CANADA GOOSE HOLDINGS INC.

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

For the fourth quarter and year ended April 3, 2022

The following Management's Discussion and Analysis ("MD&A") for Canada Goose Holdings Inc. ("us," "we," "our," "Canada Goose" or the "Company") is dated May 18, 2022 and provides information concerning our results of operations and financial condition for the fourth quarter and year ended April 3, 2022 ("fiscal 2022"). You should read this MD&A together with our audited consolidated financial statements and the related notes for the year ended April 3, 2022 ("Annual Financial Statements"). Additional information about Canada Goose is available on our website at www.canadagoose.com, on the SEDAR website at www.sedar.com, and on the EDGAR section of the U.S. Securities and Exchange Commission (the "SEC") website at www.sec.gov, including this Annual Report on Form 20-F.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

- risks and global disruptions associated with the ongoing COVID-19 pandemic and geopolitical events, which may further affect general economic and operating conditions;
- additional potential closures or retail traffic disruptions impacting our retail stores and the retail stores of our wholesale partners as a result of COVID-19;
- we may not open new 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;
- 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 forecast our inventory need 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;
- fluctuations in raw material costs, interest rates and currency exchange rates; and
- we may be unable to maintain effective internal controls over financial reporting.

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

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

BASIS OF PRESENTATION

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

The Annual Financial Statements and the accompanying notes have been prepared using the accounting policies described in note 2 to the Annual Financial Statements. The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements as described in note 4 to the Annual Financial Statements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision.

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

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. Fiscal 2022 is the first 53-week fiscal year, ending on April 3, 2022, and the additional week was added to the third quarter ended January 2, 2022.

All references to "fiscal 2019" are to the Company's fiscal year ended March 31, 2019; to "fiscal 2020" are to the Company's fiscal year ended March 29, 2020; "fiscal 2021" are to the Company's fiscal year ended March 28, 2021; and to "fiscal 2022" are to the Company's fiscal year ending April 3, 2022.

Certain comparative figures have been reclassified to conform with the current year presentation. Depreciation and amortization for amounts not included in costs of goods sold, which were previously presented in a separate line item, are reflected in the presentation of selling, general & administrative ("SG&A") expenses.

SUMMARY OF FINANCIAL PERFORMANCE

The following table summarizes results of operations for the years ended April 3, 2022, March 28, 2021 and March 29, 2020 and the fourth quarters ended April 3, 2022 and March 28, 2021, and expresses the percentage relationship to revenues of certain financial statement captions. See “Results of Operations” for additional details and for the comparison discussions between the years ended April 3, 2022 and March 28, 2021.

For the comparison discussions between the years ended March 28, 2021 and March 29, 2020, please refer to Item 5. “Operating and Financial Review and Prospects” of our Annual Report on Form 20-F for the year ended March 28, 2021, filed with the SEC on May 13, 2021, which is hereby incorporated herein by reference.

CAD $ millions (except per share data)	For the year ended			Fourth quarter ended	
	April 3, 2022	March 28, 2021[2]	March 29, 2020[2]	April 3, 2022	March 28, 2021[2]
Statement of Operations data:					
Revenue	1,098.4	903.7	958.1	223.1	208.8
Gross profit	733.6	554.0	593.3	154.1	138.6
Gross margin	*66.8 %*	*61.3 %*	*61.9 %*	*69.1 %*	*66.4 %*
Operating income	156.7	117.0	187.1	0.9	7.2
Net income (loss)	94.6	70.3	148.0	(9.1)	2.5
Earnings (loss) per share					
Basic	$ 0.87	$ 0.64	$ 1.35	$ (0.09)	$ 0.02
Diluted	$ 0.87	$ 0.63	$ 1.33	$ (0.09)	$ 0.02
Non-IFRS Financial Measures:[1]					
Adjusted EBIT	174.6	132.6	202.4	12.5	4.8
Adjusted EBIT margin	*15.9 %*	*14.7 %*	*21.1 %*	*5.6 %*	*2.3 %*
Adjusted net income	119.4	86.2	143.5	4.1	0.7
Adjusted net income per basic share	$ 1.10	$ 0.78	$ 1.31	$ 0.04	$ 0.01
Adjusted net income per diluted share	$ 1.09	$ 0.78	$ 1.29	$ 0.04	$ 0.01

CAD $ millions	April 3, 2022	March 28, 2021[2]	March 29, 2020[2]
Financial Position:			
Cash	287.7	477.9	31.7
Net working capital [1]	255.4	202.1	327.1
Total assets	1,340.6	1,478.5	1,090.7
Total non-current liabilities	631.2	638.8	384.5
Shareholders' equity	427.9	577.6	497.3

(1) *See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of these measures and a reconciliation to the nearest IFRS measure.*

(2) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service (“SaaS”) arrangements. See “Changes in Accounting Policies” for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

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. As at April 3, 2022, our DTC segment includes sales to customers through our 56 national e-Commerce markets and 41 directly operated permanent retail stores across North America, Europe, and Asia Pacific. Through our Wholesale segment, we sell to a mix of retailers and international distributors. The Other segment comprises sales and costs not directly allocated to the DTC or Wholesale segments, such as sales to employees and SG&A expenses.

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.
- *COVID-19 pandemic.* COVID-19 continues to impact the global economy and public health officials have imposed restrictions and recommended precautions to mitigate the spread of the virus. These measures have resulted in temporary closures of our retail locations as well as reduced traffic and store productivity, similarly impacting our wholesale partners. Store operations have largely resumed over fiscal 2022 across our global store network, however 5 of our 41 stores continue to remain closed globally and retail store traffic remains below pre-pandemic levels as at April 3, 2022. As a result of slower than expected return of international retail traffic and limited time remaining on existing leases, the Company recorded $1.6m of impairment losses on fixed assets and $6.1m of impairment losses on right-of-use assets in respect of two retail stores in the DTC operating segment for the year ended April 3, 2022. The impairment losses were recorded as part of SG&A expenses.

