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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of August, 2023

Commission File Number: 001-38027

CANADA GOOSE HOLDINGS INC.
(Translation of registrant's name into English)

100 Queen's Quay East, 22^{nd} Floor
Toronto, Ontario, Canada
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ______

EXHIBIT INDEX

Exhibits 99.1 and 99.2 to this report of a Foreign Private Issuer on Form 6-K are deemed filed for all purposes under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

Exhibit No.	Description
99.1	Consolidated Interim Financial Statements for the First Quarter Ended July 2, 2023
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the First Quarter Ended July 2, 2023
99.3	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
99.4	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
99.5	Press release of Canada Goose Holdings Inc., dated August 3, 2023

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Canada Goose Holdings Inc.

By:	*/s/ Jonathan Sinclair*
Name:	Jonathan Sinclair
Title:	Executive Vice President and Chief Financial Officer

Date: August 3, 2023

Canada Goose Holdings Inc.

Condensed Consolidated Interim Financial Statements

As at and for the first quarter ended

July 2, 2023 and July 3, 2022

(Unaudited)

Condensed Consolidated Interim Statements of Loss
(unaudited)
(in millions of Canadian dollars, except per share amounts)

	Notes	First quarter ended July 2, 2023	First quarter ended July 3, 2022
			Reclassified
		$	**$**
Revenue	3	84.8	69.9
Cost of sales	6	29.6	27.2
Gross profit		55.2	42.7
Selling, general & administrative expenses		154.9	124.9
Operating loss		(99.7)	(82.2)
Net interest, finance and other costs	10	14.5	5.9
Loss before income taxes		(114.2)	(88.1)
Income tax recovery		(29.2)	(24.5)
Net loss		(85.0)	(63.6)
Attributable to:			
Shareholders of the Company		(81.1)	(62.4)
Non-controlling interest		(3.9)	(1.2)
Net loss		(85.0)	(63.6)
Loss per share attributable to shareholders of the Company			
Basic and diluted	4	$ (0.78)	$ (0.59)

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these financial statements.

Condensed Consolidated Interim Statements of Comprehensive Loss
(unaudited)
(in millions of Canadian dollars, except per share amounts)

		First quarter ended	
	Notes	**July 2, 2023**	**July 3, 2022**
		$	**$**
Net loss		(85.0)	(63.6)
Other comprehensive income (loss)			
Items that may be reclassified to earnings, net of tax:			
Cumulative translation adjustment loss		(2.4)	(8.1)
Net gain on derivatives designated as cash flow hedges	15	9.8	1.3
Reclassification of net (gain) loss on cash flow hedges to income	15	(0.5)	1.6
Other comprehensive income (loss)		6.9	(5.2)
Comprehensive loss		(78.1)	(68.8)
Attributable to:			
Shareholders of the Company		(73.8)	(67.5)
Non-controlling interest		(4.3)	(1.3)
Comprehensive loss		(78.1)	(68.8)

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these financial statements.

Condensed Consolidated Interim Statements of Financial Position (unaudited)
(in millions of Canadian dollars)

	Notes	July 2, 2023	July 3, 2022	April 2, 2023
Assets		$	$	$
Current assets				
Cash		48.0	81.8	286.5
Trade receivables	5	50.9	48.2	50.9
Inventories	6	522.1	504.7	472.6
Income taxes receivable		6.6	4.8	0.9
Other current assets	14	76.9	52.4	52.3
Total current assets		704.5	691.9	863.2
Deferred income taxes		92.5	73.9	67.5
Property, plant and equipment		172.0	110.5	156.0
Intangible assets		133.1	134.7	135.1
Right-of-use assets	7	281.3	253.2	291.8
Goodwill		62.8	64.7	63.9
Other long-term assets	14	12.3	17.8	12.5
Total assets		1,458.5	1,346.7	1,590.0
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	8, 14	178.6	165.6	195.6
Provisions	9	16.3	16.2	21.6
Income taxes payable		9.6	13.2	31.5
Short-term borrowings	10	48.4	30.8	27.6
Current portion of lease liabilities	7	75.3	59.9	76.1
Total current liabilities		328.2	285.7	352.4
Provisions	9	34.2	30.2	36.5
Deferred income taxes		12.3	18.3	16.4
Term loan	10	383.0	377.1	391.6
Lease liabilities	7	252.6	230.6	258.7
Other long-term liabilities	14	62.6	52.9	56.9
Total liabilities		1,072.9	994.8	1,112.5
Equity	11			
Equity attributable to shareholders of the Company		381.9	342.4	469.5
Non-controlling interests		3.7	9.5	8.0
Total equity		385.6	351.9	477.5
Total liabilities and equity		1,458.5	1,346.7	1,590.0

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these financial statements.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

(in millions of Canadian dollars)

		Share capital			Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total attributable to shareholders	Non-controlling interest	Total
	Notes	Multiple voting shares	Subordinate voting shares	Total						
		$	$	$	$	$	$	$	$	$
Balance at April 2, 2023		1.4	117.3	118.7	28.5	316.5	5.8	469.5	8.0	477.5
Normal course issuer bid purchase of subordinate voting shares	11	—	(2.6)	(2.6)	—	(23.7)	—	(26.3)	—	(26.3)
Liability to broker under automatic share purchase plan	11	—	—	—	10.0	—	—	10.0	—	10.0
Issuance of shares	11	—	3.8	3.8	(3.8)	—	—	—	—	—
Net loss		—	—	—	—	(81.1)	—	(81.1)	(3.9)	(85.0)
Other comprehensive income (loss)		—	—	—	—	—	7.3	7.3	(0.4)	6.9
Share-based payment	12	—	—	—	2.5	—	—	2.5	—	2.5
Balance at July 2, 2023		1.4	118.5	119.9	37.2	211.7	13.1	381.9	3.7	385.6
Balance at April 3, 2022		1.4	117.1	118.5	36.2	290.4	(17.2)	427.9	—	427.9
Initial recognition of non-controlling interest on business combination		—	—	—	—	—	—	—	10.8	10.8
Put option for non-controlling interest		—	—	—	—	(20.7)	—	(20.7)	—	(20.7)
Issuance of shares	11	—	2.6	2.6	(2.6)	—	—	—	—	—
Net loss		—	—	—	—	(62.4)	—	(62.4)	(1.2)	(63.6)
Other comprehensive loss		—	—	—	—	—	(5.1)	(5.1)	(0.1)	(5.2)
Share-based payment	12	—	—	—	2.7	—	—	2.7	—	2.7
Balance at July 3, 2022		1.4	119.7	121.1	36.3	207.3	(22.3)	342.4	9.5	351.9

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these financial statements.

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

(in millions of Canadian dollars)

	Notes	First quarter ended July 2, 2023	First quarter ended July 3, 2022
		$	$
Operating activities			
Net loss		(85.0)	(63.6)
Items not affecting cash:			
Depreciation and amortization		29.2	25.8
Income tax recovery		(29.2)	(24.5)
Interest expense	10	7.4	7.0
Foreign exchange (gain) loss		(4.7)	2.1
Gain on disposal of assets		(0.1)	—
Share-based payment	12	2.5	2.7
Remeasurement of put option	14	8.1	—
Remeasurement of contingent consideration	14	(1.0)	—
		(72.8)	(50.5)
Changes in non-cash operating items	16	(98.9)	(123.5)
Income taxes paid		(30.1)	(16.2)
Interest paid		(7.5)	(6.7)
Net cash used in operating activities		(209.3)	(196.9)
Investing activities			
Purchase of property, plant and equipment		(5.2)	(2.5)
Investment in intangible assets		(0.2)	(1.1)
Initial direct costs of right-of-use assets	7	(0.3)	(0.1)
Net cash inflow from business combination		—	2.8
Net cash used in investing activities		(5.7)	(0.9)
Financing activities			
Mainland China Facilities borrowings	10	12.6	4.6
Japan Facility borrowings	10	8.3	3.9
Term loan repayments	10	(1.0)	(1.0)
Subordinate voting shares purchased and cancelled under NCIB	11	(27.5)	—
Principal payments on lease liabilities	7	(13.4)	(13.8)
Net cash used in financing activities		(21.0)	(6.3)
Effects of foreign currency exchange rate changes on cash		(2.5)	(1.8)
Decrease in cash		(238.5)	(205.9)
Cash, beginning of period		286.5	287.7
Cash, end of period		48.0	81.8

The accompanying notes to the condensed consolidated interim financial statements are an integral part of these financial statements.

Note 1. The Company

Organization

Canada Goose Holdings Inc. and its subsidiaries (the “Company”) design, manufacture, and sell performance luxury apparel for men, women, youth, children, and babies. The Company’s product offerings include various styles of parkas, lightweight down jackets, rainwear, windwear, apparel, fleece, footwear, and accessories for the fall, winter, and spring seasons. The Company’s head office is located at 100 Queens Quay East, Toronto, Canada, M5E 1V3. The use of the terms “Canada Goose”, “we”, and “our” throughout these notes to the condensed consolidated interim financial statements ("Interim Financial Statements") refer to the Company.

Canada Goose is a public company listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol “GOOS”. The principal shareholders of the Company are investment funds advised by Bain Capital LP and its affiliates (“Bain Capital”), and DTR LLC ("DTR"), an entity indirectly controlled by the Chairman and Chief Executive Officer of the Company. The principal shareholders hold multiple voting shares representing 49.4% of the total shares outstanding as at July 2, 2023, or 90.7% of the combined voting power of the total voting shares outstanding. Subordinate voting shares that trade on public markets represent 50.6% of the total shares outstanding as at July 2, 2023, or 9.3% of the combined voting power of the total voting shares outstanding.

Statement of compliance

The Interim Financial Statements are prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Certain information, which is considered material to the understanding of the Interim Financial Statements and is normally included in the audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB, is not provided in these notes. These Interim Financial Statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended April 2, 2023.

The Interim Financial Statements were authorized for issuance in accordance with a resolution of the Company’s Board of Directors on August 2, 2023.

Fiscal year

The Company's fiscal year is a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks for a 52-week fiscal year. Fiscal 2024 is a 52-week fiscal year.

Operating segments

The Company classifies its business in three operating and reportable segments: Direct-to-Consumer ("DTC"), Wholesale, and Other. The DTC segment comprises sales through country-specific e-Commerce platforms available across numerous markets, which includes the newly launched recommerce platform Canada Goose Generations, and our Company-owned retail stores located in luxury shopping locations.

The Wholesale segment comprises sales made to a mix of retailers and international distributors, who are partners that have exclusive rights to an entire market.

The Other segment comprises sales and costs that do not occur through the DTC or Wholesale segments, such as sales to employees, friends and family sales, and selling, general, and administrative (“SG&A”) expenses. The Other segment includes the cost of marketing expenditures to build brand awareness across all segments, management overhead costs in support of manufacturing operations, other corporate costs, and foreign exchange gains and losses not specifically associated with DTC or Wholesale segment operations.

Seasonality

Our business is seasonal, and we have historically realized a significant portion of our Wholesale revenue and operating income in the second and third quarters of the fiscal year and DTC revenue and operating income in the third and fourth quarters of the fiscal year. Thus, lower-than-expected revenue in these periods could have an adverse impact on our annual operating results.

Cash flows from operating activities are typically highest in the third and fourth quarters of the fiscal year due to revenue from the DTC segment and the collection of trade receivables from Wholesale revenue earlier in the year. Working capital requirements typically increase as inventory builds. Borrowings have historically increased in the first and second quarters and been repaid in the third quarter of the fiscal year.

Note 2. Material accounting policy information and critical accounting estimates and judgments

Basis of presentation

The accounting policies and critical accounting estimates and judgments as disclosed in the Company's audited annual financial statements for the year ended April 2, 2023 have been applied consistently in the preparation of these Interim Financial Statements except as noted below. The Interim Financial Statements are presented in Canadian dollars, the Company’s functional and presentation currency.

Certain comparative figures have been reclassified to conform with the current year presentation, where foreign exchange gains and losses related to the outstanding principal balance on the term loan, net of hedging, are reflected in the presentation of net interest, finance and other costs as outlined below (see *"Note 10. Borrowings"*); previously this was presented in SG&A expenses. This change was made to present all financing costs related to the term loan within the same financial statement caption in the consolidated interim statements of loss. This reclassification did not impact net loss, loss per share, or the consolidated interim statement of financial position in the comparative quarter.

Principles of consolidation

The Interim Financial Statements include the accounts of the Company and its subsidiaries and those investments over which the Company has control. All intercompany transactions and balances have been eliminated.

Standards issued and not yet adopted

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations is provided below.

In January 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. These amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company is assessing the potential impact of the amendment.

Standards issued and adopted

In February 2021, the IASB issued narrow-scope amendments to IAS 1, *Presentation of Financial Statements*, IFRS Practice Statement 2, *Making Materiality Judgements* and IAS 8, *Accounting Polices, Changes in Accounting Estimates and Errors*. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarified how to distinguish changes in accounting policies from changes in accounting estimates. Beginning April 3, 2023, the Company adopted the amendments. The adoption of the amendments did not have a material impact on the Interim Financial Statements.

In May 2023, the IASB issued International Tax Reform, Pillar Two Model Rules, Amendments to IAS 12, *Income Taxes* (the "Amendments"). The Amendments provide the Company with an exception from recognition and disclosure requirements for deferred tax assets and liabilities arising from the Organization for Economic Co-operation and Development ("OECD") Pillar Two international tax reform. Upon issuance of the Amendments, the temporary exception has been adopted by the Company as at July 2, 2023. The disclosure requirements for current tax expense and the disclosures for enacted legislation but not yet effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

Note 3. Segment information

The Company has three reportable operating segments: DTC, Wholesale, and Other. The Company measures each reportable operating segment's performance based on revenue and segment operating (loss) income, which is the profit metric utilized by the Company's chief operating decision maker, the Chairman and Chief Executive Officer, for assessing the performance of operating segments. Our operating segments are not reliant on any single external customer.

The Company does not report total assets or total liabilities based on its reportable operating segments.

				First quarter ended July 2, 2023
(in millions of Canadian dollars)	**DTC**	**Wholesale**	**Other**	**Total**
	$	**$**	**$**	**$**
Revenue	55.8	27.1	1.9	84.8
Cost of sales	15.0	13.3	1.3	29.6
Gross profit	40.8	13.8	0.6	55.2
SG&A expenses	54.8	14.1	86.0	154.9
Operating loss	(14.0)	(0.3)	(85.4)	(99.7)
Net interest, finance and other costs				14.5
Loss before income taxes				(114.2)

				First quarter ended July 3, 2022
(in millions of Canadian dollars)	**DTC**	**Wholesale**	**Other**	**Total**
	$	**$**	**$**	**$**
Revenue	34.8	33.2	1.9	69.9
Cost of sales	9.5	16.4	1.3	27.2
Gross profit	25.3	16.8	0.6	42.7
SG&A expenses (reclassified)	42.0	11.2	71.7	124.9
Operating (loss) income (reclassified)	(16.7)	5.6	(71.1)	(82.2)
Net interest, finance and other costs (reclassified)				5.9
Loss before income taxes				(88.1)

Geographic information

The Company determines the geographic location of revenue based on the location of its customers.

	First quarter ended	
(in millions of Canadian dollars)	**July 2, 2023**	**July 3, 2022**
	$	**$**
Canada	23.5	17.9
United States	18.1	15.7
North America	41.6	33.6
Asia Pacific	24.5	16.1
EMEA[1]	18.7	20.2
Revenue	84.8	69.9

1 EMEA comprises Europe, the Middle East, Africa, and Latin America.

Note 4. Earnings per share

The following table presents details for the calculation of basic and diluted earnings per share:

	First quarter ended	
(in millions of Canadian dollars, except share and per share amounts)	**July 2, 2023**	**July 3, 2022**
Net loss attributable to shareholders of the Company	$ (81.1)	$ (62.4)
Weighted average number of multiple and subordinate voting shares outstanding[1]	103,710,762	105,234,474
Loss per share attributable to shareholders of the Company		
Basic and diluted	$ (0.78)	$ (0.59)

1 Subordinate voting shares issuable on exercise of stock options are not treated as dilutive if including them would decrease the loss per share. Accordingly, 788,450 potentially dilutive shares have been excluded from the calculation of diluted loss per share for the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - 561,537 shares).

Note 5. Trade receivables

(in millions of Canadian dollars)	**July 2, 2023**	**July 3, 2022**	**April 2, 2023**
	$	**$**	**$**
Trade accounts receivable	38.0	25.3	30.4
Credit card receivables	2.1	2.0	2.5
Other receivables	11.8	21.7	19.5
	51.9	49.0	52.4
Less: expected credit loss and sales allowances	(1.0)	(0.8)	(1.5)
Trade receivables	50.9	48.2	50.9

Note 6. Inventories

(in millions of Canadian dollars)	July 2, 2023	July 3, 2022	April 2, 2023
	$	$	$
Raw materials	52.5	75.7	60.3
Work in progress	19.2	15.9	17.5
Finished goods	450.4	413.1	394.8
Total inventories at the lower of cost and net realizable value	522.1	504.7	472.6

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining rate of sale.

