domestic refers to merchandise purchased in Australia.  
 3. Items with price points between A\$0.45 and A\$15.00 represents ~90% of sales for FY2024 across departments. Price point range excludes taxes and reusable shopping bags sold.  
 4. As of latest available fiscal quarter-end for Dollarama and Dollarcity, as of March 26, 2025 for The Reject Shop.

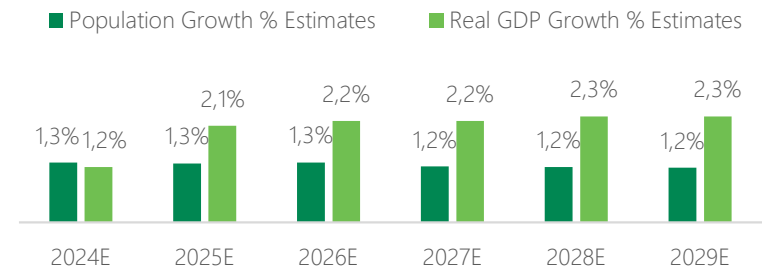


# Australian economic environment

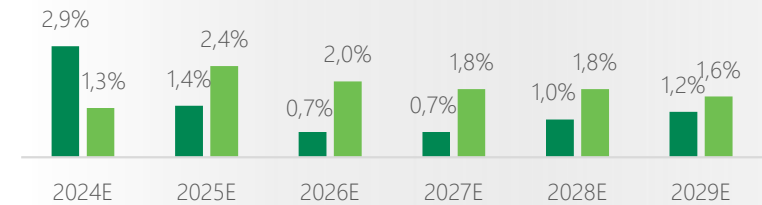
- Healthy and resilient economic environment
  - Steady GDP and household consumption growth
  - Stable population growth
- Export-driven economy with stable relationship with nearby trading partners
- Australia has several parallels with Canadian market
  - Consumer preferences and spending habits
  - Socio-demographic conditions
  - Macroeconomic environment

## Steady growth expected<sup>1</sup>

### Australia



### Canada



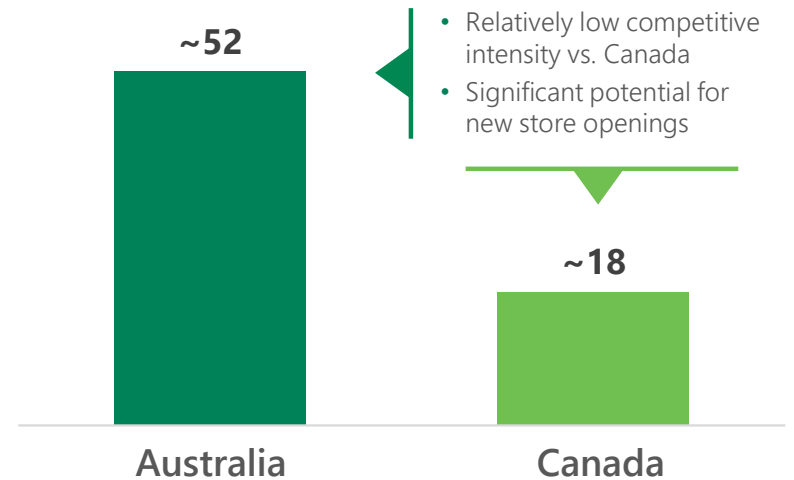
Australia has solid economic fundamentals and many parallels with Canada

## Underpenetrated Australian discount retail market

- Competitive landscape mainly comprised of large general merchandisers and regional discount retailers
  - Large general merchandisers include big box retailers with a broad product offering at higher price points
  - Regional discount retailers have small footprint
- No pure-play discount retailer with national scale other than The Reject Shop

### Underpenetrated discount retail market

Thousands of people per store<sup>1</sup>



Clear opportunity to deploy Dollarama value proposition to Australian consumers

## Plan for the business: Key value creation pillars



### Merchandising strategy

- Access to Dollarama's sourcing expertise and products
- New price-point strategy



### Operational excellence

- Optimize store and logistics operations
- Invest in IT infrastructure and systems



### Store experience

- Convert to Dollarama shopping experience
- New store design and layout, product merchandising



### Accelerated store network growth

- Increase proximity and convenience to Australian customers
- Network expansion target to 700 stores in Australia by 2034

Compelling value creation opportunity enabling attractive risk-adjusted returns

## Clear strategy and complementary platforms

Market	Growth target	
Canada	2,200 stores by 2034	<ul style="list-style-type: none"> <li>• Additional opportunities in Western Canada, Ontario, Quebec and Atlantic</li> <li>• Building new logistics hub in Western Canada to support long-term growth and optimize warehousing and distribution operations, while generating cost savings</li> </ul>
LATAM	1,050 stores by 2031	<ul style="list-style-type: none"> <li>• Presence in Colombia, Peru, El Salvador and Guatemala</li> <li>• Long-term target primarily reflects anticipated growth in Colombia and Peru</li> <li>• Build up decentralized logistics (owned + 3PL) in each country in line with anticipated growth</li> </ul>
Mexico	Dollarcity next country of entry	<ul style="list-style-type: none"> <li>• In-country concept testing prior to ramp up and setting of long-term growth target</li> <li>• Leverage existing LATAM logistics infrastructure during ramp-up phase</li> </ul>
Australia	700 stores by 2034	<ul style="list-style-type: none"> <li>• Leverage Dollarama's best-in-class retail and sourcing expertise as well as operational excellence to accelerate and optimize growth of the business</li> <li>• Optimize logistics operations to support long-term growth of store network</li> </ul>

Australia represents an additional platform to support Dollarama's long-term growth strategy

# Appendix



## Comparison between Australia and Canada

2024 figures	Australia	Canada
Population	~27.3 million <sup>1</sup>	~41.1 million <sup>1</sup>
Annual population growth	+1.3% (+350,000) <sup>1</sup>	+2.9% (+1.2 million) <sup>1</sup>
Annual migration level	+379,800 <sup>2</sup>	+483,395 <sup>3</sup>
Annual real GDP growth	+1.2% <sup>1</sup>	+1.3% <sup>1</sup>
GDP per capita (PPP adjusted)	~US\$69k <sup>1</sup>	~US\$63k <sup>1</sup>
Household disposable income per capita (PPP adjusted)	~US\$37k <sup>4</sup>	~US\$34k <sup>4</sup>

1. International Monetary Fund (IMF) annual estimates as at April 2024.

2. Refers to the annual increase in the year ending September 30, 2024 as per the Australian Bureau of Statistics.

3. Immigration, Refugees and Citizenship Canada as at December 2024.

4. Organisation for Economic Co-operation and Development as at March 2024.