  Global supply chain disruptions continue from the ongoing challenges related to COVID-19, however these disruptions have not materially impacted our ability to fulfill demand and maintain sufficient inventory levels. While such costs have not been material to results of operations for the year ended April 3, 2022, we continue to anticipate and monitor escalating costs based both on freight constraints and required speed to stage inventory or deliver to consumers. All of our manufacturing facilities were operating throughout the fourth quarter and year ended April 3, 2022 at lower than pre-pandemic output levels to ensure appropriate distancing measures were in place. We expect to return to more normal levels of production as restrictions and recommended precautions are lifted.

  We received rent concessions in the form of abatements and deferrals and rent concessions of $0.6m were recognized in the statement of income for the year ended April 3, 2022 (for the year ended March 28, 2021 - $4.1m).

  Future developments relating to COVID-19 are highly uncertain and out of our control. Restrictions and recommended precautions related to the Omicron variant have been weighing on and may continue to weigh on ongoing demand improvement. Prolonged disruptions due to the pandemic, including the emergence of the new COVID-19 variants and mutations, may negatively impact our operations and result in temporary closures of our retail stores and manufacturing facilities, as well as our wholesale partners, lower retail store traffic, and impacts on our supply chain.
- *Global political events and other disruptions.* We are conscious of risks related to social, economic, and political instability, including geopolitical tensions, regulatory matters, market volatility, and social unrest that are affecting consumer spending in certain countries and travel corridors. We have been, and may in the future be, impacted by widespread protests

and other disruptions. To the extent that such disruptions persist, we expect that operations and traffic at our retail stores may be impacted. We remain concerned about the conflict in Ukraine and impact on human life for those affected. In this quarter we announced that we have suspended all wholesale and e-Commerce sales to Russia, which represented less than 1% of total annual revenue in fiscal 2022.

- *New Products*. We intend to continue investing in innovation and the development and introduction of new products across styles, uses, and climates. This includes Canada Goose footwear and Baffin branded footwear through Baffin's own distinct sales channels. We expect that certain new products may carry a lower gross margin per unit relative to our long-standing styles which are produced in significantly higher volumes.

- *Seasonality.* We experience seasonal fluctuations in our revenue and operating results and have historically realized a significant portion of our annual wholesale revenue during our second and third fiscal quarters, and our annual DTC revenue in our third and fourth fiscal quarters. We generated 82.4%, 86.8% and 85.7% of our annual wholesale revenue in the combined second and third fiscal quarters of fiscal 2022, fiscal 2021, and fiscal 2020, respectively. Additionally, we generated 85.0%, 89.3% and 79.2% of our annual DTC revenue in the combined third and fourth fiscal quarters of fiscal 2022, fiscal 2021, and fiscal 2020, 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. The year ended April 3, 2022 is a 53-week year and as a result an additional week in our peak period was added to the third fiscal quarter. This resulted in further accentuation of quarterly seasonal trends. See "Basis of Presentation".

  (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 the Revolving Facility (as defined below) and the Mainland China Facilities (as defined below). 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.

- *Developments in international trade.* We continue to monitor the impact on our operations in Europe as a result of the United Kingdom's exit from the European Union ("Brexit"). We continue to build flexibility within our supply chain and leverage partners and technical resources to utilize duty savings under various Free Trade Agreements. Duty savings continue for U.S. shipments under the United States-Mexico-Canada Agreement. We monitor developments in international trade in countries where we operate that could have an impact on our business.

- *Foreign Exchange.* We sell a significant portion of our products to customers outside of Canada, which exposes us to fluctuations in foreign currency exchange rates. In fiscal years 2022, 2021, and 2020, we generated 72.5%, 67.9%, and 62.3%, respectively, of our revenue in currencies other than Canadian dollars. Historically, most of our wholesale revenue was derived from orders made prior to the beginning of the fiscal year. This high degree of visibility into our anticipated future cash flows from wholesale operations is now significantly less certain given the COVID-19 disruptions. 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 part of our risk management program, we have entered into foreign exchange derivative contracts to manage certain of our exposures to exchange rate fluctuations for future foreign currency transactions, which is intended to reduce the variability of our operating costs and future cash flows denominated in local currencies. We continue to monitor our risk management program to take into account the prevailing global uncertainty of COVID-19.

We are exposed to translation and transaction risks associated with foreign currency exchange fluctuations on the Chinese renminbi denominated principal and interest amounts payable on the Mainland China Facilities and U.S. dollar denominated principal and interest amounts payable on our Revolving Facility and the Term Loan Facility (as defined below). The Company has entered into foreign exchange cross-currency swap and forward contracts to hedge a portion of the exposure to foreign currency exchange and interest rate risk on the principal amount of the Term Loan Facility. See "Quantitative and Qualitative Disclosures about Market Risk - Foreign Exchange Risk" below.

The main foreign currency exchange rates that impact our business and operations as at and for the year ended April 3, 2022 and for the year ended March 28, 2021 are summarized below:

	Foreign currency exchange rate to $1.00 CAD					
	Fiscal 2022					
	Average Rate					**Closing Rate**
Currency	**Q1**	**Q2**	**Q3**	**Q4**	**2022**	**April 3, 2022**
USD/CAD	1.2280	1.2601	1.2600	1.2663	1.2536	1.2512
EUR/CAD	1.4804	1.4852	1.4409	1.4218	1.4571	1.3816
GBP/CAD	1.7170	1.7367	1.6991	1.6995	1.7131	1.6399
CHF/CAD	1.3485	1.3723	1.3669	1.3707	1.3646	1.3514
CNY/CAD	0.1902	0.1948	0.1971	0.1995	0.1954	0.1966
HKD/CAD	0.1581	0.1620	0.1618	0.1622	0.1610	0.1597

	Foreign currency exchange rate to $1.00 CAD					
	Fiscal 2021					
	Average Rate					**Closing Rate**
Currency	**Q1**	**Q2**	**Q3**	**Q4**	**2021**	**March 28, 2021**
USD/CAD	1.3859	1.3316	1.3030	1.2666	1.3218	1.2580
EUR/CAD	1.5256	1.5579	1.5537	1.5267	1.5410	1.4831
GBP/CAD	1.7203	1.7212	1.7207	1.7461	1.7271	1.7345
CHF/CAD	1.4378	1.4486	1.4417	1.4003	1.4321	1.3384
CNY/CAD	0.1955	0.1926	0.1967	0.1955	0.1951	0.1923
HKD/CAD	0.1788	0.1718	0.1681	0.1633	0.1705	0.1619

Source: Bank of Canada

Components of Our Results of Operations

Revenue

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

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

Other revenue comprises sales not directly allocated to the DTC or Wholesale segments, including sales to employees and comparative period sales of personal protective equipment ("PPE") to federal, provincial, and local health authorities.