As at July 2, 2023, the provision for obsolescence amounted to $42.5m (July 3, 2022 - $26.9m, April 2, 2023 - $43.2m). The breakdown is presented as follows:

(in millions of Canadian dollars)	July 2, 2023	July 3, 2022	April 2, 2023
	$	$	$
Raw material shrink reserves	0.2	—	0.2
Finished goods shrink reserves	0.9	0.7	0.4
Raw material obsolete inventory reserves	19.0	7.3	20.5
Finished goods obsolete inventory reserves	22.4	18.9	22.1
Provision for obsolescence	42.5	26.9	43.2

Amounts charged to cost of sales comprise the following:

	First quarter ended	
(in millions of Canadian dollars)	July 2, 2023	July 3, 2022
	$	$
Cost of goods manufactured	27.0	24.8
Depreciation and amortization	2.6	2.4
	29.6	27.2

Note 7. Leases

Right-of-use assets

The following table presents changes in the cost and the accumulated depreciation of the Company's right-of-use assets:

(in millions of Canadian dollars)	Retail stores	Manufacturing facilities	Other	Total
Cost	**$**	**$**	**$**	**$**
April 2, 2023	396.7	44.9	58.4	500.0
Additions	8.1	—	0.5	8.6
Lease modifications	4.5	—	—	4.5
Derecognition on termination	(4.0)	—	—	(4.0)
Impact of foreign currency translation	(9.4)	—	(0.8)	(10.2)
July 2, 2023	395.9	44.9	58.1	498.9
April 3, 2022	296.3	36.7	17.4	350.4
Additions	15.9	—	34.6	50.5
Additions from business combinations	1.5	—	1.8	3.3
Lease modifications	0.2	—	—	0.2
Impact of foreign currency translation	(1.1)	—	0.1	(1.0)
July 3, 2022	312.8	36.7	53.9	403.4

(in millions of Canadian dollars)	Retail stores	Manufacturing facilities	Other	Total
Accumulated depreciation	**$**	**$**	**$**	**$**
April 2, 2023	171.1	20.6	16.5	208.2
Depreciation	15.1	1.5	1.4	18.0
Derecognition on termination	(4.0)	—	—	(4.0)
Impact of foreign currency translation	(4.3)	—	(0.3)	(4.6)
July 2, 2023	177.9	22.1	17.6	217.6
April 3, 2022	110.1	15.2	9.9	135.2
Depreciation	12.6	1.3	1.8	15.7
Impact of foreign currency translation	(0.6)	—	(0.1)	(0.7)
July 3, 2022	122.1	16.5	11.6	150.2
Net book value				
July 2, 2023	218.0	22.8	40.5	281.3
July 3, 2022	190.7	20.2	42.3	253.2
April 2, 2023	225.6	24.3	41.9	291.8

Lease liabilities

The following table presents the changes in the Company's lease liabilities:

(in millions of Canadian dollars)	Retail stores	Manufacturing facilities	Other	Total
	$	$	$	$
April 2, 2023	259.2	27.7	47.9	334.8
Additions	8.1	—	0.2	8.3
Lease modifications	4.5	—	—	4.5
Principal payments	(13.5)	(1.3)	1.4	(13.4)
Impact of foreign currency translation	(5.8)	—	(0.5)	(6.3)
July 2, 2023	252.5	26.4	49.0	327.9
April 3, 2022	217.2	24.8	8.7	250.7
Additions	15.9	—	34.6	50.5
Additions from business combinations	1.5	—	1.7	3.2
Lease modifications	0.2	—	—	0.2
Principal payments	(11.8)	(1.3)	(0.7)	(13.8)
Impact of foreign currency translation	(0.4)	—	0.1	(0.3)
July 3, 2022	222.6	23.5	44.4	290.5

Lease liabilities are classified as current and non-current liabilities as follows:

(in millions of Canadian dollars)	Retail stores	Manufacturing facilities	Other	Total
	$	$	$	$
Current lease liabilities	63.5	6.0	5.8	75.3
Non-current lease liabilities	189.0	20.4	43.2	252.6
July 2, 2023	252.5	26.4	49.0	327.9
Current lease liabilities	50.8	5.8	3.3	59.9
Non-current lease liabilities	171.8	17.7	41.1	230.6
July 3, 2022	222.6	23.5	44.4	290.5
Current lease liabilities	64.7	6.1	5.3	76.1
Non-current lease liabilities	194.5	21.6	42.6	258.7
April 2, 2023	259.2	27.7	47.9	334.8

For the first quarter ended July 2, 2023, $2.8m of lease payments were not included in the measurement of lease liabilities (first quarter ended July 3, 2022 - $0.6m). The majority of this balance related to short-term leases and variable rent payments, net of rent concessions, which are expensed as incurred.

Note 8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

(in millions of Canadian dollars)	July 2, 2023	July 3, 2022	April 2, 2023
	$	$	$
Trade payables	44.5	47.4	60.1
Accrued liabilities	86.2	73.9	82.4
Employee benefits	26.8	26.8	21.9
Derivative financial instruments	9.0	13.7	3.3
ASPP liability (note 11)	10.0	—	20.0
Other payables	2.1	3.8	7.9
Accounts payable and accrued liabilities	178.6	165.6	195.6

Note 9. Provisions

Provisions are classified as current and non-current liabilities based on management's expectations of the timing of settlement, as follows:

(in millions of Canadian dollars)	Warranty	Sales returns	Asset retirement obligations	Total
	$	$	$	$
Current provisions	7.4	8.9	—	16.3
Non-current provisions	21.4	—	12.8	34.2
July 2, 2023	28.8	8.9	12.8	50.5
Current provisions	5.9	10.3	—	16.2
Non-current provisions	22.1	—	8.1	30.2
July 3, 2022	28.0	10.3	8.1	46.4
Current provisions	6.0	15.6	—	21.6
Non-current provisions	24.4	—	12.1	36.5
April 2, 2023	30.4	15.6	12.1	58.1

Note 10. Borrowings

Amendments to borrowings

Effective June 30, 2023, LIBOR rates are no longer published for U.S Dollars. As a result, the Company transitioned facilities and contracts denominated in U.S dollars applying LIBOR to the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York (“SOFR”). The Company entered into further amendments for the revolving credit facility, the term loan and the interest rate swaps to transition to SOFR. In connection with the amendment, the Company also extended the maturity of the revolving credit facility to May 15, 2028 and incurred transaction costs of $0.7m, on the extension of the revolving credit facility, which are being amortized using the effective interest rate method over the new term to maturity.

See *"Note 15. Financial risk management objectives and policies"* for more details on the amendments to the interest rate swaps.

Revolving credit facility

The Company has an agreement with a syndicate of lenders for a senior secured asset-based revolving credit facility in the amount of $467.5m, with an increase in commitments to $517.5m during the peak season (June 1 - November 30). The revolving credit facility matures on May 15, 2028. Amounts owing under the revolving credit facility may be borrowed, repaid and re-borrowed for general corporate purposes. The Company has pledged substantially all of its assets as collateral for the revolving credit facility. The revolving credit facility contains financial and non-financial covenants which could impact the Company's ability to draw funds.

The revolving credit facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, SOFR rate, or EURIBOR rate plus an applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier).

As at July 2, 2023, the Company had repaid all amounts owing on the revolving credit facility (July 3, 2022 - $nil, April 2, 2023 - $nil). As at July 2, 2023, no interest and administrative fees (July 3, 2022 - $0.5m, April 2, 2023 - $nil) remain outstanding. Deferred financing charges in the amounts of $1.1m (July 3, 2022 - $0.8m, April 2, 2023 - $0.5m) were included in other long-term liabilities. As at and during the first quarter ended July 2, 2023, the Company was in compliance with all covenants.

The Company had unused borrowing capacity available under the revolving credit facility of $402.9m as at July 2, 2023 (July 3, 2022 - $358.3m, April 2, 2023 - $238.4m).

The revolving credit commitment also includes a letter of credit commitment in the amount of $25.0m, with a $5.0m sub-commitment for letters of credit issued in a currency other than Canadian dollars, U.S. dollars, euros or British pounds sterling, and a swingline commitment for $25.0m. As at July 2, 2023, the Company had letters of credit outstanding under the revolving credit facility of $1.8m (July 3, 2022 - $4.6m, April 2, 2023 - $1.8m).

Term loan

The Company has a senior secured loan agreement with a syndicate of lenders that is secured on a split collateral basis alongside the revolving credit facility. The facility has an aggregate principal amount of USD300.0m, with quarterly repayments of USD0.75m on the principal amount and a maturity date of October 7, 2027. Moreover, the term loan has an interest rate of SOFR plus a term SOFR adjustment of 0.11448% with an applicable margin of 3.50% payable monthly in arrears. SOFR plus the term SOFR adjustment may not be less than 0.75%.

Voluntary prepayments of amounts owing under the term loan may be made at any time without premium or penalty but once repaid may not be reborrowed. As at July 2, 2023, the Company had USD292.5m (July 3, 2022 - USD295.5m, April 2, 2023 - USD293.3m) aggregate principal amount outstanding under the term loan. The Company has pledged substantially all of its assets as collateral for the term loan. The term loan contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the first quarter ended July 2, 2023, the Company was in compliance with all covenants.

As the term loan is denominated in U.S. dollars, the Company remeasures the outstanding balance plus accrued interest at each balance sheet date.

The amount outstanding with respect to the term loan is as follows:

(in millions of Canadian dollars)	**July 2, 2023**	**July 3, 2022**	**April 2, 2023**
	$	**$**	**$**
Term loan	387.6	380.7	396.3
Unamortized portion of deferred transaction costs	(0.6)	(0.7)	(0.6)
	387.0	380.0	395.7

Mainland China Facilities

A subsidiary of the Company in Mainland China has two uncommitted loan facilities in the aggregate amount of RMB310.0m ($56.6m) ("Mainland China Facilities"). The term of each draw on the loans is one, three or six months or such other period as agreed upon and shall not exceed twelve months (including any extension or rollover). The interest rate on each facility is equal to the loan prime rate of 1 year, minus a marginal rate between 0.35% and 0.55%, and payable at one, three or six months, depending on the term of each draw. Proceeds drawn on the Mainland China Facilities are being used to support working capital requirements and build up of inventory for peak season sales. As at July 2, 2023, the Company had $22.4m (RMB122.3m) owing on the Mainland China Facilities (July 3, 2022 - $4.6m (RMB24.0m), April 2, 2023 - $9.8m (RMB50.0m)).

Japan Facility

A subsidiary of the Company in Japan has a loan facility in the aggregate amount of JPY4,000.0m ($36.7m) ("Japan Facility") with a floating interest rate of JBA TIBOR plus an applicable margin of 0.3%. The term of the facility is twelve months and each draw on the facility is payable within the term. Proceeds drawn on the Japan Facility are being used to support build up of inventory for peak season sales. As at July 2, 2023, the Company had $22.0m (JPY2,400.0m) owing on the Japan Facility (July 3, 2022 - $23.3m (JPY2,450.0m), April 2, 2023 - $13.7m (JPY1,350.0m)).

Short-term Borrowings

As at July 2, 2023, the Company has short-term borrowings in the amount of $48.4m. Short-term borrowings include $22.4m (July 3, 2022 - $4.6m, April 2, 2023 - $9.8m) owing on the Mainland China Facilities, $22.0m (July 3, 2022 - $23.3m, April 2, 2023 - $13.7m) owing on the Japan Facility, and $4.0m (July 3, 2022 - $2.9m, April 2, 2023- $4.1m) for the current portion of the quarterly principal repayments on the term loan. Short-term borrowings are all due within the next 12 months.

Net interest, finance and other costs consist of the following:

(in millions of Canadian dollars)	First quarter ended July 2, 2023	First quarter ended July 3, 2022
		Reclassified
	$	$
Interest expense		
Mainland China Facilities	0.1	—
Japan Facility[1]	—	—
Revolving credit facility	0.1	0.1
Term loan	5.0	4.3
Lease liabilities	4.6	2.6
Standby fees	0.3	0.4
Foreign exchange gains on term loan net of hedges	(2.2)	(1.5)
Fair value remeasurement on the put option liability (note 14)	8.1	—
Fair value remeasurement on the contingent consideration (note 14)	(1.0)	—
Interest income	(0.7)	(0.1)
Other costs	0.2	0.1
Net interest, finance and other costs	14.5	5.9

1 The net interest expense for the Japan Facility is less than $0.1m for the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - less than $0.1m).

Note 11. Shareholders' equity

Share capital transactions for the first quarter ended July 2, 2023

Normal course issuer bid

The Board of Directors has authorized the Company to initiate a normal course issuer bid ("NCIB"), in accordance with the requirements of the Toronto Stock Exchange, to purchase up to 5,421,685 subordinate voting shares over the 12-month period from November 22, 2022 to November 21, 2023. Purchased subordinate voting shares will be cancelled.

In connection with the NCIB, the Company also entered an automatic share purchase plan (“ASPP”) under which a designated broker may purchase subordinate voting shares under the NCIB during the regularly scheduled quarterly trading blackout periods of the Company. The repurchases made under the ASPP will be made in accordance with certain purchasing parameters and will continue until the earlier of the date in which the Company has acquired the maximum limit of subordinate voting shares pursuant to the ASPP or upon the date of expiry of the NCIB.

During the first quarter ended July 2, 2023, the Company purchased 1,156,959 subordinate voting shares for cancellation for total cash consideration of $26.3m. The amount to purchase the subordinate voting shares was charged to share capital, with the remaining $23.7m charged to retained earnings. Of the 1,156,959 subordinate voting shares purchased, 250,100 were purchased under the ASPP for total cash consideration of $6.2m. In addition, subordinate voting shares held for cancellation as at April 2, 2023 valued at $1.2m were settled in the first quarter ended July 2, 2023. Since the commencement of the NCIB in fiscal 2023, the Company purchased 2,309,761 subordinate voting shares for cancellation for total cash consideration of $54.2m.

A liability representing the maximum amount that the Company could be required to pay the designated broker under the ASPP was $10.0m as at first quarter ended July 2, 2023. The amount was charged to contributed surplus. Subsequent to the first quarter ended July 2, 2023, the Company purchased an additional 422,544 subordinate voting shares for cancellation for total cash consideration of $10.0m under the ASPP. As at the filing date of this report, the remaining liability to the designated broker is $nil.

The transactions affecting the issued and outstanding share capital of the Company are described below:

(in millions of Canadian dollars, except share amounts)	**Multiple voting shares**		**Subordinate voting shares**		**Total**	
	Number	**$**	**Number**	**$**	**Number**	**$**
April 2, 2023	51,004,076	1.4	53,184,912	117.3	104,188,988	118.7
Purchase of subordinate voting shares	—	—	(1,156,959)	(2.6)	(1,156,959)	(2.6)
Total share purchases	—	—	(1,156,959)	(2.6)	(1,156,959)	(2.6)
Exercise of stock options	—	—	—	—	—	—
Settlement of RSUs	—	—	133,659	3.8	133,659	3.8
Total share issuances	—	—	133,659	3.8	133,659	3.8
July 2, 2023	51,004,076	1.4	52,161,612	118.5	103,165,688	119.9

Share capital transactions for the first quarter ended July 3, 2022

The transactions affecting the issued and outstanding share capital of the Company are described below:

(in millions of Canadian dollars, except share amounts)	**Multiple voting shares**		**Subordinate voting shares**		**Total**	
	Number	**$**	**Number**	**$**	**Number**	**$**
April 3, 2022	51,004,076	1.4	54,190,432	117.1	105,194,508	118.5
Exercise of stock options	—	—	55,248	—	55,248	—
Settlement of RSUs	—	—	84,219	2.6	84,219	2.6
Total share issuances	—	—	139,467	2.6	139,467	2.6
July 3, 2022	51,004,076	1.4	54,329,899	119.7	105,333,975	121.1

Note 12. Share-based payments

Stock options

The Company issued stock options to purchase subordinate voting shares under its incentive plans, prior to the public share offering on March 21, 2017, the Legacy Plan, and subsequently, the Omnibus Plan. All options are issued at an exercise price that is not less than market value at the time of grant and expire ten years after the grant date.

Stock option transactions are as follows:

	First quarter ended					
	July 2, 2023			July 3, 2022		
(in millions of Canadian dollars, except share and per share amounts)		Weighted average exercise price	Number of shares		Weighted average exercise price	Number of shares
Options outstanding, beginning of period	$	36.58	4,055,199	$	42.99	2,722,690
Granted to purchase shares	$	22.24	752,811	$	24.64	1,568,221
Exercised	$	—	—	$	0.25	(55,248)
Cancelled	$	26.97	(91,884)	$	40.01	(26,572)
Options outstanding, end of period	$	34.48	4,716,126	$	36.73	4,209,091

Restricted share units

Under the Omnibus Plan, the Company has granted RSUs to employees of the Company. The RSUs are treated as equity instruments for accounting purposes. We expect that vested RSUs will be paid at settlement through the issuance of one subordinate voting share per RSU. The RSUs vest over a period of three years, a third on each anniversary of the date of grant.