Gross Profit

Gross profit is our revenue less cost of sales. Cost of sales comprises the cost of manufacturing our products and goods purchased from other manufacturers, including raw materials, direct labour, and overhead, plus freight, duties, and non-refundable taxes incurred in delivering the goods to distribution centres managed by third parties or to our retail stores. Product development costs, primarily employee salaries and benefits, included in inventories and intangible assets are being recognized in cost of sales accordingly. Beginning in fiscal 2021, incurred product development costs, primarily employee salaries and benefits, are recognized in SG&A expenses. Cost of sales also includes depreciation on our manufacturing right-of-use assets and plant assets as well as inventory provisions, and allowances related to obsolescence and shrinkage. The primary drivers of our cost of sales are the costs of raw materials (which are sourced in both Canadian dollars and U.S. dollars), manufacturing labour rates, and the allocation of overhead. Gross margin measures our gross profit as a percentage of revenue.

SG&A Expenses

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

Selling costs, other than headcount-related costs, generally correlate to revenue timing and previous to fiscal 2021, would typically experience similar seasonal trends. As a percentage of sales, we expect these selling costs to change as our business evolves. This change has been and is expected to be primarily driven by the expansion of our DTC segment, including the investment required to support e-Commerce sites and retail stores. Retail store costs are mostly fixed and are incurred throughout the year.

General and administrative expenses represent costs incurred in our corporate offices, primarily related to marketing, personnel costs (including salaries, variable incentive compensation, benefits, and share-based compensation), technology support, and other professional service costs. We have invested considerably in this area to support the growing volume and complexity of our business and anticipate continuing to do so in the future. Beginning in fiscal 2021, incurred product development costs, primarily employee salaries and benefits, are recognized in SG&A expenses.

Depreciation and amortization represent the economic benefit incurred in using the Company's property, plant and equipment, intangible assets, and right-of-use assets. We expect depreciation and amortization to increase, primarily driven by the expansion of our DTC segment and information technology-related expenditures to support growth.

Operating Income

Operating income is our gross profit less SG&A expenses. Operating margin measures our operating income as a percentage of revenue.

Net Interest and Other Finance Costs

Net interest, finance and other costs represents interest expense on our borrowings including the Revolving Facility, the Term Loan Facility, the Mainland China Facilities, and lease liabilities, as well as standby fees, net of interest income. In addition, corporate restructuring costs have been recognized in fiscal 2021.

Income Taxes

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events.

RESULTS OF OPERATIONS

For the year ended April 3, 2022 compared to the year ended March 28, 2021

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)	For the year ended April 3, 2022	For the year ended March 28, 2021[2]	$ Change	% Change
Statement of Income data:				
Revenue	1,098.4	903.7	194.7	21.5 %
Cost of sales	364.8	349.7	(15.1)	(4.3) %
Gross profit	733.6	554.0	179.6	32.4 %
Gross margin	*66.8 %*	*61.3 %*		*550 bps*
SG&A expenses	576.9	437.0	(139.9)	(32.0) %
SG&A expenses as % of revenue	*52.5 %*	*48.4 %*		*(410) bps*
Operating income	156.7	117.0	39.7	33.9 %
Operating margin	*14.3 %*	*12.9 %*		*140 bps*
Net interest, finance and other costs	39.0	30.9	(8.1)	(26.2) %
Income before income taxes	117.7	86.1	31.6	36.7 %
Income tax expense	23.1	15.8	(7.3)	(46.2) %
Effective tax rate	*19.6 %*	*18.4 %*		*(120) bps*
Net income	94.6	70.3	24.3	34.6 %
Other comprehensive loss	(12.0)	(5.3)	(6.7)	(126.4) %
Comprehensive income	82.6	65.0	17.6	27.1 %
Earnings per share				
Basic	$ 0.87	$ 0.64	0.23	35.9 %
Diluted	$ 0.87	$ 0.63	0.24	38.1 %
Weighted average number of shares outstanding				
Basic	108,296,802	110,261,600		
Diluted	109,154,721	111,112,173		
Non-IFRS Financial Measures:[1]				
Adjusted EBIT	174.6	132.6	42.0	31.7 %
Adjusted EBIT margin	*15.9 %*	*14.7 %*		*120 bps*
Adjusted net income	119.4	86.2	33.2	38.5 %
Adjusted net income per basic share	$ 1.10	$ 0.78	0.32	41.0 %
Adjusted net income per diluted share	$ 1.09	$ 0.78	0.31	39.7 %

(1) *See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.*

(2) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

Revenue

Revenue for the year ended April 3, 2022 increased by $194.7m, or 21.5%, to $1,098.4m from $903.7m for the year ended March 28, 2021. Excluding $47.2m of temporary PPE sales in the comparative period, revenue increased by $241.9m or 28.2%. On a constant currency[(1)] basis, revenue increased by 23.2% for the year ended April 3, 2022 compared to the year ended March 28, 2021. Revenue generated from our DTC channel represented 67.4% of total revenue for the year ended April 3, 2022 compared to 58.3% for the year ended March 28, 2021.

	For the year ended		$ Change			% Change	
CAD $ millions	**April 3, 2022**	**March 28, 2021**	**As reported**	**Foreign exchange impact**	**In constant currency[(1)]**	**As reported**	**In constant currency**
DTC	740.4	527.2	213.2	7.0	220.2	40.4 %	41.8 %
Wholesale	348.5	322.2	26.3	8.2	34.5	8.2 %	10.7 %
Other	9.5	54.3	(44.8)	—	(44.8)	(82.5)%	(82.5)%
Total revenue	1,098.4	903.7	194.7	15.2	209.9	21.5 %	23.2 %

(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.*

Impact of 53-Week Year on Revenue

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. Fiscal 2022 was our first 53-week fiscal year, ending on April 3, 2022, and the additional week was added to the third quarter ended January 2, 2022. The additional week in the third quarter in fiscal 2022, which is during our peak season, had a significant impact on revenue in the third and fourth quarter of fiscal 2022, as in the comparative period, the additional week was included in the fourth quarter, and the final week in the fourth quarter was included in the subsequent fiscal year. The additional week included in the reported results for the third quarter generated $40.9m in revenue and the final week in the fourth quarter generated $5.5m in revenue.

To explain the impact of the additional week, and to facilitate comparison with the results for the year ended March 28, 2021 over a similar calendar period, the below presents revenue for the year ended April 3, 2022 on the basis of excluding the final week of the fourth quarter ended April 3, 2022 ("53rd Week").

	For the year ended				Change	
CAD $ millions	**April 3, 2022**	**53rd Week**	**April 3, 2022 excluding 53rd Week**	**March 28, 2021**	**$ Change**	**% Change**
DTC	740.4	(4.7)	735.7	527.2	208.5	39.5 %
Wholesale	348.5	(0.7)	347.8	322.2	25.6	7.9 %
Other	9.5	(0.1)	9.4	54.3	(44.9)	(82.7)%
Total revenue	1,098.4	(5.5)	1,092.9	903.7	189.2	20.9 %

DTC

Revenue from our DTC segment for the year ended April 3, 2022 was $740.4m compared to $527.2m for the year ended March 28, 2021. The increase of $213.2m or 40.4% was attributable to higher revenue from existing retail stores, complemented by e-Commerce growth of 15.9% and new retail expansion of the retail network. Excluding the 53rd Week, the increase in revenue was $208.5m or 39.5%.

Wholesale

Revenue from our Wholesale segment for the year ended April 3, 2022 was $348.5m compared to $322.2m for the year ended March 28, 2021. The increase of $26.3m or 8.2% was attributable to an increase in orders globally relative to the comparative period.

Other

Revenue from our Other segment for the year ended April 3, 2022 was $9.5m compared to $54.3m for the year ended March 28, 2021. The decrease of $44.8m or (82.5)% was mainly attributable to $47.2m of PPE sales in the comparative period, which were temporarily manufactured in support of COVID-19 response efforts.

Revenue by geography

	For the year ended		$ Change			% Change	
CAD $ millions	**April 3, 2022**	**March 28, 2021**	**As reported**	**Foreign exchange impact**	**In constant currency[2]**	**As reported**	**In constant currency[2]**
Canada	219.2	217.7	1.5	—	1.5	0.7 %	0.7 %
United States	303.7	226.1	77.6	6.9	84.5	34.3 %	37.4 %
Asia Pacific	328.6	264.0	64.6	0.5	65.1	24.5 %	24.7 %
EMEA[1]	246.9	195.9	51.0	7.8	58.8	26.0 %	30.0 %
Total revenue	1,098.4	903.7	194.7	15.2	209.9	21.5 %	23.2 %

(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 this measure.*

Revenue increased in all regions during the year ended April 3, 2022 compared to the comparative period resulting from an increase in both DTC and wholesale revenue. Revenue in Canada grew by 28.6% excluding the $47.2m of PPE sales made in the comparative period. Including PPE, revenue in Canada increased by 0.7%. The increase in revenue in all regions was attributable to higher revenues from existing retail stores, e-Commerce growth, retail store expansion, and wholesale growth.

Gross Profit

Gross profit and gross margin for the year ended April 3, 2022 were $733.6m and 66.8%, respectively, compared to $554.0m and 61.3%, respectively, for the year ended March 28, 2021. The increase in gross profit of $179.6m was attributable to higher revenue as noted above. Gross profit in the comparative period included the impact of $47.2m of non-recurring PPE sales, $13.5m of COVID-19 related government payroll subsidies, and $4.3m of manufacturing overhead costs during a period when production ceased due to COVID-19. Excluding the impact of these items, gross margin was 63.7% in the comparative period. Gross margin in the current period was favourably impacted by an increased proportion of DTC revenue from the comparative period, a lower proportion of sales to international distributors, and incremental benefits from pricing, which were partially offset by unfavourable impacts from product mix due to higher sales in non-parka categories, typically with lower margins.

CAD $ millions	For the year ended April 3, 2022 Gross profit	Gross margin	March 28, 2021 Gross profit (loss)	Gross margin	$ Change	Change in bps
DTC	563.0	*76.0 %*	402.4	*76.3 %*	160.6	*(30) bps*
Wholesale	166.5	*47.8 %*	152.4	*47.3 %*	14.1	*50 bps*
Other	4.1	*43.2 %*	(0.8)	*(1.5)%*	4.9	—
Total gross profit	733.6	*66.8 %*	554.0	*61.3 %*	179.6	*550 bps*

DTC

Gross profit in our DTC segment was $563.0m for the year ended April 3, 2022 compared to $402.4m for the year ended March 28, 2021. The increase of $160.6m in gross profit was attributable to higher revenues. On a reported basis, including the benefit of government payroll subsidies in the prior period of 80 bps, gross margin declined by 30 bps compared to the comparative period. Hence, gross margin of 76.0% for the year ended April 3, 2022 represented an underlying increase of 50 bps when excluding non-recurring subsidies. During the year ended April 3, 2022, gross margin was favourably impacted by incremental benefits from pricing (+190 bps) which were partially offset by the increase in sales volumes in non-parka categories (-100 bps) and unfavourable region mix (-30 bps) from a higher proportion of sales in North America and EMEA.