RSUs transactions are as follows:

	First quarter ended	
	July 2, 2023	July 3, 2022
	Number	Number
RSUs outstanding, beginning of period	318,082	215,590
Granted	374,656	207,820
Settled	(133,659)	(84,219)
Cancelled	(2,959)	(3,282)
RSUs outstanding, end of period	556,120	335,909

Performance share units

In May 2023, the Company implemented a Performance Share Unit ("PSU") program under the Omnibus Plan. A PSU represents the right to receive a subordinate voting share settled by the issuance of shares at the vesting date. PSUs vest on the third anniversary of the award date and are earned only if certain performance targets are achieved. Shares issued per PSU at the vesting date can decrease or increase if minimum or maximum performance targets are achieved ranging from 0% to 200% of the PSU award granted. The Company expects that vested PSUs will be paid at settlement through the issuance of one subordinate voting share per PSU. PSUs are treated as equity instruments for accounting purposes.

PSUs transactions are as follows:

	First quarter ended	
	July 2, 2023	**July 3, 2022**
	Number	**Number**
PSUs outstanding, beginning of period	—	—
Granted	395,577	—
PSUs outstanding, end of period	395,577	—

Shares reserved for issuance

As at July 2, 2023, subordinate voting shares, to a maximum of 5,203,716 shares, have been reserved for issuance under equity incentive plans to select employees of the Company, with vesting contingent upon meeting the service, performance goals and other conditions of the Omnibus Plan.

*Accounting for share-based award*s

For the first quarter ended July 2, 2023, the Company recorded $2.5m as contributed surplus and compensation expense for the vesting of stock options, RSUs and PSUs (first quarter ended July 3, 2022 - $2.7m). Share-based compensation expense is included in SG&A expenses.

The assumptions used to measure the fair value of options granted under the Black-Scholes option pricing model at the grant date were as follows:

	First quarter ended	
(in millions of Canadian dollars, except share and per share amounts)	**July 2, 2023**	**July 3, 2022**
Weighted average stock price valuation	$ 22.24	$ 24.64
Weighted average exercise price	$ 22.24	$ 24.64
Risk-free interest rate	4.11 %	2.51 %
Expected life in years	5	5
Expected dividend yield	— %	— %
Volatility	40 %	40 %
Weighted average fair value of options issued	$ 7.51	$ 7.86

RSU and PSU fair values are determined based on the market value of the subordinate voting shares at the time of grant. As at July 2, 2023, the weighted average fair value of RSUs was

$22.24 (July 3, 2022 - $24.64). As at July 2, 2023, the weighted average fair value of PSUs was $22.24.

Note 13. Related party transactions

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of the Board of Directors by incurring expenses for business services. During the first quarter ended July 2, 2023, the Company incurred expenses with related parties of $0.3m (first quarter ended July 3, 2022 - $0.3m) from companies related to certain shareholders. Balances owing to related parties as at July 2, 2023 were $0.4m (July 3, 2022 - $0.3m, April 2, 2023 - $0.4m).

A lease liability due to the controlling shareholder of the acquired Baffin Inc. business (the "Baffin Vendor") for leased premises was $2.9m as at July 2, 2023 (July 3, 2022 - $3.6m, April 2, 2023 - $3.1m). During the first quarter ended July 2, 2023, the Company paid principal and interest on the lease liability, net of rent concessions, and other operating costs to entities affiliated with the Baffin Vendor totalling $0.4m (first quarter ended July 3, 2022 - $0.4m). No amounts were owing to Baffin entities as at July 2, 2023, July 3, 2022, and April 2, 2023 .

The joint venture between the Company and Sazaby League ("Japan Joint Venture"), has lease liabilities due to the non-controlling shareholder, Sazaby League for leased premises. Lease liabilities were $2.4m as at July 2, 2023 (July 3, 2022 - $2.8m, April 2, 2023 - $2.7m). During the first quarter ended July 2, 2023, the Company incurred principal and interest on lease liabilities, royalty fees, and other operating costs to Sazaby League totalling $1.1m (first quarter ended July 3, 2022 - $1.4m). Balances owing to Sazaby League as at July 2, 2023 were $0.2m (July 3, 2022 - $0.2m, April 2, 2023 - $0.2m).

During the first quarter ended July 2, 2023, the Japan Joint Venture sold inventory of less than $0.1m to companies wholly owned by Sazaby League (first quarter ended July 3, 2022 - $nil). As at July 2, 2023, the Japan Joint Venture recognized a trade receivable of less than $0.1m from these companies (July 3, 2022 - $nil, April 2, 2023 - $0.1m).

Note 14. Financial instruments and fair value

The following table presents the fair values and fair value hierarchy of the Company's financial instruments and excludes financial instruments carried at amortized cost that are short-term in nature:

					July 2, 2023
(in millions of Canadian dollars)	**Level 1**	**Level 2**	**Level 3**	**Carrying value**	**Fair value**
	$	**$**	**$**	**$**	**$**
Financial assets					
Derivatives included in other current assets	—	32.4	—	32.4	32.4
Derivatives included in other long-term assets	—	12.2	—	12.2	12.2
Financial liabilities					
Derivatives included in accounts payable and accrued liabilities	—	9.0	—	9.0	9.0
Mainland China Facilities	—	22.4	—	22.4	22.4
Japan Facility	—	22.0	—	22.0	22.0
Term loan	—	387.0	—	387.0	424.0
Derivatives included in other long-term liabilities	—	10.2	—	10.2	10.2
Put option liability included in other long-term liabilities	—	—	37.1	37.1	37.1
Contingent consideration included in other long-term liabilities	—	—	14.2	14.2	14.2

					July 3, 2022
(in millions of Canadian dollars)	**Level 1**	**Level 2**	**Level 3**	**Carrying value**	**Fair value**
	$	**$**	**$**	**$**	**$**
Financial assets					
Derivatives included in other current assets	—	17.1	—	17.1	17.1
Derivatives included in other long-term assets	—	17.7	—	17.7	17.7
Financial liabilities					
Derivatives included in accounts payable and accrued liabilities	—	13.7	—	13.7	13.7
Mainland China Facilities	—	—	4.6	4.6	4.6
Japan Facility	—	23.3	—	23.3	23.3
Term loan	—	380.0	—	380.0	404.9
Derivatives included in other long-term liabilities	—	10.5	—	10.5	10.5
Put option liability included in other long-term liabilities	—	—	20.7	20.7	20.7
Contingent consideration included in other long-term liabilities	—	—	19.5	19.5	19.5

					April 2, 2023
(in millions of Canadian dollars)	Level 1	Level 2	Level 3	Carrying value	Fair value
	$	$	$	$	$
Financial assets					
Derivatives included in other current assets	—	12.4	—	12.4	12.4
Derivatives included in other long-term assets	—	12.4	—	12.4	12.4
Financial liabilities					
Derivatives included in accounts payable and accrued liabilities	—	3.3	—	3.3	3.3
Mainland China Facilities	—	—	9.8	9.8	9.8
Japan Facility	—	13.7	—	13.7	13.7
Term loan	—	395.7	—	395.7	433.1
Derivatives included in other long-term liabilities	—	6.0	—	6.0	6.0
Put option liability included in other long-term liabilities	—	—	32.1	32.1	32.1
Contingent consideration included in other long-term liabilities	—	—	16.8	16.8	16.8

In connection with the Japan Joint Venture, for the first quarter ended July 2, 2023, the Company recorded a decrease of JPY110.2m ($2.6m, excluding translation losses of $1.6m) on the remeasurement of the contingent consideration. The Company recorded an increase of JPY885.5m ($5.0m, excluding translation losses of $3.1m) on the remeasurement of the put option liability during the first quarter ended July 2, 2023. The change in fair values of the contingent consideration and put option liability were driven by progression through the original 4-year and 10-year terms, respectively, with no other significant change in assumptions since year-end. No remeasurement of the contingent consideration or put option liability were recognized in the first quarter ended July 3, 2022.

Note 15. Financial risk management objectives and policies

The Company's primary risk management objective is to protect the Company's assets and cash flow, in order to increase the Company's enterprise value.

The Company is exposed to capital management risk, liquidity risk, credit risk, market risk, foreign exchange risk, and interest rate risk. The Company's senior management and Board of Directors oversee the management of these risks. The Board of Directors reviews and agrees upon policies for managing each of these risks which are summarized below.

Capital management

The Company manages its capital and capital structure with the objectives of safeguarding sufficient net working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. The Board of Directors of the Company monitors the Company's capital management on a regular basis. The Company will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to satisfy the requirements for business operations, capital expenditures, debt service and general corporate purposes, under normal and stressed conditions. The primary source of liquidity is funds generated by operating activities; the Company also relies on the Mainland China Facilities, the Japan Facility and revolving credit facility as sources of funds for short term working capital needs. The Company continuously reviews both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements as at July 2, 2023:

Contractual obligations by fiscal year	**Q2 to Q4 2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Total**
(in millions of Canadian dollars)	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	178.6	—	—	—	—	—	—	178.6
Mainland China Facilities	22.4	—	—	—	—	—	—	22.4
Japan Facility	22.0	—	—	—	—	—	—	22.0
Term loan	3.0	4.0	4.0	4.0	372.6	—	—	387.6
Interest commitments relating to borrowings[1]	25.9	34.0	33.8	33.8	16.9	—	—	144.4
Lease obligations	65.2	80.8	62.2	52.4	38.3	29.0	72.4	400.3
Pension obligation	—	—	—	—	—	—	1.5	1.5
Total contractual obligations	**317.1**	**118.8**	**100.0**	**90.2**	**427.8**	**29.0**	**73.9**	**1,156.8**

[1] Interest commitments are calculated based on the loan balance and the interest rate payable on the Mainland China Facilities, the Japan Facility, and the term loan of 3.18%, 0.32%, and 8.72% respectively, as at July 2, 2023.

As at July 2, 2023, we had additional liabilities which included provisions for warranty, sales returns, asset retirement obligations, deferred income tax liabilities, as well as the put option liability and the contingent consideration on the Japan Joint Venture. These liabilities have not been included in the table above as the timing and amount of future payments are uncertain.

Letter of guarantee facility

On April 14, 2020, Canada Goose Inc. entered into a letter of guarantee facility in the amount of $10.0m. Letters of guarantee are available for terms of up to twelve months and will be charged a fee equal to 1.2% per annum calculated against the face amount and over the term of the guarantee. Amounts issued on the facility will be used to finance working capital requirements of Canada Goose Inc. through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits. The Company immediately reimburses the issuing bank for amounts drawn on issued letters of guarantees. At July 2, 2023, the Company had $6.3m outstanding.

In addition, a subsidiary of the Company in Mainland China entered into letters of guarantee and as at July 2, 2023 the amount outstanding was $5.2m. Amounts will be used to support retail operations of such subsidiaries through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Company manages its credit risk through a combination of third party credit insurance and internal house risk. Credit insurance is provided by a third party for customers and is subject to continuous monitoring of the credit worthiness of the Company's customers. Insurance covers a specific amount of revenue, which may be less than the Company's total revenue with a specific customer. The Company has an agreement with a third party who has insured the risk of loss for up to 90% of trade accounts receivable from certain designated customers subject to a total deductible of $0.1m, to a maximum of $30.0m per year. As at July 2, 2023, trade accounts receivable totalling approximately $22.8m (July 3, 2022 - $14.4m, April 2, 2023 - $10.3m) were insured subject to the policy cap. Complementary to the third party insurance, the Company establishes payment terms with customers to mitigate credit risk and continues to closely monitor its trade accounts receivable credit risk exposure.

Within CG Japan, the Company has an agreement with a third party who has insured the risk of loss for up to 45% of trade accounts receivable for certain designated customers for a maximum of JPY450.0m per annum subject to a deductible of 10% and applicable only to accounts with receivables over JPY100k. As at July 2, 2023, trade accounts receivable totalling approximately less than $0.1m (JPY0.4m) were insured subject to the policy cap (July 3, 2022 - less than $0.1m (JPY0.2m), April 2, 2023 - $0.7m (JPY72.8m)).

Trade accounts receivable factoring program

A subsidiary of the Company in Europe has an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of EUR20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice.

For the first quarter ended July 2, 2023, the Company received cash proceeds from the sale of trade accounts receivable with carrying values of $0.4m which were derecognized from the Company's statement of financial position (first quarter ended July 3, 2022 - $nil). Fees of less than $0.1m were incurred during the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - $nil) and included in net interest, finance and other costs in the interim statements of loss. As at July 2, 2023, the outstanding amount of trade accounts receivable derecognized from the Company's statement of financial position, but which the Company continued to service, was $nil (July 3, 2022 - less than $0.1m, April 2, 2023 - $1.1m).

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise foreign exchange risk and interest rate risk.

Foreign exchange risk

Foreign exchange risk in operating cash flows

The Company's Interim Financial Statements are expressed in Canadian dollars, but a substantial portion of the Company's revenues, purchases, and expenses are denominated in other currencies, principally U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan, Hong Kong dollars and since the establishment of the Japan Joint Venture on April 4, 2022, Japanese yen. The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk associated with revenues, purchases, and expenses denominated in these currencies. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges. During the fourth quarter of fiscal 2023, the Company executed the operating cash flow hedge program for the fiscal year ending March 31, 2024.

Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. As a result, we are exposed to foreign currency translation gains and losses. Appreciating foreign currencies relative to the Canadian dollar, to the extent they are not hedged, will positively impact operating income and net income by increasing our revenue, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

The Company recognized the following unrealized gains in the fair value of derivatives designated as cash flow hedges in other comprehensive income:

	First quarter ended			
	July 2, 2023		July 3, 2022	
(in millions of Canadian dollars)	**Net gain**	**Tax expense**	**Net gain**	**Tax expense**
	$	**$**	**$**	**$**
Forward foreign exchange contracts designated as cash flow hedges	7.2	(1.8)	0.7	(0.4)

The Company reclassified the following losses and gains from other comprehensive income on derivatives designated as cash flow hedges to locations in the Interim Financial Statements described below:

	First quarter ended	
(in millions of Canadian dollars)	**July 2, 2023**	**July 3, 2022**
Loss (gain) from other comprehensive income	**$**	**$**
Forward foreign exchange contracts designated as cash flow hedges		
Revenue	0.1	0.7
SG&A expenses	(0.1)	1.0
Inventory	(0.1)	(0.1)

For the first quarter ended July 2, 2023, unrealized gain of $2.2m (first quarter ended July 3, 2022 - unrealized loss of $0.6m) on forward exchange contracts that were not treated as hedges were recognized in SG&A expenses in the interim statements of loss.

Foreign currency forward exchange contracts outstanding as at July 2, 2023 related to operating cash flows were:

(in millions)	**Aggregate Amounts**		**Currency**
Forward contract to purchase Canadian dollars	USD	162.7	U.S. dollars
	€	212.1	euros
	¥	1,875.0	Japanese yen
Forward contract to sell Canadian dollars	USD	69.2	U.S. dollars
	€	118.1	euros
Forward contract to purchase euros	CHF	1.5	Swiss francs
	CNY	1,181.1	Chinese yuan
	£	62.6	British pounds sterling
	HKD	78.5	Hong Kong dollars
Forward contract to sell euros	CHF	7.9	Swiss francs
	CNY	184.0	Chinese yuan
	£	10.0	British pounds sterling
	HKD	78.0	Hong Kong dollars

Foreign exchange risk on borrowings

The Company enters into derivative transactions to hedge a portion of its exposure to interest rate risk and foreign currency exchange risk related to principal and interest payments on the term loan denominated in U.S. dollars (note 10). The Company also entered into a five-year forward exchange contract by selling $368.5m and receiving USD270.0m as measured on the trade date, to fix the foreign exchange risk on a portion of the term loan borrowings.

The Company recognized the following unrealized gains in the fair value of derivatives designated as hedging instruments in other comprehensive income:

	First quarter ended			
	July 2, 2023		July 3, 2022	
(in millions of Canadian dollars)	**Net gain**	**Tax expense**	**Net gain**	**Tax expense**
	$	**$**	**$**	**$**
Swaps designated as cash flow hedges	2.6	(1.2)	0.6	(0.2)

The Company reclassified the following gains and losses from other comprehensive income on derivatives designated as hedging instruments to net interest, finance and other costs:

	First quarter ended	
(in millions of Canadian dollars)	**July 2, 2023**	**July 3, 2022**
(Gain) loss from other comprehensive income	**$**	**$**
Swaps designated as cash flow hedges	(0.5)	0.2

For the first quarter ended July 2, 2023, an unrealized loss of $5.6m (first quarter ended July 3, 2022 - unrealized gain of $12.4m) in the fair value of the long-dated forward exchange contract related to a portion of the term loan balance were recognized in net interest, finance and other costs in the interim statements of loss.

Interest rate risk

The Company is exposed to interest rate risk related to the effect of interest rate changes on the borrowings outstanding under the Mainland China Facilities, Japan Facility, and the term loan, which currently bear interest rates at 3.18%, 0.32% and 8.72%, respectively.

Interest rate risk on the term loan is partially mitigated by interest rate swap hedges. The Company has entered into five-year interest rate swap agreements terminating December 31, 2025 to pay fixed interest rates and receive floating interest rates on notional debt of USD270.0m. Effective June 30, 2023, the floating interest benchmark reference rate contained within the swap agreements were amended from LIBOR to SOFR and the average fixed rates were reduced from 1.97% to 1.76%. These swap agreements fix the interest rate on the USD300.0m term loan. Following the amendment, the interest rate swaps continue to be designated and accounted for as cash flow hedges.