Wholesale

Gross profit in our Wholesale segment was $166.5m for the year ended April 3, 2022 compared to $152.4m for the year ended March 28, 2021. The increase in gross profit of $14.1m was attributable to higher revenues. The gross margin was 47.8% for the year ended April 3, 2022, an increase of 50 bps compared to 47.3% in the comparative period. Excluding the prior year benefits from COVID-19 related government payroll subsidies (-230 bps), the gross margin in the comparative period was 45.0%. During the year ended April 3, 2022, the increase in gross margin was driven by incremental benefits from pricing (+380 bps) and by a higher proportion of sales to our wholesale partners compared to international distributors (+200 bps), which were partially offset by unfavourable impacts from product mix due to higher sales in non-parka categories (-310 bps).

Other

Gross profit in our Other segment was $4.1m for the year ended April 3, 2022 compared to gross loss of $0.8m for the year ended March 28, 2021, an increase of $4.9m. Gross profit in the prior year included $4.3m in overhead costs resulting from the temporary closure of our manufacturing facilities due to COVID-19 and $1.5m in gross profit related to the sale of PPE. The balance of the gross profit increase versus the comparative period is due to higher employee sales.

SG&A Expenses

SG&A expenses were $576.9m for the year ended April 3, 2022 compared to $437.0m for the year ended March 28, 2021. The increase in SG&A expenses of $139.9m or 32.0% was attributable to $47.1m in higher costs related to new stores including the amortization associated with leased premises accounted for as right-of-use assets, and the reopening of existing retail stores, $19.8m of incremental investment in marketing to assist with brand awareness, the launch of footwear and support our growth through our digital sales channels, $16.8m of incremental personnel costs, $11.1m in strategic initiatives including continuing support of Canada Goose footwear, $6.4m related to e-Commerce volumes and infrastructure, and the loss of $13.6m of COVID-19 government payroll subsidies. As a result of slower than expected return of international retail traffic and limited time remaining on leases, we recorded $7.7m of impairment losses in respect of two retail stores.

	For the year ended					
	April 3, 2022		March 28, 2021			
CAD $ millions	**Reported**	**% of segment revenue**	**Reported**	**% of segment revenue**	**$ Change**	**% Change**
DTC	229.9	*31.1 %*	169.5	*32.2 %*	(60.4)	(35.6)%
Wholesale	55.3	*15.9 %*	48.1	*14.9 %*	(7.2)	(15.0)%
Other	291.7	—	219.4	—	(72.3)	(33.0)%
Total SG&A expenses	576.9	*52.5 %*	437.0	*48.4 %*	(139.9)	(32.0)%

Included in SG&A Expenses were Depreciation and Amortization expenses of $81.1m for the year ended April 3, 2022 compared to $62.6m for the year ended March 28, 2021, an increase of $18.5m or 29.6%. Of this increase, $16.8m was driven by continued retail expansion.

DTC

SG&A expenses in our DTC segment for the year ended April 3, 2022 were $229.9m, or 31.1% of segment revenue, compared to $169.5m, or 32.2% of segment revenue, for the year ended March 28, 2021. The increase of $60.4m or 35.6% was attributable to $47.1m of higher operating costs from a larger store network, the reopening of existing retail stores and the associated personnel costs. Additionally there were $6.4m of higher costs related to e-Commerce volumes and infrastructure. The comparative period also benefited from $3.2m of COVID-19 related government payroll subsidies which did not recur. Pre-store opening costs and COVID-19 related temporary store closure costs of $3.2m and $0.2m, respectively, were recognized in the year ended April 3, 2022 compared to pre-store opening costs and COVID-19 related temporary store closure costs of $5.2m and $7.6m, respectively, in the comparative period.

Included in SG&A Expenses were Depreciation and Amortization expenses of $70.3m for the year ended April 3, 2022 compared to $53.7m for the year ended March 28, 2021, an increase of $16.6m or 30.9%, which was largely driven by continued retail expansion. We recorded $1.6m of impairment losses on fixed assets and $6.1m of impairment losses on right-of-use assets as described above.

Wholesale

SG&A expenses in our Wholesale segment for the year ended April 3, 2022 were $55.3m compared to $48.1m for the year ended March 28, 2021. The increase of $7.2m or 15.0% was attributable to $3.2m of higher freight costs driven by incremental volume, $2.1m of service fees, and $2.6m of incremental warranty costs. The comparative period also benefited from $1.4m of COVID-19 related government payroll subsidies which did not recur.

Other

SG&A expenses in our Other segment, which include unallocated corporate expenses, were $291.7m for the year ended April 3, 2022 compared to $219.4m for the year ended March 28, 2021. The increase of $72.3m or 33.0% was attributable to $19.2m of incremental investment in marketing and $11.1m in strategic initiatives, $18.9m of incremental personnel costs due to headcount growth offset by $4.8m of lower performance-based compensation. The increase was partially offset by $6.3m of favourable foreign exchange fluctuations related to working capital denominated in currencies other than Canadian dollars and the Term Loan Facility, net of hedge impacts. The comparable period also benefited from the $3.0m release of a non-cash sales contract provision as a result of the expiration of the statute of limitations in the respective jurisdiction and $9.0m of government payroll subsidies which did not recur.

Operating Income and Margin

Operating income and operating margin were $156.7m and 14.3% for the year ended April 3, 2022 compared to $117.0m and 12.9%, respectively, for the year ended March 28, 2021. The increase in operating income of $39.7m and operating margin of +140 bps was attributable to higher gross profit, partially offset by higher operating costs.

	For the year ended					
	April 3, 2022		March 28, 2021			
CAD $ millions	**Operating income (loss)**	**Operating margin**	**Operating income (loss)**	**Operating margin**	**$ Change**	**Change in bps**
Segment:						
DTC	333.1	*45.0 %*	232.9	*44.2 %*	100.2	*80 bps*
Wholesale	111.2	*31.9 %*	104.3	*32.4 %*	6.9	*(50) bps*
Other	(287.6)	—	(220.2)	—	(67.4)	—
Total operating income	156.7	*14.3 %*	117.0	*12.9 %*	39.7	*140 bps*

DTC

DTC segment operating income and operating margin were $333.1m and 45.0% for the year ended April 3, 2022 compared to $232.9m and 44.2% for the year ended March 28, 2021. Excluding impairment costs the operating margin was 46.0%. The increase in operating income of $100.2m and operating margin of +80 bps, respectively, were attributable to improved sales volumes from reduced COVID-19 impacts globally. This was partially offset by higher operating and personnel costs, as well as increased depreciation and amortization due to incremental new stores and increased overall store activity relative to the comparative period, and impairment losses. Pre-store opening costs and COVID-19 related temporary store closure costs of $3.2m and $0.2m, respectively, were recognized in the year ended April 3, 2022 compared to pre-store opening costs and COVID-19 related temporary store closure costs of $5.2m and $7.6m, respectively, in the comparative period.

Wholesale

Wholesale segment operating income and operating margin were $111.2m and 31.9% for the year ended April 3, 2022 compared to $104.3m and 32.4% for the year ended March 28, 2021. The increase in operating income of $6.9m was attributable to a higher segment revenue and gross profit, partially offset by higher SG&A expenses as discussed above.

Other

Other segment operating loss was $287.6m for the year ended April 3, 2022 compared to $220.2m for the year ended March 28, 2021. The increase in operating loss of $67.4m was attributable to $72.3m of higher SG&A expenses as discussed above, partially offset by $4.3m of overhead costs resulting from the temporary closure of our manufacturing facilities due to COVID-19 in the comparative period.

Net Interest, Finance and Other Costs

Net interest, finance and other costs were $39.0m for the year ended April 3, 2022 compared to $30.9m for the year ended March 28, 2021. The increase of $8.1m and 26.2% was driven by the acceleration of unamortized costs of $9.5m in connection with the Repricing Amendment (as defined below) on the Term Loan Facility and higher interest charges of $3.1m on the Term Loan Facility due to higher gross borrowings from the comparative period. The increase in net interest, finance and other costs was partially offset by lower interest charges of $1.3m on the Revolving Facility due to lower gross borrowings, corporate restructuring costs of $1.7m incurred in the comparative period, and $1.1m attributable to the acceleration of unamortized costs in connection with the Refinancing Amendment that took place in the comparative period.

Income Taxes

Income tax expense was $23.1m for the year ended April 3, 2022 compared to $15.8m for the year ended March 28, 2021. For the year ended April 3, 2022, the effective and statutory tax rates were 19.6% and 25.4%, respectively, compared to 18.4% and 25.4% for the year ended March 28, 2021, respectively. Given our global operations, the effective tax rate is largely impacted by our profit or loss in taxable jurisdictions relative to the applicable tax rates as well as the derecognition of deferred tax assets associated with tax relief from Swiss Tax Reform and non-capital losses in fiscal 2022.

Net Income

Net income for the year ended April 3, 2022 was $94.6m compared to $70.3m for the year ended March 28, 2021, driven by the factors described above.

For the fourth quarter ended April 3, 2022 compared to the fourth quarter ended March 28, 2021

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

CAD $ millions (except share and per share data)	Fourth quarter ended April 3, 2022	Fourth quarter ended March 28, 2021[3]	$ Change	% Change
Statement of (Loss) Income data:				
Revenue	223.1	208.8	14.3	6.8 %
Cost of sales	69.0	70.2	1.2	1.7 %
Gross profit	154.1	138.6	15.5	11.2 %
Gross margin	*69.1 %*	*66.4 %*		*270 bps*
SG&A expenses	153.2	131.4	(21.8)	(16.6) %
SG&A expenses as % of revenue	*68.7 %*	*62.9 %*		*(580) bps*
Operating income	0.9	7.2	(6.3)	(87.5) %
Operating margin	*0.4 %*	*3.4 %*		*(300) bps*
Net interest, finance and other costs	7.0	8.2	1.2	14.6 %
Loss before income taxes	(6.1)	(1.0)	(5.1)	(510.0) %
Income tax expense (recovery)	3.0	(3.5)	(6.5)	(185.7) %
Effective tax rate	*(49.2)%*	*350.0 %*		*(39,920) bps*
Net (loss) income	(9.1)	2.5	(11.6)	(464.0) %
Other comprehensive loss	(2.3)	(8.0)	5.7	71.3 %
Comprehensive loss	(11.4)	(5.5)	(5.9)	(107.3) %
(Loss) earnings per share				
Basic	$ (0.09)	$ 0.02	$ (0.11)	(550.0) %
Diluted	$ (0.09)	$ 0.02	$ (0.11)	(550.0) %
Weighted average number of shares outstanding				
Basic	106,133,970	110,367,711		
Diluted[1]	106,133,970	111,364,712		
Non-IFRS Financial Measures:[2]				
Adjusted EBIT	12.5	4.8	7.7	160.4 %
Adjusted EBIT margin	*5.6 %*	*2.3 %*		*330 bps*
Adjusted net income	4.1	0.7	3.4	485.7 %
Adjusted net income per basic share	$ 0.04	$ 0.01	$ 0.03	300.0 %
Adjusted net income per diluted share	$ 0.04	$ 0.01	$ 0.03	300.0 %

(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, 564,433 potentially dilutive shares have been excluded from the calculation of diluted loss per share for the fourth quarter ended April 3, 2022.

(2) See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

(3) The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.

Revenue

Revenue for the fourth quarter ended April 3, 2022 was $223.1m, an increase of $14.3m, or 6.8%, from $208.8m for the fourth quarter ended March 28, 2021. Revenue generated from our DTC channel represented 83.1% of total revenue for the fourth quarter ended April 3, 2022 compared to 82.2% for the fourth quarter ended March 28, 2021. On a constant currency[(1)] basis, revenue increased by 7.2% for the fourth quarter ended April 3, 2022 compared to the fourth quarter ended March 28, 2021.