Based on the weighted average amount of outstanding borrowings, a 1.00% increase in the average interest rate during the first quarter ended July 2, 2023 would have increased interest expense on the Mainland China Facilities, Japan Facility, and the term loan before hedging, by less than $0.1m, less than $0.1m, and $1.0m, respectively (first quarter ended July 3, 2022 - less than $0.1m, less than $0.1m, and $0.9m, respectively).

Note 16. Selected cash flow information

Changes in non-cash operating items

(in millions of Canadian dollars)	First quarter ended July 2, 2023	First quarter ended July 3, 2022
	$	$
Trade receivables	(0.5)	(4.5)
Inventories	(52.3)	(85.9)
Other current assets	(5.0)	(4.8)
Accounts payable and accrued liabilities	(35.3)	(14.3)
Provisions	(7.6)	(3.2)
Other	1.8	(10.8)
Change in non-cash operating items	(98.9)	(123.5)

Changes in liabilities and equity arising from financing activities

	Mainland China Facilities	Japan Facility	Revolving credit facility	Term loan	Lease liabilities	Share capital
	$	$	$	$	$	$
April 2, 2023	9.8	13.7	(0.5)	395.7	334.8	118.7
Cash flows:						
Mainland China Facilities borrowings	12.6	—	—	—	—	—
Japan Facility borrowings	—	8.3	—	—	—	—
Term loan repayments	—	—	—	(1.0)	—	—
Subordinate voting shares purchased and cancelled under NCIB	—	—	—	—	—	(26.3)
Principal payments on lease liabilities	—	—	—	—	(13.4)	—
Non-cash items:						
Accrued transaction costs	—	—	(0.7)	—	—	—
Amortization of deferred transaction costs	—	—	0.1	—	—	—
Unrealized foreign exchange gain	—	—	—	(7.7)	(6.3)	—
Additions and amendments to lease liabilities (note 7)	—	—	—	—	12.8	—
Share purchase charge to retained earnings (note 11)	—	—	—	—	—	23.7
Contributed surplus on share issuances (note 11)	—	—	—	—	—	3.8
July 2, 2023	22.4	22.0	(1.1)	387.0	327.9	119.9

	Mainland China Facilities	Japan Facility	Revolving credit facility	Term loan	Lease liabilities	Share capital
	$	$	$	$	$	$
April 3, 2022	—	—	(0.9)	370.0	250.7	118.5
Cash flows:						
Cash inflow from business combination	—	19.4	—	—	3.2	—
Mainland China Facilities borrowings	4.6	—	—	—	—	—
Japan Facility borrowings	—	3.9	—	—	—	—
Term loan repayments	—	—	—	(1.0)	—	—
Principal payments on lease liabilities	—	—	—	—	(13.8)	—
Non-cash items:						
Amortization of deferred transaction costs	—	—	0.1	—	—	—
Unrealized foreign exchange loss (gain)	—	—	—	11.0	(0.3)	—
Additions and amendments to lease liabilities (note 7)	—	—	—	—	50.7	—
Contributed surplus on share issuances (note 11)	—	—	—	—	—	2.6
July 3, 2022	4.6	23.3	(0.8)	380.0	290.5	121.1

CANADA GOOSE HOLDINGS INC.

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

For the first quarter ended July 2, 2023

The following Management’s Discussion and Analysis (“MD&A”) for Canada Goose Holdings Inc. (“us,” “we,” “our,” “Canada Goose” or the “Company”) is dated August 2, 2023 and provides information concerning our results of operations and financial condition for the first quarter ended July 2, 2023. All figures are presented in Canadian (“CAD”) dollars, unless otherwise noted. You should read this MD&A together with our unaudited condensed consolidated interim financial statements and the related notes as at and for the first quarter ended July 2, 2023 (“Interim Financial Statements”) and our audited consolidated financial statements and the related notes for the fiscal year ended April 2, 2023 (“Annual Financial Statements”). Additional information about Canada Goose is available on our website at www.canadagoose.com, on the SEDAR+ website at www.sedarplus.ca, and on the EDGAR section of the U.S. Securities and Exchange Commission (the “SEC”) website at www.sec.gov, including our Annual Report on Form 20-F for the fiscal year ended April 2, 2023 (“Annual Report”).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- our ability to implement our growth strategies;
- our ability to maintain strong business relationships with our customers, suppliers, wholesalers, and distributors;
- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property;
- our ability to adapt to changes to our business as a whole due to environmental, social and governance (“ESG”) considerations;

- the continued absence of material global supply chain disruptions to our business, ability to fulfill demand and maintain sufficient inventory levels, which we continue to monitor; and
- the absence of material adverse changes in our industry or the global economy.

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

- we may not open retail stores or expand e-Commerce access on our planned timelines;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- unanticipated changes in the effective tax rate or adverse outcomes from audit examinations of corporate income or other tax returns;
- our indebtedness may adversely affect our financial condition, and we may not be able to refinance or renegotiate such indebtedness on favourable or satisfactory terms;
- an economic downturn and general economic conditions (for example, inflation and rising interest rates) may further affect discretionary consumer spending;
- we may not be able to satisfy changing consumer preferences;
- global political events, including the impact of political disruptions and protests, which may cause business interruptions;
- our ability to procure high quality raw materials and certain finished goods globally;
- our ability to manage inventory and forecast our inventory need, which we continue to monitor, and to manage our production distribution networks. In anticipation of our expected growth and as an important hedge against inflation, we have built up our inventory to elevated levels. If our supply exceeds demand, we may be required to take certain actions to reduce inventory which could damage our brand;
- our ability to forecast our inventory needs and to manage our product distribution networks;
- we may not be able to protect or preserve our brand image and proprietary rights;
- the success of our business strategy;
- our ability to manage our exposure to data security and cyber security events;
- disruptions to manufacturing and distribution activities due factors such as operational issues, disruptions in transportation logistic functions or labour shortages or disruptions;
- risks and global disruptions associated with geopolitical events and the COVID-19 pandemic, which may further affect general economic and operating conditions;
- follow on effects of the recent U.S. banking failures;

- fluctuations in raw material costs, interest rates and currency exchange rates; and
- we may be unable to maintain effective internal controls over financial reporting.

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

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

BASIS OF PRESENTATION

The Interim Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), specifically International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”), and are presented in millions of Canadian dollars, except where otherwise indicated. The Interim Financial Statements do not include all of the information required for Annual Financial Statements and should be read in conjunction with the Annual Financial Statements. Certain financial measures contained in this MD&A are non-IFRS financial measures and are discussed further under “Non-IFRS Financial Measures and Other Specified Financial Measures” below.

The Interim Financial Statements and the accompanying notes have been prepared using the accounting policies described in note 2 to the Interim Financial Statements.

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

All references to “fiscal 2022” are to the Company’s fiscal year ended April 3, 2022; to “fiscal 2023” are to the Company’s fiscal year ended April 2, 2023; and to “fiscal 2024” are to the Company’s fiscal year ending March 31, 2024.

The Company's fiscal year is a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks for a 52-week fiscal year. The additional week in a 53-week fiscal year is added to the third quarter.

Certain comparative figures have been reclassified to conform with the current year presentation, where foreign exchange gains and losses related to the term loan, net of hedging, are reflected in the presentation of net interest, finance and other costs; previously this was presented in selling, general and administrative ("SG&A") expenses. This change was made to present all financing costs related to the term loan within the same financial statement caption in the interim statements of loss. This reclassification did not impact net loss, earnings per share, or the interim statement of financial position in the comparative quarter.

Refer to “*Components of our Results of Operations”* in the MD&A section of our fiscal 2023 Annual Report for a description of the Company’s financial measures in accordance with IFRS. There have been no material changes apart from the reclassification of foreign exchange gains and losses to the term loan, net of hedging, in the Company’s components of our results of operations since April 2, 2023.

SUMMARY OF FINANCIAL PERFORMANCE

The following table summarizes results of operations for the first quarter ended July 2, 2023 compared to the first quarter ended July 3, 2022, and expresses the percentage relationship to revenue of certain financial statement captions. Basis points ("bps") expresses the changes between percentages. See "Results of Operations" for additional details.

CAD $ millions (except per share data)	First quarter ended July 2, 2023	First quarter ended July 3, 2022	% Change
		Reclassified	
Revenue	84.8	69.9	21.3 %
Gross profit	55.2	42.7	29.3 %
Gross margin	*65.1 %*	*61.1 %*	*400 bps*
Operating loss	(99.7)	(82.2)	(21.3) %
Net loss	(85.0)	(63.6)	(33.6) %
Net loss attributable to shareholders of the Company	(81.1)	(62.4)	(30.0) %
Loss per share attributable to shareholders of the Company			
Basic and diluted	$ (0.78)	$ (0.59)	(32.2) %

CAD $ millions	July 2, 2023	July 3, 2022	April 2, 2023
Financial Position:			
Cash	48.0	81.8	286.5
Net working capital[1]	452.0	415.1	328.0
Total assets	1,458.5	1,346.7	1,590.0
Total non-current liabilities	744.7	709.1	760.1
Equity	385.6	351.9	477.5

[1] Net working capital is a non-IFRS financial measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure.

FACTORS AFFECTING OUR PERFORMANCE

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

- *Growth in our DTC Channel*. We plan to continue executing our global strategy through retail and e-Commerce expansion, though the scale of such expansion may be delayed due to current global conditions.
- *New Products*. We intend to continue investing in innovation and the development and introduction of new products, as well as expand offerings in our existing product categories, across styles, uses, and climates. This includes Canada Goose footwear and Baffin branded footwear through Baffin's own distinct sales channels.
- *Inflationary environment.* Inflationary pressures may persist in future fiscal periods and may fluctuate materially between markets. Such pressures may, among other impacts globally, have an adverse effect on our ability to maintain current gross margin and SG&A expenses as a percentage of revenue. In addition, elevated interest rates may impact our business, including borrowing and other costs, and the markets in which we operate. We continue to monitor the current macroeconomic conditions.
- *Seasonality.* We experience seasonal fluctuations in our revenue and operating results and have historically realized a significant portion of our annual wholesale revenue during our second and third fiscal quarters, and our annual DTC revenue in our third and fourth fiscal quarters. We generated 78.9% and 82.5% of our annual wholesale revenue in the combined second and third fiscal quarters of fiscal 2023 and fiscal 2022, respectively. Additionally, we generated 83.9% and 85.0% of our annual DTC revenue in the combined third and fourth fiscal quarters of fiscal 2023 and fiscal 2022, respectively. Because of seasonal fluctuations in revenue and fixed costs associated with our business, particularly the headcount growth and premises costs associated with our expanding DTC channel, we typically experience negative and substantially reduced net income and adjusted EBIT[1] in the first and fourth quarters, respectively. As a result of our seasonality, changes that impact gross margin and adjusted EBIT[1] among others can have a disproportionate impact on the quarterly results when they are recorded in our off-peak revenue periods.

  [1] *Adjusted EBIT is a non-IFRS measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures.*

  Guided by expected demand and wholesale orders, we typically manufacture on a linear basis throughout the fiscal year. Net working capital requirements typically increase as inventory builds. We finance these needs through a combination of cash on hand and borrowings on our revolving credit facility, the Mainland China credit facilities, and the Japan credit facility. Historically, cash flows from operations have been highest in the third and fourth fiscal quarters of the fiscal year due to revenue from the DTC channel and the collection of receivables from wholesale revenue earlier in the year.
- *Foreign Exchange.* We sell a significant portion of our products to customers outside of Canada, which exposes us to fluctuations in foreign currency exchange rates. In fiscal years 2023 and 2022, we generated 70.1% and 72.5%, respectively, of our revenue in currencies other than Canadian dollars.

Refer to "*Quantitative and Qualitative Disclosures about Market Risk - Foreign exchange risk"* in the MD&A below for more details on foreign exchange.

- *Global political events and other disruptions.* We are conscious of risks related to social, economic, and political instability, including geopolitical tensions, regulatory matters, market volatility, and social unrest that are affecting consumer spending, international travel, credit markets, and foreign exchange in certain countries and travel corridors.

  We remain concerned about the conflict in Ukraine and impact on human life for those affected. We continue to suspend all wholesale and e-Commerce sales to Russia, which represented less than 1% of total annual revenue in fiscal 2022.

  We have been, and may in the future be, impacted by widespread protests and other disruptions. To the extent that such disruptions persist, we expect that operations and traffic at our retail stores may be impacted.

BUSINESS DEVELOPMENTS

Transformation Program

During the fiscal year ended April 2, 2023, the Company announced its Transformation Program. This multi-phase program will work to increase operational efficiencies by optimizing production and procurement, developing people and resources, and focusing on our consumers to allow sustainable growth, profitability and long term value. During the first quarter of fiscal 2024, the Company completed the consolidation of one of our manufacturing facilities in Montreal to improve efficiencies in our supply chain.

SEGMENTS

Our reporting segments align with our sales channels: Direct-to-Consumer ("DTC"), Wholesale, and Other. We measure each reportable operating segment's performance based on revenue and operating income. Our DTC segment includes sales to customers through our directly operated permanent retail stores and our e-Commerce website available across numerous markets, which includes the newly launched recommerce platform Canada Goose Generations, currently available in the United States. Through our Wholesale segment, we sell to a mix of retailers and international distributors, who are partners that have partial or full exclusive territory rights to sell our products to a particular market through their own DTC channels or local wholesalers. The Other segment comprises sales and costs not directly allocated to the DTC or Wholesale segments, such as sales to employees, friends and family sales, and SG&A expenses.

As at July 2, 2023, our DTC segment by geography included the following directly operated permanent retail stores:

	July 2, 2023	July 3, 2022	Change	April 2, 2023	Q1 Fiscal 2024 Additions
Canada	9	9	—	9	—
United States	10	6	4	8	2
North America	19	15	4	17	2
Asia Pacific	26	21	5	26	—
EMEA[1]	9	7	2	8	1
Total permanent stores	54	43	11	51	3

[1] *EMEA comprises Europe, the Middle East, Africa, and Latin America.*

RESULTS OF OPERATIONS

For the first quarter ended July 2, 2023 compared to the *first quarter ended July 3, 2022*

The following table summarizes results of operations and expresses the percentage relationship to revenue of certain financial statement captions. Basis points ("bps") expresses the changes between percentages.

CAD $ millions (except share and per share data)	First quarter ended July 2, 2023	First quarter ended July 3, 2022	$ Change	% Change
		Reclassified		
Revenue	84.8	69.9	14.9	21.3 %
Cost of sales	29.6	27.2	(2.4)	(8.8) %
Gross profit	55.2	42.7	12.5	29.3 %
Gross margin	*65.1 %*	*61.1 %*		*400 bps*
SG&A expenses	154.9	124.9	(30.0)	(24.0) %
SG&A expenses as % of revenue	*182.7 %*	*178.7 %*		*(400) bps*
Operating loss	(99.7)	(82.2)	(17.5)	(21.3) %
Operating margin	*(117.6)%*	*(117.6)%*		*— bps*
Net interest, finance and other costs	14.5	5.9	(8.6)	(145.8) %
Loss before income taxes	(114.2)	(88.1)	(26.1)	(29.6) %
Income tax recovery	(29.2)	(24.5)	4.7	19.2 %
Effective tax rate	*25.6 %*	*27.8 %*		*(220) bps*
Net loss	(85.0)	(63.6)	(21.4)	(33.6) %
Net loss attributable to non-controlling interest	(3.9)	(1.2)	(2.7)	(225.0) %
Net loss attributable to shareholders of the Company	(81.1)	(62.4)	(18.7)	(30.0) %
Weighted average number of shares outstanding				
Basic and diluted	103,710,762	105,234,474		
Loss per share attributable to shareholders of the Company				
Basic and diluted	$ (0.78)	$ (0.59)	(0.19)	(32.2) %

Revenue

Revenue for the first quarter ended July 2, 2023 was $84.8m, an increase of $14.9m or 21.3%, from $69.9m for the first quarter ended July 3, 2022. Revenue generated from our DTC channel represented 65.8% of total revenue for the first quarter ended July 2, 2023 compared to 49.8% for the first quarter ended July 3, 2022. On a constant currency[1] basis, revenue increased by 17.9% for the first quarter ended July 2, 2023 compared to the first quarter ended July 3, 2022.