	Fourth quarter ended		$ Change			% Change	
CAD $ millions	April 3, 2022	March 28, 2021	As reported	Foreign exchange impact	In constant currency[(1)]	As reported	In constant currency[(1)]
DTC	185.4	171.6	13.8	(0.5)	13.3	8.0 %	7.8 %
Wholesale	35.1	33.9	1.2	1.2	2.4	3.5 %	7.1 %
Other	2.6	3.3	(0.7)	—	(0.7)	(21.2)%	(21.2)%
Total revenue	223.1	208.8	14.3	0.7	15.0	6.8 %	7.2 %

(1) *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.*

Impact of 53-Week Year on Revenue

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. Fiscal 2022 was our first 53-week fiscal year, ending on April 3, 2022, and the additional week was added to the third quarter ended January 2, 2022. The additional week in the third quarter in fiscal 2022, which is during our peak season, had a significant impact on revenue in the third and fourth quarter of fiscal 2022, as in the comparative period, the additional week was included in the fourth quarter, and the final week in the fourth quarter was included in the subsequent fiscal year. The additional week which was previously reported in the third quarter generated $40.9m in revenue and the final week in the fourth quarter generated $5.5m in revenue.

To explain the impact of the additional week, and to facilitate comparison with the results for the fourth quarter ended March 28, 2021 over a similar calendar period, the below presents revenue for the fourth quarter ended April 3, 2022 on the basis of excluding the 53rd Week and including the last week of the third quarter ended January 2, 2022 ("14th Week").

				Fourth quarter ended		Change	
CAD $ millions	April 3, 2022	14th Week	53rd Week	April 3, 2022 including 14th Week, excluding 53rd Week	March 28, 2021	$ Change	% Change
DTC	185.4	38.6	(4.7)	219.3	171.6	47.7	27.8 %
Wholesale	35.1	2.1	(0.7)	36.5	33.9	2.6	7.7 %
Other	2.6	0.2	(0.1)	2.7	3.3	(0.6)	(18.2)%
Total revenue	223.1	40.9	(5.5)	258.5	208.8	49.7	23.8 %

DTC

Revenue from our DTC segment was $185.4m for the fourth quarter ended April 3, 2022 compared to $171.6m for the fourth quarter ended March 28, 2021. The increase of $13.8m or 8.0% was attributable to higher revenue from existing stores and new retail expansion partially offset with a decrease in e-Commerce revenue of 12.3%. Excluding the 53-week, and including the last week of Q3, revenue increased by $33.9m resulting in growth of 27.8% for DTC, with e-Commerce growing at 1.2%.

Wholesale

Revenue from our Wholesale segment was $35.1m for the fourth quarter ended April 3, 2022 compared to $33.9m for the fourth quarter ended March 28, 2021. The increase of $1.2m or 3.5% was attributable to higher order values. Excluding the 53-week, and including the last week of Q3, revenue increased by $1.4m, resulting in growth of 7.7%.

Other

Revenue from our Other segment was $2.6m for the fourth quarter ended April 3, 2022 compared to $3.3m for the fourth quarter ended March 28, 2021. The decrease of $0.7m or (21.2)% was attributable to a decrease in employee sales.

Revenue by geography

	Fourth quarter ended		$ Change			% Change	
CAD $ millions	**April 3, 2022**	**March 28, 2021**	**As reported**	**Foreign exchange impact**	**In constant currency(2)**	**As reported**	**In constant currency(2)**
Canada	40.2	39.2	1.0	—	1.0	2.6 %	2.6 %
United States	70.5	55.9	14.6	0.6	15.2	26.1 %	27.2 %
Asia Pacific	70.6	77.7	(7.1)	(1.8)	(8.9)	(9.1)%	(11.5)%
EMEA(1)	41.8	36.0	5.8	1.9	7.7	16.1 %	21.4 %
Total revenue	223.1	208.8	14.3	0.7	15.0	6.8 %	7.2 %

(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.*

Revenue increased in Canada, the United States and EMEA for the fourth quarter ended April 3, 2022 compared to the comparative quarter resulting from an increase in DTC revenue. Asia Pacific decreased due to lower DTC revenue.

Gross Profit

Gross profit and gross margin for the fourth quarter ended April 3, 2022 were $154.1m and 69.1%, respectively, compared to $138.6m and 66.4%, respectively, for the fourth quarter ended March 28, 2021. The increase in gross profit of $15.5m was attributable to higher revenue as noted above. Gross margin in the current quarter was favourably impacted by incremental benefits from pricing partially offset by unfavourable impacts from product mix due to higher sales in non-parka categories, typically with lower margins.

	Fourth quarter ended					
	April 3, 2022		March 28, 2021			
CAD $ millions	**Gross profit**	**Gross margin**	**Gross profit**	**Gross margin**	**$ Change**	**Change in bps**
DTC	141.1	*76.1 %*	127.2	*74.1 %*	13.9	*200 bps*
Wholesale	11.8	*33.6 %*	10.8	*31.9 %*	1.0	*170 bps*
Other	1.2	*46.2 %*	0.6	*18.2 %*	0.6	—
Total gross profit	154.1	*69.1 %*	138.6	*66.4 %*	15.5	*270 bps*

DTC

Gross profit in our DTC segment was $141.1m for the fourth quarter ended April 3, 2022 compared to $127.2m for the fourth quarter ended March 28, 2021. The gross margin was 76.1% for the fourth quarter ended April 3, 2022, an increase of +200 bps compared to 74.1% in the comparative quarter. During the fourth quarter ended April 3, 2022, gross margin was favourably impacted by incremental impacts from pricing (+180 bps).

Wholesale

Gross profit in our Wholesale segment was $11.8m for the fourth quarter ended April 3, 2022 compared to $10.8m for the fourth quarter ended March 28, 2021. The increase of $1.0m in gross profit was attributable to lower revenues in 2021. The gross margin was 33.6% for the fourth quarter ended April 3, 2022, an increase of +170 bps compared to 31.9% in the comparative quarter. The gross margin in the comparative quarter included COVID-19 related government payroll benefits (+90 bps), excluding this impact, gross margin was 32.8% in the comparative year. During the fourth quarter ended April 3, 2022, gross margin was favourably impacted by the higher proportion of sales to our wholesale partners compared to international distributors (+110 bps).

Other

Gross profit in our Other segment was $1.2m respectively, for the fourth quarter ended April 3, 2022 compared to gross profit of $0.6m for the fourth quarter ended March 28, 2021, an increase of $0.6m from employee sales with higher margins.