	First quarter ended		$ Change			% Change	
CAD $ millions	**July 2, 2023**	**July 3, 2022**	**As reported**	**Foreign exchange impact**	**In constant currency[1]**	**As reported**	**In constant currency[1]**
DTC	55.8	34.8	21.0	(2.2)	18.8	60.3 %	54.0 %
Wholesale	27.1	33.2	(6.1)	(0.2)	(6.3)	(18.4)%	(19.0)%
Other	1.9	1.9	—	—	—	— %	— %
Total revenue	84.8	69.9	14.9	(2.4)	12.5	21.3 %	17.9 %

1 *Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.*

	First quarter ended		$ Change			% Change	
CAD $ millions	**July 2, 2023**	**July 3, 2022**	**As reported**	**Foreign exchange impact**	**In constant currency[2]**	**As reported**	**In constant currency[2]**
Canada	23.5	17.9	5.6	—	5.6	31.3 %	31.3 %
United States	18.1	15.7	2.4	(1.2)	1.2	15.3 %	7.6 %
North America	41.6	33.6	8.0	(1.2)	6.8	23.8 %	20.2 %
Asia Pacific	24.5	16.1	8.4	(1.5)	6.9	52.2 %	42.9 %
EMEA[1]	18.7	20.2	(1.5)	0.3	(1.2)	(7.4)%	(5.9)%
Total revenue	84.8	69.9	14.9	(2.4)	12.5	21.3 %	17.9 %

1 *EMEA comprises Europe, the Middle East, Africa, and Latin America.*

2 *Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of these measures.*

DTC

Revenue from our DTC segment was $55.8m for the first quarter ended July 2, 2023 compared to $34.8m for the first quarter ended July 3, 2022. The increase of $21.0m or 60.3% was driven by the following factors:

- DTC comparable sales growth[1] of 28.5%.
    - Growth within the existing retail network globally across all geographies. All stores globally were fully operational for the duration of this quarter and did not experience any store closures and restrictions;
    - DTC comparable sales doubled in Asia Pacific, while all remaining regions experienced strong DTC comparable sales growth in the current quarter; and
    - Modest growth in e-Commerce largely driven by results in Asia Pacific.
- Retail expansion in United States and EMEA with three new directly operated permanent stores in this quarter, in addition to eight openings in fiscal 2023 running for the full duration of the quarter compared to the prior quarter;
- Total revenue from non-Heavyweight Down categories in the current quarter is higher than total DTC segment revenue in fiscal 2023. Customer demand for apparel increased year-over-year and was one of the fastest growing categories; and
- In the first quarter ended July 3, 2022, we were impacted by COVID-19 related restrictions in Mainland China, which resulted in eight of 16 retail store experiencing closures. Additionally, retail stores in Mainland China further experienced reduced hours, significantly lower retail traffic and conservative consumer buying behavior. There were no COVID-19 related temporary store closures in the first quarter ended July 2, 2023.

[1] *DTC comparable sales growth is a supplementary financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.*

Wholesale

Revenue from our Wholesale segment was $27.1m for the first quarter ended July 2, 2023 compared to $33.2m for the first quarter ended July 3, 2022. The decrease of $6.1m or (18.4)% was due to continued streamlining of wholesale relationships as we optimize for greater DTC sales within our channel mix mainly attributable to Asia Pacific and EMEA, consistent with our expectations. Conversely, we experienced earlier timing of shipments to our wholesale partners in Canada compared to the first quarter ended July 3, 2022.

Other

Revenue from our Other segment was $1.9m, for the first quarter ended July 2, 2023, was consistent compared to $1.9m for the first quarter ended July 3, 2022.

Gross Profit

Gross profit and gross margin for the first quarter ended July 2, 2023 were $55.2m and 65.1%, respectively, compared to $42.7m and 61.1%, respectively, for the first quarter ended July 3, 2022. The increase in gross profit of $12.5m was attributable to higher revenue and gross margin expansion. Gross margin in the current quarter was favourably impacted by segment mix due to a higher proportion of DTC sales, pricing and favourable product mix from the sale of higher margin styles within both the Heavyweight Down and non-Heavyweight Down categories, partially offset by higher product costs due to higher input cost inflation.

	First quarter ended					
	July 2, 2023		July 3, 2022			
CAD $ millions	Gross profit	Gross margin	Gross profit	Gross margin	$ Change	Change in bps
DTC	40.8	*73.1 %*	25.3	*72.7 %*	15.5	*40 bps*
Wholesale	13.8	*50.9 %*	16.8	*50.6 %*	(3.0)	*30 bps*
Other	0.6	*31.6 %*	0.6	*31.6 %*	—	*— bps*
Total gross profit	55.2	*65.1 %*	42.7	*61.1 %*	12.5	*400 bps*

DTC

Gross profit in our DTC segment was $40.8m for the first quarter ended July 2, 2023 compared to $25.3m for the first quarter ended July 3, 2022. The increase of $15.5m in gross profit was attributable to higher revenues as noted above and gross margin expansion. The gross margin was 73.1% for the first quarter ended July 2, 2023, an increase of 40 bps compared to 72.7% in the comparative quarter. During the first quarter ended July 2, 2023, gross margin was primarily positively impacted by pricing, and lower freight & duty, partially offset by higher product costs due to higher input cost inflation. As a result of the seasonality of our business, a higher non-Heavyweight Down product mix in this quarter are not indicative of our full year gross margin expectations in the DTC segment. See *"Factors Affecting Performance"* for a detailed discussion on the seasonality of our business.

Wholesale

Gross profit in our Wholesale segment was $13.8m for the first quarter ended July 2, 2023 compared to $16.8m for the first quarter ended July 3, 2022. The decrease of $3.0m in gross profit was attributable to lower revenues partially offset by gross margin expansion. The gross margin was 50.9% for the first quarter ended July 2, 2023, an increase of 30 bps compared to 50.6% in the comparative quarter. During the first quarter ended July 2, 2023, gross margin was favourably impacted by pricing and product mix due to a higher proportion of sales in the Heavyweight Down categories. This was partially offset by higher product costs due to higher input cost inflation.

Other

Gross profit in our Other segment was $0.6m for the first quarter ended July 2, 2023 compared to $0.6m for the first quarter ended July 3, 2022.

SG&A Expenses

SG&A expenses were $154.9m for the first quarter ended July 2, 2023 compared to $124.9m for the first quarter ended July 3, 2022. The increase of $30.0m or 24.0% was attributable to $8.5m of incremental corporate personnel costs driven by annualizing headcount, $8.1m in higher costs related to the expanded retail network, $7.8m of costs for the Transformation Program, $4.5m of unfavourable foreign exchange fluctuations, and $2.3m of investment in technology, including omni-channel enablement. The increase was partially offset by $7.7m from the timing of marketing activities to assist with brand awareness and support our growth, which occurred earlier in the year in fiscal 2023 than planned for fiscal 2024.

	First quarter ended					
	July 2, 2023		July 3, 2022			
CAD $ millions	**Reported**	**% of segment revenue**	**Reported**	**% of segment revenue**	**$ Change**	**% Change**
			Reclassified	*Reclassified*		
DTC	54.8	*98.2 %*	42.0	*120.7 %*	(12.8)	(30.5)%
Wholesale	14.1	*52.0 %*	11.2	*33.7 %*	(2.9)	(25.9)%
Other	86.0		71.7		(14.3)	(19.9)%
Total SG&A expenses	154.9	*182.7 %*	124.9	*178.7 %*	(30.0)	(24.0)%

Depreciation and amortization, included above, was $26.6m for the first quarter ended July 2, 2023 compared to $23.4m for the first quarter ended July 3, 2022, an increase of $3.2m which is attributable to continued retail expansion.

DTC

SG&A expenses in our DTC segment for the first quarter ended July 2, 2023 were $54.8m, or 98.2% of segment revenue, compared to $42.0m, or 120.7% of segment revenue, for the first quarter ended July 3, 2022. The decrease of 22.5% in SG&A as a percentage of segment revenue was primarily driven by operating leverage against the higher revenue in the quarter. The increase of $12.8m or 30.5% in costs was primarily due to $8.1m of costs associated with the expansion of the retail network and prior year store openings running for the full duration of the quarter in fiscal 2024. There were no COVID-19 related temporary store closure costs in the first quarter ended July 2, 2023 compared to $2.2m in the comparative quarter.

Wholesale

SG&A expenses in our Wholesale segment for the first quarter ended July 2, 2023 were $14.1m, or 52.0% of segment revenue, compared to $11.2m, or 33.7% of segment revenue, for the first quarter ended July 3, 2022. The increase of 18.3% in SG&A as a percentage of segment revenue was primarily driven by lower revenue in the quarter and $2.9m or 25.9% of incremental costs. The increase in costs was attributable to $0.9m of higher logistics costs and $1.3m of higher fixed operating costs.

Other

SG&A expenses in our Other segment, which include unallocated corporate expenses, were $86.0m for the first quarter ended July 2, 2023 compared to $71.7m for the first quarter ended July 3, 2022. The increase of $14.3m or 19.9% was attributable to $8.5m of incremental corporate personnel costs driven by annualizing headcount, $7.8m of costs in connection with the Transformation Program, $4.5m of unfavourable foreign exchange fluctuations, and $2.3m of investment in technology to support business growth, including omni-channel enablement. The increase was partially offset by $7.7m of favourable timing of marketing activities, which occurred earlier in the year in fiscal 2023 than planned for fiscal 2024.

Operating Loss and Margin

Operating loss and operating margin were $(99.7)m and (117.6)% for the first quarter ended July 2, 2023 compared to $(82.2)m and (117.6)% for the first quarter ended July 3, 2022. The increase in operating loss of $17.5m was attributable to higher SG&A costs noted above, partially offset by higher gross profit. There was no change in operating margin from the comparative quarter.

	First quarter ended					
		July 2, 2023		July 3, 2022		
CAD $ millions	**Operating loss**	**Operating margin**	**Operating (loss) income**	**Operating margin**	**$ Change**	**Change in bps**
			Reclassified	*Reclassified*		
DTC	(14.0)	*(25.1)%*	(16.7)	*(48.0)%*	2.7	*2,290 bps*
Wholesale	(0.3)	*(1.1)%*	5.6	*16.9 %*	(5.9)	*(1,800) bps*
Other	(85.4)		(71.1)		(14.3)	
Total operating loss	(99.7)	*(117.6)%*	(82.2)	*(117.6)%*	(17.5)	*— bps*

DTC

DTC segment operating loss and operating margin were $(14.0)m and (25.1)% for the first quarter ended July 2, 2023 compared to $(16.7)m and (48.0)% for the first quarter ended July 3, 2022. The decrease in operating loss of $2.7m and increase in operating margin of 2,290 bps were attributable to improved sales and gross margin, partially offset by costs associated with the expansion of the retail network. There were no COVID-19 related temporary store closure costs in the first quarter ended July 2, 2023 compared to $2.2m in the comparative quarter.

Wholesale

Wholesale segment operating loss and operating margin were $(0.3)m and (1.1)% for the first quarter ended July 2, 2023 compared to $5.6m and 16.9% for the first quarter ended July 3, 2022. The increase in operating loss of $5.9m was attributable to lower segment revenue and gross profit, as well as higher SG&A expenses as discussed above.

Other

Other segment operating loss was $(85.4)m for the first quarter ended July 2, 2023 compared to $(71.1)m for the first quarter ended July 3, 2022. The increase in operating loss of $14.3m was attributable to higher SG&A expenses as discussed above.

Net Interest, Finance and Other Costs

Net interest, finance and other costs were $14.5m for the first quarter ended July 2, 2023 compared to $5.9m for the first quarter ended July 3, 2022. The increase of $8.6m (145.8)% was driven by the net loss of $7.1m on the fair value remeasurement on the put option (liability increase of $5.0m, including translation losses of $3.1m) and contingent consideration (liability reduction of $2.6m, including translation losses of $1.6m) related to the Company's joint venture with Sazaby League ("Japan Joint Venture"). The change in fair values of the contingent consideration and put option liability were driven by progression through the 4-year and 10-year terms, respectively.

Income Taxes

Income tax recovery was $29.2m for the first quarter ended July 2, 2023 compared to $24.5m for the first quarter ended July 3, 2022. For the first quarter ended July 2, 2023, the effective and statutory tax rates were 25.6% and 25.3%, respectively, compared to 27.8% and 25.4% for the first quarter ended July 3, 2022, respectively. Given our global operations, the quarter to date effective tax rate is largely impacted by our profit or loss in taxable jurisdictions relative to the applicable tax rates.

Net Loss

Net loss for the first quarter ended July 2, 2023 was $(85.0)m compared to $(63.6)m for first quarter ended July 3, 2022, driven by the factors described above.

Quarterly Financial Information

The following is a summary of selected consolidated financial information for each of the eight most recently completed quarters:

CAD $ millions (except per share data)	Revenue				% of fiscal year revenue	Net (loss) income attributable to shareholders of the Company	(Loss) earnings per share attributable to shareholders of the Company		Operating (loss) income (reclassified)	Adjusted EBIT[1]	Adjusted net (loss) income per diluted share attributable to shareholders of the Company[1]
	DTC	Wholesale	Other	Total			Basic	Diluted			
Fiscal 2024											
First Quarter	55.8	27.1	1.9	84.8	*— %*	(81.1)	$ (0.78)	$ (0.78)	(99.7)	(91.1)	$ (0.70)
Fiscal 2023											
Fourth Quarter	227.5	45.5	20.2	293.2	*24.1 %*	(3.1)	$ (0.03)	$ (0.03)	17.6	27.6	$ 0.14
Third Quarter	450.2	114.4	12.1	576.7	*47.4 %*	134.9	$ 1.28	$ 1.28	190.7	197.1	$ 1.27
Second Quarter	94.8	180.7	1.7	277.2	*22.8 %*	3.3	$ 0.03	$ 0.03	21.5	26.3	$ 0.19
First Quarter	34.8	33.2	1.9	69.9	*5.7 %*	(62.4)	$ (0.59)	$ (0.59)	(82.2)	(75.9)	$ (0.56)
Fiscal 2022											
Fourth Quarter	185.6	34.9	2.6	223.1	*20.3 %*	(9.1)	$ (0.09)	$ (0.09)	2.1	12.4	$ 0.04
Third Quarter	443.7	138.4	4.0	586.1	*53.4 %*	151.3	$ 1.42	$ 1.40	204.5	205.0	$ 1.40
Second Quarter	82.0	149.1	1.8	232.9	*21.2 %*	9.9	$ 0.09	$ 0.09	15.6	16.2	$ 0.12

[1] Adjusted EBIT and adjusted net (loss) income attributable to shareholders of the Company are non-IFRS financial measures, and adjusted net (loss) income per diluted share attributable to shareholders of the Company is a non-IFRS ratio. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a

description of these measures and ratio, and a reconciliation of the non-IFRS financial measures to the nearest IFRS measure.

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

Revenue

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

- COVID-19 beginning in the fourth quarter of fiscal 2020;
- the formation of the Japan Joint Venture on April 4, 2022;
- timing of store openings;
- launch and expansion of international e-Commerce sites;
- timing and extent of SG&A, including demand generation activities;
- increased manufacturing flexibility with higher in-house production, which has an impact on the timing of wholesale order shipments and customer demand;
- timing of end-consumer purchasing in the DTC segment and the availability of new products;
- successful execution of global pricing strategy;
- shift in mix of revenue from wholesale to DTC, which has impacted the seasonality of our financial performance;
- shift in geographic mix of sales to increase sales outside of Canada, where average unit retail pricing is generally higher;
- fluctuation of foreign currencies relative to the Canadian dollar; and
- the extra week in the third quarter of fiscal 2022.

Net (Loss) Income

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

- impact of the items affecting revenue, as discussed above;
- increase and timing of our investment in brand, marketing, and administrative support as well as increased investment in property, plant, and equipment and intangible assets to support growth initiatives;
- increase in fixed SG&A costs associated with our business, particularly the headcount growth and premises costs associated with our expanding DTC channel, resulting in negative and reduced net income in our seasonally low-revenue first and fourth quarters, respectively;
- impact of foreign exchange;
- fluctuations in average cost of borrowings to address growing net working capital requirements and higher seasonal borrowings in the first and second quarters of each fiscal year to address the seasonal nature of revenue;

- pre-store opening costs incurred, timing of leases signed, and opening of stores;
- the nature and timing of transaction costs in connection with the Japan Joint Venture and amendments to long-term debt agreements;
- the proportion of taxable income in non-Canadian jurisdictions and changes to rates and tax legislation in those jurisdictions;
- increased freight costs, limitations on shipping and other disruptions in the transportation and shipping infrastructure; and
- the introduction of the Transformation Program in the fourth quarter of fiscal 2023.

NON-IFRS FINANCIAL MEASURES AND OTHER SPECIFIED FINANCIAL MEASURES

The Company uses certain financial measures that are "non-IFRS financial measures", including adjusted EBIT, adjusted EBITDA, adjusted net income, constant currency revenue, net debt, net working capital, and free operating cash flow, certain financial measures that are "non-IFRS ratios", including adjusted EBIT margin, adjusted net income per basic and diluted share attributable to shareholders of the Company, net debt leverage, and net working capital turnover, as well as DTC comparable sales growth which is a supplementary financial measure, in each case in this document and other documents. These financial measures are employed by the Company to measure its operating and economic performance and to assist in business decision-making, as well as providing key performance information to senior management. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and analysts use this information to evaluate the Company's operating and financial performance and its financial position. These financial measures are not defined under IFRS nor do they replace or supersede any standardized measure under IFRS. Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

	First quarter ended	
CAD $ millions (except per share data)	**July 2, 2023**	**July 3, 2022**
		Reclassified
Adjusted EBIT	(91.1)	(75.9)
Adjusted EBIT margin	*(107.4)%*	*(108.6)%*
Adjusted EBITDA	(62.6)	(53.3)
Adjusted net loss attributable to shareholders of the Company	(73.1)	(58.8)
Adjusted net loss per basic and diluted share attributable to shareholders of the Company	$ (0.70)	$ (0.56)
Free operating cash flow	(228.4)	(211.6)

CAD $ millions	**July 2, 2023**	**July 3, 2022**	**April 2, 2023**
Net debt	(711.9)	(617.3)	(468.1)
Net working capital	452.0	415.1	328.0

Adjusted EBIT, adjusted EBIT margin, adjusted EBITDA, adjusted net loss attributable to shareholders of the Company, and adjusted net loss per basic and diluted share attributable to shareholders of the Company

These measures exclude the impact of certain non-cash items and certain other adjustments related to events that are non-recurring or unusual in nature, including COVID-19, that we believe are not otherwise reflective of our ongoing operations and that make comparisons of underlying financial performance between periods difficult. We use, and believe that certain investors and analysts use, this information to evaluate our core financial and operating performance for business planning purposes, as well as to analyze how our business operates in, or responds to, swings in economic cycles or to other events that impact the apparel industry.

We believe that identifying certain costs directly resulting from the impact of COVID-19 and excluding these amounts from our calculation of the non-IFRS financial measures and ratios described above helps management and investors assess the impact of COVID-19 on our business as well as our general economic performance during the period. These are primarily comprised of temporary store closure costs including depreciation and interest expenses, partially offset by rent concessions. The Company did not incur any costs directly related to COVID-19 during the current quarter.

Constant currency revenue

Constant currency revenue is calculated by translating the prior year reported amounts into comparable amounts using a single foreign exchange rate for each currency calculated based on the current period exchange rates. We use, and believe that certain investors and analysts use, this information to assess how our business and geographic segments performed excluding the effects of foreign currency exchange rate fluctuations. See the Revenue sections of the *"Results of Operations"* for a reconciliation of reported revenue and revenue on a constant currency basis.

Net debt and net debt leverage

We define net debt as cash less total borrowings and lease liabilities, and net debt leverage as the ratio of net debt to adjusted EBITDA, measured on a spot basis. We use, and believe that certain investors and analysts use, these non-IFRS financial measures and ratios to determine the Company's financial leverage and ability to meet its debt obligations. See "*Financial Condition, Liquidity and Capital Resources - Indebtedness*" below for a table providing the calculation of net debt and discussion of net debt leverage.

Net working capital

We define net working capital as current assets, net of cash, minus current liabilities, excluding the short-term borrowings and current portion of lease liabilities. We use, and believe that certain investors and analysts use, this information to assess the Company's liquidity and management of net working capital resources. See "*Financial Condition, Liquidity and Capital Resources"* below for a table providing the calculation of net working capital.

Free operating cash flow

We define free operating cash flow as net cash flows from (used in) operating activities plus net cash flows from (used in) investing activities, minus principal payments on lease liabilities. We use, and believe that certain investors and analysts use, this information as an indicator of operational financial performance and to assess the Company's financial leverage and cash available for repayment of borrowings and other financing activities. See *"Cash Flows"* below for a table providing the calculation of free operating cash flow.

DTC comparable sales growth

DTC comparable sales growth is a supplementary financial measure defined as sales on a constant currency basis from e-Commerce sites and stores which have been operating for one full year (12 successive fiscal months). The measure excludes store sales from both periods for the specific trading days when the stores were closed, whether those closures occurred in the current period or the comparative period.

The tables below reconcile net loss to adjusted EBIT, adjusted EBITDA, and adjusted net loss attributable to shareholders of the Company for the periods indicated. Adjusted EBIT margin is equal to adjusted EBIT for the period presented as a percentage of revenue for the same period.

Beginning with the third quarter of fiscal 2023, we no longer include pre-store opening costs in the reconciliation of net (loss) income to adjusted EBIT, adjusted EBITDA and adjusted net (loss) income attributable to shareholders of the Company, as we believe these costs are a part of our operating base as we accelerate store openings.

Beginning with the first quarter of fiscal 2024, foreign exchange gains and losses related to the term loan, net of hedging, are now reflected in the presentation of net interest, finance and other costs; which was previously presented in SG&A expenses.

See *"Basis of Presentation"* for additional details on the updates made to the comparable periods.

	First quarter ended	
CAD $ millions	**July 2, 2023**	**July 3, 2022**
Net loss	(85.0)	(63.6)
Add (deduct) the impact of:		
Income tax recovery	(29.2)	(24.5)
Net interest, finance and other costs	14.5	5.9
Operating loss	(99.7)	(82.2)
Net temporary store closure costs (a)	—	2.2
Head office transition costs (c)	0.8	1.7
Japan Joint Venture costs (e)	—	1.4
Strategic initiatives (g)	7.8	—
Legal proceeding costs (h)	—	1.0
Total adjustments	8.6	6.3
Adjusted EBIT	(91.1)	(75.9)
Adjusted EBIT margin	*(107.4)%*	*(108.6)%*

CAD $ millions	First quarter ended July 2, 2023	First quarter ended July 3, 2022
Net loss	(85.0)	(63.6)
Add (deduct) the impact of:		
Income tax recovery	(29.2)	(24.5)
Net interest, finance and other costs	14.5	5.9
Operating loss	(99.7)	(82.2)
Net temporary store closure costs (a)	—	2.2
Head office transition costs (c)	0.8	1.7
Japan Joint Venture costs (e)	—	1.4
Strategic initiatives (g)	7.8	—
Legal proceeding costs (h)	—	1.0
Net depreciation and amortization (l)	28.5	22.6
Total adjustments	37.1	28.9
Adjusted EBITDA	(62.6)	(53.3)

CAD $ millions	First quarter ended July 2, 2023	First quarter ended July 3, 2022
Net loss	(85.0)	(63.6)
Add (deduct) the impact of:		
Net temporary store closure costs (a) (b)	—	2.2
Head office transition costs (c) (d)	1.2	2.1
Japan Joint Venture costs (e)	—	1.4
Japan Joint Venture remeasurement loss on contingent consideration and put option (f)	7.1	—
Strategic initiatives (g)	7.8	—
Legal proceeding costs (h)	—	1.0
Unrealized foreign exchange gain on Term Loan Facility (i)	(2.2)	(1.5)
Deferred tax adjustment (j)	(0.5)	—
Total adjustments	13.4	5.2
Tax effect of adjustments	(1.8)	(1.3)
Adjusted net loss	(73.4)	(59.7)
Adjusted net loss attributable to non-controlling interest (k)	0.3	0.9
Adjusted net loss attributable to shareholders of the Company	(73.1)	(58.8)
Weighted average number of basic shares outstanding	103,710,762	105,234,474
Adjusted net loss per basic share attributable to shareholders of the Company	$ (0.70)	$ (0.56)

(a) Net temporary store closure costs of $nil were incurred in the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - $2.2m).

(b) Net temporary store closure costs incurred in (a) as well as $nil of interest expense on lease liabilities for temporary store closures for the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - less than $0.1m).

(c) Costs incurred for the corporate head office transition, including depreciation on right-of-use assets.

(d) Corporate head office transition costs incurred in (c) as well as $0.4m of interest expense on lease liabilities for the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - $0.4m).

(e) Costs incurred in connection with the establishment of the Japan Joint Venture. This is driven by the impact of gross margin that would otherwise have been recognized on the sale of inventory recorded at net realizable value less costs to sell, as well as other costs of establishing the Japan Joint Venture.

(f) Changes to the fair value remeasurement of the contingent consideration and put option liability related to the Japan Joint Venture. During the first quarter ended July 2, 2023, the Company recorded a gain of $(1.0)m and a loss of $8.1m on fair value remeasurement of the contingent consideration and put option, respectively (first quarter ended July 3, 2022 - $nil and $nil, respectively). These gains and losses are included in net interest, finance and other costs within the interim statements of loss.

(g) Relates to engagement fees incurred in connection with our Transformation Program.

(h) Costs for legal proceeding fees including for the defence of class action lawsuits.

(i) Unrealized gains and losses on the translation of the term loan from USD to CAD, net of the effect of derivative transactions entered into to hedge a portion of the exposure to foreign currency exchange risk. These costs were previously presented in SG&A expenses, are now reflected in the presentation of net interest, finance and other costs.

(j) Deferred tax adjustment recorded as the result of Swiss tax reform in Canada Goose International AG.

(k) Calculated as net loss attributable to non-controlling interest within the interim statements of loss of $3.9m less $(3.6)m for the gross margin adjustment and the put option liability and contingent consideration revaluation related to the non-controlling interest within the Japan Joint Venture for the first quarter ended July 2, 2023. Net loss attributable to non-controlling interest within the interim statements of loss of $1.2m less $(0.3)m for the gross margin adjustment and the put option liability and contingent consideration revaluation related to the non-controlling interest within the Japan Joint Venture for the first quarter ended July 3, 2022.

(l) Adjusted EBITDA is calculated as adjusted EBIT plus depreciation and amortization as determined in accordance with IFRS, less the depreciation impact for temporary store closures (a), and corporate head office transition costs (c). Depreciation and amortization includes depreciation on right-of-use assets under IFRS 16, *Leases*.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

The following table represents our net working capital[1] position as at July 2, 2023 and July 3, 2022.

CAD $ millions	July 2, 2023	July 3, 2022	$ Change	April 2, 2023	$ Change
Current assets	704.5	691.9	12.6	863.2	(158.7)
Deduct: Cash	(48.0)	(81.8)	33.8	(286.5)	238.5
Current assets, net of cash	656.5	610.1	46.4	576.7	79.8
Current liabilities	328.2	285.7	42.5	352.4	(24.2)
Deduct the impact of:					
Short-term borrowings	(48.4)	(30.8)	(17.6)	(27.6)	(20.8)
Current portion of lease liabilities	(75.3)	(59.9)	(15.4)	(76.1)	0.8
Current liabilities, net of short-term borrowings and current portion of lease liabilities	204.5	195.0	9.5	248.7	(44.2)
Net working capital[1]	452.0	415.1	36.9	328.0	124.0

[1] *Net working capital is a non-IFRS financial measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure.*

As at July 2, 2023, we had $452.0m of net working capital compared to $415.1m of net working capital as at July 3, 2022. Net working capital turnover as a percentage of revenue was 32.2% in the quarter ended July 2, 2023 and 27.4% in the comparative quarter.

The $36.9m increase in net working capital, or 8.9%, was driven by an increase in other current assets and inventory. The increase in other current assets was driven by higher prepaid expenses and higher derivative assets related to the Company's foreign exchange derivative contracts and interest rate swaps.

Inventory levels increased ahead of our peak selling season during the first quarter ended July 2, 2023, compared to first quarter ended July 3, 2022, in anticipation of planned year-over-year revenue growth. However, we have decelerated inventory growth in the first quarter since fiscal 2023 compared to the prior year. This was achieved through the consolidation of one of our manufacturing facilities in Montreal and a favourable change in production mix as we shift to in-house production compared to sourcing from domestic subcontractors, improving efficiencies in our supply chain. Planned deceleration of inventory growth and a shift to in-house production is expected to support alignment between production levels, anticipated revenue growth and utilize the evergreen product we have on-hand. We continue to monitor the levels of inventory in each of our sales channels and across geographic regions and will continue to align with demand that we forecast in each region.

As at July 2, 2023, we had $452.0m of net working capital compared to $328.0m of net working capital as at April 2, 2023.

Cash Flows

The following table summarizes the Company's consolidated statement of cash flows for the first quarter ended July 2, 2023 compared to the first quarter ended July 3, 2022.

	First quarter ended		
CAD $ millions	**July 2, 2023**	**July 3, 2022**	**$ Change**
Total cash used in:			
Operating activities	(209.3)	(196.9)	(12.4)
Investing activities	(5.7)	(0.9)	(4.8)
Financing activities	(21.0)	(6.3)	(14.7)
Effects of foreign currency exchange rate changes on cash	(2.5)	(1.8)	(0.7)
Decrease in cash	(238.5)	(205.9)	(32.6)
Cash, beginning of period	286.5	287.7	(1.2)
Cash, end of period	48.0	81.8	(33.8)
Free operating cash flow[1]	(228.4)	(211.6)	(16.8)

[1] *Free operating cash flow is a non-IFRS financial measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure.*

Cash Requirements

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

Cash flows used in operating activities

Cash flows used in operating activities were $209.3m for the first quarter ended July 2, 2023 compared to $196.9m for the first quarter ended July 3, 2022. The increase in cash flows used in operating activities of $12.4m was due to higher net loss and higher taxes paid of $13.9m, partially offset by lower inventory production in the quarter.

Cash flows used in investing activities

Cash flows used in investing activities were $5.7m for the first quarter ended July 2, 2023 compared to $0.9m for the first quarter ended July 3, 2022. The increase in cash flows used in investing activities of $4.8m was primarily due to higher spend on capital investments driven by an increased store network and costs associated with the completion of the new head office.

Cash flows used in financing activities

Cash flows used in financing activities were $21.0m for the first quarter ended July 2, 2023 compared to $6.3m for the first quarter ended July 3, 2022. The increase in cash flows used in financing activities of $14.7m was driven by $27.5m of higher payments for the purchase of subordinate voting shares that were cancelled related to the Normal Course Issuer Bid (“NCIB”) as described below. The increase was partially offset by borrowings to fund working capital on the Mainland China credit facilities of $8.0m and the Japan credit facility of $4.4m in the quarter.

Free operating cash flow[1]

The table below reconciles the cash flows used in operating and investing activities, and principal payments on lease liabilities to free operating cash flow.

	First quarter ended		
CAD $ millions	**July 2, 2023**	**July 3, 2022**	**$ Change**
Total cash used in:			
Operating activities	(209.3)	(196.9)	(12.4)
Investing activities	(5.7)	(0.9)	(4.8)
Deduct the impact of:			
Principal payments on lease liabilities	(13.4)	(13.8)	0.4
Free operating cash flow[1]	(228.4)	(211.6)	(16.8)

1 Free operating cash flow is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

Free operating cash flows in the first quarter ended July 2, 2023 increased to $(228.4)m from $(211.6)m for the first quarter ended July 3, 2022 due to higher net loss, higher taxes paid and increased capital investments. This was partially offset by lower inventory production in the current quarter.

Indebtedness

The following table presents our net debt[1] as at July 2, 2023 and July 3, 2022.

CAD $ millions	**July 2, 2023**	**July 3, 2022**	**$ Change**	**April 2, 2023**	**$ Change**
Cash	48.0	81.8	(33.8)	286.5	(238.5)
Mainland China Credit Facilities	(22.4)	(4.6)	(17.8)	(9.8)	(12.6)
Japan Credit Facility	(22.0)	(23.3)	1.3	(13.7)	(8.3)
Revolving Credit Facility	—	—	—	—	—
Term Loan Facility	(387.6)	(380.7)	(6.9)	(396.3)	8.7
Lease liabilities	(327.9)	(290.5)	(37.4)	(334.8)	6.9
Net debt[1]	(711.9)	(617.3)	(94.6)	(468.1)	(243.8)

1 Net debt is non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

As at July 2, 2023, net debt was $711.9m compared to $617.3m as at July 3, 2022. The increase of $94.6m was driven by an increase of $37.4m in lease liabilities, a decrease in cash of $33.8m, and increased borrowings on the Mainland China credit facilities. Net debt leverage[1] as at July 2, 2023 was 2.7 times adjusted EBITDA.

See "*Note 10. Borrowings*" in our Interim Financial Statements, "*Note 17. Borrowings*" and "*Indebtedness*" in our fiscal 2023 Annual Report for detailed information on our debt facilities and contracts.

Net debt as at July 2, 2023 was $711.9m compared to $468.1m as at April 2, 2023. The increase in net debt of $243.8m was driven by a decrease in cash of $238.5m and increased borrowings on the Mainland China credit facilities of $8.3m.

Amendments to borrowings

Effective June 30, 2023, LIBOR rates were no longer published for U.S Dollars. As a result, the Company transitioned facilities and contracts denominated in U.S dollars applying LIBOR to the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York ("SOFR"). The Company entered into further amendments for the revolving credit facility, the term loan and the interest rate swaps to transition to SOFR. In connection with the amendment, the Company extended the maturity of the revolving credit facility to May 15, 2028 and incurred transaction costs of $0.7m, on the extension of the revolving credit facility, which are being amortized using the effective interest rate method over the new term to maturity. The term loan now has an interest rate of SOFR plus a term SOFR adjustment of 0.11448%.

Normal Course Issuer Bid

Share capital transactions for the first quarter ended July 2, 2023

During the first quarter ended July 2, 2023, the Company purchased 1,156,959 subordinate voting shares for cancellation for total cash consideration of $26.3m. The amount to purchase the subordinate voting shares was charged to share capital, with the remaining $23.7m charged to retained earnings. In addition, subordinate voting shares held for cancellation as at April 2, 2023 valued at $1.2m were settled in the first quarter ended July 2, 2023. Since the commencement of the NCIB in fiscal 2023, the Company purchased 2,309,761 subordinate voting shares for cancellation for total cash consideration of $54.2m.

A liability representing the maximum amount that the Company could be required to pay the designated broker under the Automatic Share Purchase Plan ("ASPP") entered into in connection with the NCIB, was $10.0m as at the first quarter ended July 2, 2023. The amount was charged to contributed surplus. Subsequent to the first quarter ended July 2, 2023, the Company purchased an additional 422,544 subordinate voting shares for cancellation for total cash consideration of $10.0m under the ASPP. As at the filing date of this report, the remaining liability to the designated broker is $nil.

See “*Note 11. Shareholders’ equity*” in our Interim Financial Statements and “*Note 18. Shareholders’ equity*” in our fiscal 2023 Annual Report for detailed information on the NCIB program.

Contractual Obligations

Refer to “*Contractual Obligations*” in the MD&A section of our fiscal 2023 Annual Report and “*Note 15. Financial risk management objectives and policies”* of our Interim Financial Statements for a summary of the significant contractual obligations and other obligations of the Company. There have been no material changes since April 2, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

The Company uses off-balance sheet arrangements including letters of credit and guarantees in connection with certain obligations including leases. In Europe, a subsidiary of the Company also entered into an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of EUR20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice. Other than those items disclosed here and elsewhere in this MD&A and our financial statements, we did not have any material off-balance sheet arrangements or commitments as at July 2, 2023.

See “*Note 15. Financial risk and management objectives and policies*” in the Interim Financial Statements and “*Off-Balance Sheet Arrangements*” in our fiscal 2023 Annual Report for detailed information on our off-balance sheet arrangements.

OUTSTANDING SHARE CAPITAL

Canada Goose is a publicly traded company and the subordinate voting shares are listed on the New York Stock Exchange (NYSE: GOOS) and on the Toronto Stock Exchange (TSX: GOOS). As at July 27, 2023, there were 51,901,249 subordinate voting shares issued and outstanding, and 51,004,076 multiple voting shares issued and outstanding.

As at July 27, 2023, there were 4,712,248 options, 556,120 restricted share units, and 395,577 performance share units outstanding under the Company’s equity incentive plans, of which 2,299,230 options were vested as of such date. Each option is exercisable for one subordinate voting share. We expect that vested restricted share units and performance share units will be paid at settlement through the issuance of one subordinate voting share per unit.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Company manages its credit risk through a combination of third party credit insurance and internal house risk. The Company has an agreement with a third party who has insured the risk of loss for up to 90% of trade accounts receivable from certain designated customers subject to a total deductible of $0.1m, to a maximum of $30.0m per year. Moreover, within CG Japan, the Company has an agreement with a third party who has insured the risk of loss for up to 45% of trade accounts receivable for certain designated customers for a maximum of JPY450.0m per annum subject to a deductible of 10% and applicable only to accounts with receivables over JPY100k.

In addition, a subsidiary of the Company in Europe manages credit risk through the agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of EUR20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice.

Our exposure to credit risk has not significantly changed from the fiscal year ended April 2, 2023. See *"Quantitative and Qualitative Disclosures about Market Risk"* in our fiscal 2023 Annual Report for detailed information on the Company's credit risk.

Foreign exchange risk

Foreign exchange risk in operating cash flows

Our Interim Financial Statements are expressed in Canadian dollars, but a substantial portion of the Company's revenues, purchases, and expenses are denominated in foreign currencies, primarily U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan, Hong Kong dollars, and Japanese yen. Furthermore, as our business in Greater China grows, transactions in Chinese yuan, Hong Kong dollar and Taiwanese dollar are expected to increase. Net monetary assets denominated in currencies other than Canadian dollars that are held in entities with Canadian dollar functional currency are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. As a result, we are exposed to foreign currency translation gains and losses from our foreign operations into Canadian dollars. Appreciating foreign currencies relative to the Canadian dollar, to the extent they are not hedged, will positively impact operating income and net income by increasing our revenue, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

We are also exposed to fluctuations in the prices of U.S. dollar and euro denominated purchases as a result of changes in U.S. dollar or euro exchange rates. Most of our raw materials are sourced outside of Canada, primarily in U.S. dollars, and SG&A expenses are typically denominated in the currency of the country in which they are incurred. As a result, we are exposed to foreign currency exchange fluctuations on multiple currencies. A depreciating Canadian dollar relative to the U.S. dollar or euro will negatively impact operating income and net income by increasing our costs of raw materials, while an appreciating Canadian dollar relative to the U.S. dollar or euro will have the opposite impact.

As part of our risk management program, we have entered into foreign exchange derivative contracts to manage certain of our exposures to exchange rate fluctuations for future foreign currency transactions, which is intended to reduce the variability of our operating costs and future cash flows denominated in local currencies. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges.

Foreign exchange risk on borrowings

We are further exposed to translation and transaction risks associated with foreign currency exchange fluctuations on foreign currencies denominated principal and interest amounts payable on the Mainland China credit facilities, the Japan credit facility, the revolving credit facility, and the term loan. The Company has entered into foreign exchange forward contracts to hedge 90% or USD270.0m of its exposure to foreign currency exchange risk related to principal payments on the term loan denominated in U.S. dollars.

See "*Note 15. Financial risk and management objectives and policies*" in our Interim Financial Statements, and the "*Foreign exchange risk*" section of our fiscal 2023 Annual Report for detailed information about the Company's hedging program.

Interest rate risk

The Company is exposed to interest rate risk related to the effect of interest rate changes on the borrowings outstanding under the Mainland China credit facilities, Japan credit facility, and the term loan, which currently bear interest rates at 3.18%, 0.32%, and 8.72%, respectively.

Interest rate risk on the term loan is partially mitigated by interest rate swap hedges. The Company has entered into five-year interest rate swap agreements terminating December 31, 2025 to pay fixed interest rates and receive floating interest rates on notional debt of USD270.0m. Effective June 30, 2023, the floating interest benchmark reference rate contained within the swap agreements were amended from LIBOR to SOFR and the average fixed rates were reduced from 1.97% to 1.76%. These swap agreements fix the interest rate on the USD300.0m term loan. Following the amendment, the interest rate swaps continue to be designated and accounted for as cash flow hedges.

Based on the weighted average amount of outstanding borrowings, a 1.00% increase in the average interest rate during the first quarter ended July 2, 2023 would have increased interest expense on the Mainland China credit facilities, Japan credit facility, and the term loan by less than $0.1m, less than $0.1m, and $1.0m, respectively (first quarter ended July 3, 2022 - less than $0.1m, less than $0.1m, and $0.9m, respectively).

RELATED PARTY TRANSACTIONS

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of the Board of Directors by incurring expenses for business services. During the first quarter ended July 2, 2023, the Company incurred expenses with related parties of $0.3m (first quarter ended July 3, 2022 - $0.3m) from companies related to certain shareholders. Balances owing to related parties as at July 2, 2023 were $0.4m (July 3, 2022 - $0.3m, April 2, 2023 - $0.4m).

A lease liability due to the controlling shareholder of the acquired Baffin Inc. business (the "Baffin Vendor") for leased premises was $2.9m as at July 2, 2023 (July 3, 2022 - $3.6m, April 2, 2023 - $3.1m). During the first quarter ended July 2, 2023, the Company paid principal and interest on the lease liability, net of rent concessions, and other operating costs to entities affiliated with the Baffin Vendor totalling $0.4m (first quarter ended July 3, 2022 - $0.4m). No amounts were owing to Baffin entities as at July 2, 2023, July 3, 2022, and April 2, 2023.

The Japan Joint Venture has lease liabilities due to the non-controlling shareholder, Sazaby League, for leased premises. Lease liabilities were $2.4m as at July 2, 2023 (July 3, 2022 - $2.8m, April 2, 2023 - $2.7m). During the first quarter ended July 2, 2023, the Company incurred principal and interest on lease liabilities, royalty fees, and other operating costs to Sazaby League totalling $1.1m (first quarter ended July 3, 2022 - $1.4m). Balances owing to Sazaby League as at July 2, 2023 were $0.2m (July 3, 2022 - $0.2m, April 2, 2023 - $0.2m).

During the first quarter ended July 2, 2023, the Japan Joint Venture sold inventory of less than $0.1m to companies wholly owned by Sazaby League (first quarter ended July 3, 2022 - $nil). As at July 2, 2023, the Japan Joint Venture recognized a trade receivable of less than $0.1m from these companies (July 3, 2022 - $nil, April 2, 2023 - $0.1m).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Interim Financial Statements have been prepared in accordance with IFRS as issued by the IASB. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. See "*Critical Accounting Policies and Estimates" in* our fiscal 2023 Annual Report for detailed information.

CHANGES IN ACCOUNTING POLICIES

Standards issued and not yet adopted

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations is provided below.

In January 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company is assessing the potential impact of the amendment.

Standards issued and adopted

In February 2021, the IASB issued narrow-scope amendments to IAS 1, *Presentation of Financial Statements*, IFRS Practice Statement 2, *Making Materiality Judgements* and IAS 8, *Accounting Polices, Changes in Accounting Estimates and Errors*. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. Beginning April 3, 2023, the Company adopted the amendments. The adoption of the amendments did not have a material impact on the Interim Financial Statements.

In May 2023, the IASB issued International Tax Reform, Pillar Two Model Rules, Amendments to IAS 12, *Income Taxes* (the “Amendments”). The Amendments provide the Company with an exception from recognition and disclosure requirements for deferred tax assets and liabilities arising from the Organization for Economic Co-operation and Development (“OECD”) Pillar Two international tax reform. Upon issuance of the Amendments, the temporary exception has been adopted by the Company as at July 2, 2023. The disclosure requirements for current tax expense and the disclosures for enacted legislation but not yet effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Management, including the CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based on that evaluation, the CEO and CFO concluded that such disclosure controls and procedures were effective as of July 2, 2023 to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and the CFO and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company’s internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the receipts and expenditures of the Company are made only in accordance with authorizations of management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of the Company that could have a material effect on the consolidated financial statements.

There has been no change in the Company’s internal control over financial reporting during the first quarter ended July 2, 2023 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting. Management determined that the Company’s internal control over financial reporting was effective as of July 2, 2023.

Limitations of Controls and Procedures

Due to its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Management's projections of any evaluation of the effectiveness of internal control over financial reporting as to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CERTIFICATION

I, Dani Reiss, certify that:

1. I have reviewed the financial statements and MD&A for the first quarter ended July 2, 2023 of Canada Goose Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the company’s most recent fiscal quarter (the company’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: August 3, 2023

By: *Name /s/ Dani Reiss*

Dani Reiss
Chairman and Chief Executive Officer

CERTIFICATION

I, Jonathan Sinclair, certify that:

1. I have reviewed the financial statements and MD&A for the first quarter ended July 2, 2023 of Canada Goose Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: August 3, 2023

By: */s/ Jonathan Sinclair*

Jonathan Sinclair

Executive Vice President and Chief Financial Officer

Canada Goose Reports First Quarter Fiscal 2024 Results

Revenue increased 21% year-over-year to $84.8 million

DTC comparable sales[1] grew 28% year-over-year

Reiterates full year fiscal 2024 guidance

Toronto - Aug 3, 2023 – Canada Goose Holdings Inc. (NYSE, TSX: GOOS), a global performance luxury and lifestyle brand, announced today financial results for the first quarter of fiscal 2024, which ended July 2, 2023. All amounts are in Canadian dollars unless otherwise indicated.

"We had a strong start to the year, with first quarter results reflecting solid demand for our brand, especially as more customers shop directly with us," said Dani Reiss, Chairman and CEO of Canada Goose. "We remain focused on our growth pillars to drive results over the long-term. In the first quarter, we welcomed more new customers across every market into our expanding global retail network, and we continued to see product categories like apparel and accessories resonate with our customers."

First Quarter Fiscal 2024 Financial Highlights[2]:

- **Total revenue** increased 21% to $84.8m compared to the prior year, up 18% on a constant currency basis[3].
  - DTC revenue grew 60% or 54% on a constant currency basis[3], driven by growth of in-store retail sales. Sales from DTC channels increased as part of the total revenue mix to 66% from 50% in the same reporting period last year. DTC comparable sales[1] increased 28% year-over-year.
  - Wholesale revenue decreased 18% or 19% on a constant currency basis[3], consistent with our expectations, due to continued streamlining of wholesale relationships as we optimize for greater DTC sales within our channel mix, partially offset by earlier shipments of orders to wholesale customers.
  - Revenue grew by 24% in North America, 52% in Asia Pacific, and was down 7% in EMEA[4]. The decrease in EMEA revenue year-over-year was primarily due to the decline in wholesale revenue, which was in line with expectations, partially offset by an increase in DTC revenue.
- **Gross profit** grew 29% to $55.2m, compared to the prior year. Gross margin for the quarter expanded to 65.1% compared to 61.1% in the first quarter of fiscal 2023, primarily due to a higher mix of DTC channel sales, pricing, and favourable product mix from the sale of higher margin styles within Heavyweight Down and non-Heavyweight Down categories, partially offset by higher products costs due to higher input cost inflation.
- **Selling, general and administrative (SG&A)[5]** expenses were $154.9m, compared to $124.9m in the comparable period last year. The increase in SG&A was primarily due to our investments in initiatives to improve long-term operational efficiency through our Transformation Program and new store openings, including the annualization of store openings in fiscal 2023.

[1] DTC Comparable sales is a supplementary financial measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for more information.
[2] Comparisons to first quarter ended July 3, 2022.
[3] Constant currency revenue is a non-IFRS financial measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for more information.
[4] EMEA comprises Europe, the Middle East, Africa, and Latin America.
[5] Certain comparative figures have been reclassified to conform with current year presentation. Foreign exchange gains and losses related to the term loan, net of hedging, which were presented in SG&A expenses in the first quarter ended July 3, 2022, are now reflected in the presentation of net interest, finance and other costs.

- **Operating loss**[6] was $(99.7)m, compared to $(82.2)m in the first quarter of fiscal 2023. The increase in operating loss was attributable to higher SG&A costs, partially offset by higher gross profit.

- **Adjusted EBIT**[6, 7] was $(91.1)m, compared to $(75.9)m in the first quarter of fiscal 2023.

- **Net loss** was $(85.0)m, or $(0.78) per basic share, compared with a net loss of $(63.6)m, or $(0.59) per basic share for the first quarter of fiscal 2023.

- **Adjusted net loss**[7] was $(73.1)m, or $(0.70) per basic share, compared with an adjusted net loss of $(58.8)m, or $(0.56) per basic share for the first quarter of fiscal 2023.

Revenue By Segment

	First quarter ended		$ Change			% Change	
CAD $ millions	**July 2, 2023**	**July 3, 2022**	**As reported**	**Foreign exchange impact**	**In constant currency**[8]	**As reported**	**In constant currency**[8]
DTC	55.8	34.8	21.0	(2.2)	18.8	60.3 %	54.0 %
Wholesale	27.1	33.2	(6.1)	(0.2)	(6.3)	(18.4)%	(19.0)%
Other	1.9	1.9	—	—	—	— %	— %
Total revenue	84.8	69.9	14.9	(2.4)	12.5	21.3 %	17.9 %

Revenue by Geography

	First quarter ended		$ Change			% Change	
CAD $ millions	**July 2, 2023**	**July 3, 2022**	**As reported**	**Foreign exchange impact**	**In constant currency**[8]	**As reported**	**In constant currency**[8]
Canada	23.5	17.9	5.6	—	5.6	31.3 %	31.3 %
United States	18.1	15.7	2.4	(1.2)	1.2	15.3 %	7.6 %
North America	41.6	33.6	8.0	(1.2)	6.8	23.8 %	20.2 %
Asia Pacific	24.5	16.1	8.4	(1.5)	6.9	52.2 %	42.9 %
EMEA	18.7	20.2	(1.5)	0.3	(1.2)	(7.4)%	(5.9)%
Total revenue	84.8	69.9	14.9	(2.4)	12.5	21.3 %	17.9 %

Balance Sheet Highlights

Inventory was $522.1m for the first quarter ended July 2, 2023, up 3% from the first quarter ended July 3, 2022, with decelerating year-over-year growth compared to the fourth quarter of fiscal 2023. This was due to closer alignment between supply and anticipated demand and moving greater production to our own facilities.

During the first quarter of fiscal 2024, the Company repurchased 1,156,959 subordinate voting shares for a total cash consideration of $26.3m, ending the quarter with a cash balance of $48.0m, compared with $81.8m at first quarter ended July 3, 2022.

[6] Certain comparative figures have been reclassified to conform with current year presentation. Foreign exchange gains and losses related to the term loan, net of hedging, which were presented in SG&A expenses in the first quarter ended July 3, 2022, are now reflected in the presentation of net interest, finance and other costs.
[7] Adjusted EBIT and adjusted net loss are non-IFRS financial measures, and adjusted net loss attributable to shareholders of the Company and adjusted net loss per basic and diluted share attributable to the shareholders of the Company are non-IFRS financial ratios. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for more information.
[8] Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for more information.

First Quarter Fiscal 2024 Business Highlights

During our first quarter, Canada Goose continued to engage consumers through our innovative products and customer experiences. Notable business highlights from our first quarter included the following:

- Opened three new permanent stores, including one store in EMEA (Dublin, Ireland) and two in North America (Las Vegas, Nevada and Bellevue, Washington), bringing our total permanent store count to 54 at the end of the first quarter. We also reimagined and relocated the Beijing Sanlitun Flagship Store, opening our largest square footage store in the world. This Flagship store offers customers a truly authentic Canada Goose brand experience, featuring Canadian art, a VIP lounge, and our Snow Room. In July, we opened a permanent store at the Beverly Center in Los Angeles.

- DTC non-Heavyweight Down sales this quarter was higher than total DTC revenue for the same period last year. Customer demand for apparel increased year-over-year and it was one of our fastest growing categories. The Hybridge Knit Jacket, Chilliwack Fleece Bomber, and the Hybridge Hoody topped our list as the best-selling pieces in the Apparel category during the quarter.

Subsequent to First Quarter Fiscal 2024

- Launched our first-ever sneaker line, the Glacier Trail, delivering ultra-versatile performance and year-round relevance while meeting the needs of the modern explorer. This is an expansion of our footwear category, which we introduced in November 2021.

- Expanded Generations, our recommerce platform, to Canada, giving more consumers the opportunity to shop and trade pre-loved Canada Goose products on an authorized reselling platform and was initially launched in the USA in January 2023. Generations keeps our products in circulation and extends their lifetime, directly supporting the company's Sustainable Impact Strategy.

- Received the 2023 Glossy Fashion Award in three separate categories: Best CSR Initiative, Best In-Store Experience and Best Fashion Brand of the Year. We were also named the 2023 Social Innovator of the Year by Positive Luxury in April 2023.

- Published our 2023 ESG report, which provides an update on our strategy, performance, and community relationships during the fiscal year. Key highlights include:

    - Reduced scope 1 and scope 2 carbon emissions by nearly 45% year-over-year by retrofitting our manufacturing plants and investing in global renewable energy credits;

    - Transitioned over 75% of materials to Preferred Fibres and Materials (PFMs), including those that are recycled, organic, natural, bio-degradable and plant-based, and achieved our bluesign® commitment early, certifying that our products are safe for the environment, workers, and customers; and,

    - Published our Human Rights Commitment outlining our responsibility to respecting and safeguarding the fundamental human rights of anyone who engages with the company, directly or indirectly.

Fiscal 2024 Full Year and Q2 Outlook[9]

The following outlook constitutes forward-looking information within the meaning of applicable securities laws and is based on a number of assumptions and subject to a number of risks. The purpose of this outlook is to provide a description of management's expectations regarding the Company's annual financial performance and may not be

[9] The Company is not able to provide, without unreasonable effort, a reconciliation of the guidance for non-IFRS adjusted EBIT and non-IFRS adjusted net income per diluted share to the most directly comparable IFRS measure because the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments included in the most directly comparable IFRS measure that would be necessary for such reconciliations, including (a) income tax related accruals in respect of certain one-time items (b) the impact of foreign currency exchange and (c) non-recurring expenses that cannot reasonably be estimated in advance. These adjustments are inherently variable and uncertain and depend on various factors that are beyond the Company's control and as a result it is also unable to predict their probable significance. Therefore, because management cannot estimate on a forward-looking basis without unreasonable effort the impact these variables and individual adjustments will have on its reported results in accordance with IFRS, it is unable to provide a reconciliation of the non-IFRS measures included in its fiscal 2024 guidance.

appropriate for other purposes. Actual results could vary materially as a result of numerous factors, including certain risk factors, many of which are beyond Canada Goose's control. Please see "Forward-looking Statements" below for more information.

For fiscal 2024, we expect:

- Total revenue of $1.4b to $1.5b
- Non-IFRS adjusted EBIT of $210m to $240m, representing a margin of 15% to 16%
- Non-IFRS adjusted net income per diluted share of $1.20 to $1.48

For the second quarter of fiscal 2023, we expect:

- Total revenue of $270m to $290m
- Non-IFRS EBIT loss of $(30)m to $(20)m
- Non-IFRS adjusted net loss per basic share of $(0.24) to $(0.17)

This outlook is based on a number of assumptions for fiscal 2024, including the following:

- The macro-economic environment does not materially worsen in any of the Company's geographies.
- DTC revenue in the mid-to-high 70s as a percentage of total revenue, driven by mid single digits to mid teens comparable sales growth and continued channel expansion.
- Approximate % of fiscal 2024 total revenue by quarter: Q2 20%, Q3 50%, Q4 25%.
- Wholesale revenue decline of 6% (including revenue offsets from travel retail locations) reflective of the continued editing of our wholesale door count (-6%) and expansion of retail store network.
- 16 permanent retail stores to open which we expect to be fully operational in the second half of the year, concentrated in Mainland China, the USA and Japan.
- Gross margin in the high 60s as a % of total revenue, with DTC and wholesale gross margins in the mid 70s and mid to high 40s, respectively.
- No benefits included from the Transformation Program in fiscal 2024.
- Effective tax rate in the low 20s as a percentage of income before taxes for fiscal 2024.
- Weighted average diluted shares outstanding of 106.3m for fiscal 2024.

Our Q2 fiscal 2024 outlook also assumes:

- DTC channel growth from existing and new stores along with modest e-commerce growth, to be offset by the earlier timing of wholesale shipments that took place in Q1 fiscal 2024 instead of Q2 fiscal 2024 and continued streamlining of wholesale relationships.
- SG&A costs associated with a larger DTC network, timing of marketing spending planned for Q2 of fiscal 2024 compared to Q1 in fiscal 2023, and a larger operating cost base.

Conference Call Information

The Company will host the conference call at 8:30 a.m. Eastern Standard Time on August 3, 2023. The conference call can be accessed by using the following link: https://register.vevent.com/register/BI11ceaedeef0a4e209f37d422f8eb8475. After registering, an email will be sent including dial-in details and a unique conference call pin required to join the live call. A live webcast of the conference call will also be available on the investor relations page of the Company's website at http://investor.canadagoose.com.

About Canada Goose

Founded in 1957 in a small warehouse in Toronto, Canada, Canada Goose (NYSE:GOOS, TSX:GOOS) is a lifestyle brand and a leading manufacturer of performance luxury apparel. Every collection is informed by the rugged demands of the Arctic, ensuring a legacy of functionality is embedded in every product from parkas and rainwear to apparel and accessories. Canada Goose is inspired by relentless innovation and uncompromised craftsmanship, recognized as a leader for its Made in Canada commitment. In 2020, Canada Goose announced HUMANATURE, its purpose platform that unites its sustainability and values-based initiatives, reinforcing its commitment to keep the planet cold and the people on it warm. Canada Goose also owns Baffin, a Canadian designer and manufacturer of performance outdoor and industrial footwear. Visit www.canadagoose.com for more information.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements, including statements relating to our fiscal 2024 full year and first quarter financial outlook, the execution of our proposed strategy including retail footprint expansion and new product offerings, early leading indicators and impacts for ongoing fiscal periods, and our operating performance and prospects. These forward-looking statements generally can be identified by the use of words such as “believe,” “could,” “continue,” “expect,” “estimate,” “may,” “potential,” “would,” “will,” and other words of similar meaning. Each forward-looking statement contained in this press release, including, without limitation, our fiscal 2024 full year and second quarter financial outlook and the related assumptions included herein is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Our business is subject to substantial risks and uncertainties. Applicable risks and uncertainties include, among others, the impact on our operations of the current global economic conditions and their evolution, and are discussed under “Cautionary Note regarding Forward-Looking Statements” and “Factors Affecting our Performance” in our Management's Discussion and Analysis ("MD&A") as well as under “Risk Factors” in our Annual Report on Form 20-F for the year ended April 2, 2023. You are also encouraged to read our filings with the SEC, available at www.sec.gov, and our filings with Canadian securities regulatory authorities available at www.sedarplus.ca for a discussion of these and other risks and uncertainties. Investors, potential investors, and others should give careful consideration to these risks and uncertainties. We caution investors not to rely on the forward-looking statements contained in this press release when making an investment decision in our securities. The forward-looking statements in this press release speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements.

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Media: media@canadagoose.com

Condensed Consolidated Interim Statements of Loss
(unaudited)

(in millions of Canadian dollars, except share and per share amounts)

	First quarter ended	
	July 2, 2023	**July 3, 2022**
		Reclassified
	$	**$**
Revenue	84.8	69.9
Cost of sales	29.6	27.2
Gross profit	55.2	42.7
Selling, general & administrative expenses	154.9	124.9
Operating loss	(99.7)	(82.2)
Net interest, finance and other costs	14.5	5.9
Loss before income taxes	(114.2)	(88.1)
Income tax recovery	(29.2)	(24.5)
Net loss	(85.0)	(63.6)
Attributable to:		
Shareholders of the Company	(81.1)	(62.4)
Non-controlling interest	(3.9)	(1.2)
Net loss	(85.0)	(63.6)
Loss per share attributable to shareholders of the Company		
Basic and diluted	$ (0.78)	$ (0.59)

Condensed Consolidated Statements of Financial Position (unaudited)
(in millions of Canadian dollars)

	July 2, 2023	July 3, 2022	April 2, 2023
Assets	$	$	$
Current assets			
Cash	48.0	81.8	286.5
Trade receivables	50.9	48.2	50.9
Inventories	522.1	504.7	472.6
Income taxes receivable	6.6	4.8	0.9
Other current assets	76.9	52.4	52.3
Total current assets	704.5	691.9	863.2
Deferred income taxes	92.5	73.9	67.5
Property, plant and equipment	172.0	110.5	156.0
Intangible assets	133.1	134.7	135.1
Right-of-use assets	281.3	253.2	291.8
Goodwill	62.8	64.7	63.9
Other long-term assets	12.3	17.8	12.5
Total assets	1,458.5	1,346.7	1,590.0
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	178.6	165.6	195.6
Provisions	16.3	16.2	21.6
Income taxes payable	9.6	13.2	31.5
Short-term borrowings	48.4	30.8	27.6
Current portion of lease liabilities	75.3	59.9	76.1
Total current liabilities	328.2	285.7	352.4
Provisions	34.2	30.2	36.5
Deferred income taxes	12.3	18.3	16.4
Term loan	383.0	377.1	391.6
Lease liabilities	252.6	230.6	258.7
Other long-term liabilities	62.6	52.9	56.9
Total liabilities	1,072.9	994.8	1,112.5
Equity			
Equity attributable to shareholders of the Company	381.9	342.4	469.5
Non-controlling interests	3.7	9.5	8.0
Total equity	385.6	351.9	477.5
Total liabilities and equity	1,458.5	1,346.7	1,590.0

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)
(in millions of Canadian dollars)

	First quarter ended	
	July 2, 2023	July 3, 2022
	$	$
Operating activities		
Net loss	(85.0)	(63.6)
Items not affecting cash:		
Depreciation and amortization	29.2	25.8
Income tax recovery	(29.2)	(24.5)
Interest expense	7.4	7.0
Foreign exchange (gain) loss	(4.7)	2.1
Gain on disposal of assets	(0.1)	—
Share-based payment	2.5	2.7
Remeasurement of put option	8.1	—
Remeasurement of contingent consideration	(1.0)	—
	(72.8)	(50.5)
Changes in non-cash operating items	(98.9)	(123.5)
Income taxes paid	(30.1)	(16.2)
Interest paid	(7.5)	(6.7)
Net cash used in operating activities	(209.3)	(196.9)
Investing activities		
Purchase of property, plant and equipment	(5.2)	(2.5)
Investment in intangible assets	(0.2)	(1.1)
Initial direct costs of right-of-use assets	(0.3)	(0.1)
Net cash inflow from business combination	—	2.8
Net cash used in investing activities	(5.7)	(0.9)
Financing activities		
Mainland China Facilities borrowings	12.6	4.6
Japan Facility borrowings	8.3	3.9
Term loan repayments	(1.0)	(1.0)
Subordinate voting shares purchased and cancelled under NCIB	(27.5)	—
Principal payments on lease liabilities	(13.4)	(13.8)
Net cash used in financing activities	(21.0)	(6.3)
Effects of foreign currency exchange rate changes on cash	(2.5)	(1.8)
Decrease in cash	(238.5)	(205.9)
Cash, beginning of period	286.5	287.7
Cash, end of period	48.0	81.8

Non-IFRS Financial Measures and Other Specified Financial Measures

This press release includes references to certain non-IFRS financial measures such as adjusted EBIT, adjusted net loss and constant currency revenue and certain non-IFRS ratios such as, adjusted EBIT margin, adjusted net loss attributable to shareholders of the Company and adjusted net loss per basic and diluted share attributable to the shareholders of the Company. These financial measures are employed by the Company to measure its operating and economic performance and to assist in business decision-making, as well as providing key performance information to senior management. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and analysts use this information to evaluate the Company's operating and financial performance. These financial measures are not defined under IFRS nor do they replace or supersede any standardized measure under IFRS. Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures. Additional information, including definitions and reconciliations of non-IFRS measures to the nearest IFRS measure can be found in our MD&A for the first quarter of fiscal 2024 under "Non-IFRS Financial Measures and Other Specified Financial Measures. Such reconciliations can also be found in this press release under "Reconciliation of Non-IFRS Measures" and, in the case of constant currency revenue, under "Revenue".

This press release also includes DTC comparable sales growth which is a supplementary financial measure defined as sales on a constant currency basis from e-Commerce sites and stores which have been operating for one full year (12 successive fiscal months). The measure excludes store sales from both periods for the specific trading days when the stores were closed, whether those closures occurred in the current period or the comparative period.

Reconciliation of Non-IFRS Measures

The tables below reconcile net loss to adjusted EBIT and adjusted net loss attributable to shareholders of the Company for the periods indicated. Adjusted EBIT margin is equal to adjusted EBIT for the period presented as a percentage of revenue for the same period.

Beginning with the third quarter of fiscal 2023, we no longer include pre-store opening costs in the reconciliation of net loss to adjusted EBIT and adjusted net loss attributable to shareholders of the Company, as we believe these costs are a part of our operating base as we accelerate new store openings. Comparable periods have been restated to reflect this change.

Beginning with the first quarter of fiscal 2024, foreign exchange gains and losses related to the term loan, net of hedging, are now reflected in the presentation of net interest, finance and other costs, which was previously presented in SG&A expenses.

CAD $ millions	First quarter ended July 2, 2023	First quarter ended July 3, 2022
Net loss	(85.0)	(63.6)
Add (deduct) the impact of:		
Income tax recovery	(29.2)	(24.5)
Net interest, finance and other costs	14.5	5.9
Operating loss	(99.7)	(82.2)
Net temporary store closure costs (a)	—	2.2
Head office transition costs (c)	0.8	1.7
Japan Joint Venture costs (e)	—	1.4
Strategic initiatives (g)	7.8	—
Legal proceeding costs (h)	—	1.0
Total adjustments	8.6	6.3
Adjusted EBIT	(91.1)	(75.9)
Adjusted EBIT margin	*(107.4)%*	*(108.6)%*

CAD $ millions	First quarter ended July 2, 2023	First quarter ended July 3, 2022
Net loss	(85.0)	(63.6)
Add (deduct) the impact of:		
Net temporary store closure costs (a) (b)	—	2.2
Head office transition costs (c) (d)	1.2	2.1
Japan Joint Venture costs (e)	—	1.4
Japan Joint Venture remeasurement loss on contingent consideration and put option (f)	7.1	—
Strategic initiatives (g)	7.8	—
Legal proceeding costs (h)	—	1.0
Unrealized foreign exchange gain on Term Loan Facility (i)	(2.2)	(1.5)
Deferred tax adjustment (j)	(0.5)	—
Total adjustments	13.4	5.2
Tax effect of adjustments	(1.8)	(1.3)
Adjusted net loss	(73.4)	(59.7)
Adjusted net loss attributable to non-controlling interest (k)	0.3	0.9
Adjusted net loss attributable to shareholders of the Company	(73.1)	(58.8)
Weighted average number of basic shares outstanding	103,710,762	105,234,474
Adjusted net loss per basic share attributable to shareholders of the Company	$ (0.70)	$ (0.56)

(a) Net temporary store closure costs of $nil were incurred in the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - $2.2m).

(b) Net temporary store closure costs incurred in (a) as well as $nil of interest expense on lease liabilities for temporary store closures for the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - less than $0.1m).

(c) Costs incurred for the corporate head office transition, including depreciation on right-of-use assets.

(d) Corporate head office transition costs incurred in (c) as well as $0.4m of interest expense on lease liabilities for the first quarter ended July 2, 2023 (first quarter ended July 3, 2022 - $0.4m).

(e) Costs incurred in connection with the establishment of the Japan Joint Venture. This is driven by the impact of gross margin that would otherwise have been recognized on the sale of inventory recorded at net realizable value less costs to sell, as well as other costs of establishing the Japan Joint Venture.

(f) Changes to the fair value remeasurement of the contingent consideration and put option liability related to the Japan Joint Venture. During the first quarter ended July 2, 2023, the Company recorded a gain of $(1.0)m and a loss of $8.1m on fair value remeasurement of the contingent consideration and put option, respectively (first quarter ended July 3, 2022 - $nil and $nil, respectively). These gains and losses are included in net interest, finance and other costs within the interim statements of loss.

(g) Relates to engagement fees incurred in connection with our Transformation Program.

(h) Costs for legal proceeding fees including for the defence of class action lawsuits.

(i) Unrealized gains and losses on the translation of the term loan from USD to CAD, net of the effect of derivative transactions entered into to hedge a portion of the exposure to foreign currency exchange risk. These costs were previously presented in SG&A expenses, are now reflected in the presentation of net interest, finance and other costs.

(j) Deferred tax adjustment recorded as the result of Swiss tax reform in Canada Goose International AG.

(k) Calculated as net loss attributable to non-controlling interest within the interim statements of loss of $3.9m less $(3.6)m for the gross margin adjustment and the put option liability and contingent consideration revaluation related to the non-controlling interest within the Japan Joint Venture for the first quarter ended July 2, 2023. Net loss attributable to non-controlling interest within the interim statements of loss of $1.2m less $(0.3)m for the gross margin adjustment and the put option liability and contingent consideration revaluation related to the non-controlling interest within the Japan Joint Venture for the first quarter ended July 3, 2022.