SG&A Expenses

SG&A expenses were $153.2m for the fourth quarter ended April 3, 2022 compared to $131.4m for the fourth quarter ended March 28, 2021. The increase of $21.8m or 16.6% was attributable to $10.6m higher costs related to incremental new stores and the reopening of existing retail stores, $4.2m of unfavourable foreign exchange fluctuations related to working capital denominated in currencies other than Canadian dollars and the Term Loan Facility, net of hedge impacts and $4.8m in strategic initiatives, including digital capabilities and ongoing support of Canada Goose footwear. The increase was partially offset by $6.2m of reduced marketing expenditures due to a timing shift in activities. As a result of slower than expected return of international retail traffic and limited time remaining on existing leases, we recorded $7.7m of impairment losses in respect of two retail stores in the DTC operating segment in the current quarter.

CAD $ millions	Fourth quarter ended April 3, 2022 Reported	April 3, 2022 % of segment revenue	March 28, 2021 Reported	March 28, 2021 % of segment revenue	$ Change	% Change
DTC	69.4	*37.4 %*	52.5	*30.6 %*	(16.9)	(32.2)%
Wholesale	12.6	*35.9 %*	13.8	*40.7 %*	1.2	8.7 %
Other	71.2	—	65.1	—	(6.1)	(9.4)%
Total SG&A expenses	153.2	*68.7 %*	131.4	*62.9 %*	(21.8)	(16.6)%

Depreciation and amortization, included above, was $21.6m for the fourth quarter ended April 3, 2022 compared to $17.4m for the fourth quarter ended March 28, 2021, an increase of $4.2m of which $3.8m was attributable to continued retail expansion.

DTC

SG&A expenses in our DTC segment for the fourth quarter ended April 3, 2022 were $69.4m, or 37.4% of segment revenue, compared to $52.5m, or 30.6% of segment revenue, for the fourth quarter ended March 28, 2021. The increase of $16.9m or 32.2% was attributable to $18.3m of higher operating costs due to incremental new stores and the reopening of existing retail stores including personnel costs. Additionally, there were $1.1m of higher costs related to e-Commerce volumes and to support our e-Commerce platform. These increases were partially offset by a $2.2m reduction in warranty costs. The comparative quarter also benefited from $0.8m of COVID-19 related government payroll subsidies which did not recur. Pre-store opening costs and COVID-19 related temporary store closure costs of less than $0.1m and $nil, respectively, were recognized in the fourth quarter ended April 3, 2022 compared to pre-store opening costs and COVID-19 related temporary store closure costs of $0.3m and $0.3m, respectively, in the comparative quarter.

Depreciation and amortization, included above, was $19.0m for the fourth quarter ended April 3, 2022 compared to $15.3m for the fourth quarter ended March 28, 2021, an increase of $3.7m, which was largely attributable to continued retail expansion. We also recorded $7.7m of impairment losses as described above.

Wholesale

SG&A expenses in our Wholesale segment for the fourth quarter ended April 3, 2022 were $12.6m, or 35.9% of segment revenue, compared to $13.8m, or 40.7% of segment revenue, for the fourth quarter ended March 28, 2021. The decrease of $1.2m or 8.7% was attributable to $3.3m of lower warranty costs partially offset by $1.0m of higher freight costs, $0.5m of higher marketing costs and $0.3m of higher service fees.

Other

SG&A expenses in our Other segment, which include unallocated corporate expenses, were $71.2m for the fourth quarter ended April 3, 2022 compared to $65.1m for the fourth quarter ended March 28, 2021. The increase of $6.1m or 9.4% was attributable $5.0m in strategic initiatives, $4.1m unfavourable foreign exchange fluctuations related to working capital denominated in currencies other than Canadian dollars and the Term Loan Facility, net of hedge impacts and $3.1m increase driven by transaction related legal costs. The increase was partially offset by $6.6m of reduced marketing expenditures due to timing of activities.

Operating Income and Margin

Operating income and operating margin were $0.9m and 0.4% for the fourth quarter ended April 3, 2022 compared to operating income and operating margin of $7.2m and 3.4% the fourth quarter ended March 28, 2021. The decrease in operating income of $6.3m and operating margin of 300 bps were attributable to higher operating and impairment costs noted above, partially offset by higher gross profit.

	Fourth quarter ended					
	April 3, 2022		March 28, 2021			
CAD $ millions	**Operating income (loss)**	**Operating margin**	**Operating income (loss)**	**Operating margin**	**$ Change**	**Change in bps**
Segment:						
DTC	71.7	*38.7 %*	74.7	*43.5 %*	(3.0)	*(480)bps*
Wholesale	(0.8)	*(2.3)%*	(3.0)	*(8.8)%*	2.2	*650 bps*
Other	(70.0)	—	(64.5)	—	(5.5)	—
Total operating income	0.9	*0.4 %*	7.2	*3.4 %*	(6.3)	*(300)bps*

DTC

DTC segment operating income was $71.7m for the fourth quarter ended April 3, 2022 compared to $74.7m for the fourth quarter ended March 28, 2021. Despite improved sales volumes, operating income and operating margin decreased by $3.0m and 480 bps, respectively. Excluding impairment losses as described above, operating income was $79.4m and operating margin was 42.8%. Pre-store opening costs and COVID-19 related temporary store closure costs of less than $0.1m and $nil , respectively, were recognized in the fourth quarter ended April 3, 2022 compared to pre-store opening costs and COVID-19 related temporary store closure costs of $0.4m and $0.7m, respectively, in the comparative quarter.

Wholesale

Wholesale segment operating loss and operating margin were $0.8m and (2.3)% for the fourth quarter ended April 3, 2022 compared to $3.0m and (8.8)% for the fourth quarter ended March 28, 2021. The decrease in operating loss of $2.2m and increase in operating margin of 650 bps were attributable to a higher segment revenue and gross profit, as well as lower SG&A expenses as discussed above.

Other

Other segment operating loss was $70.0m for the fourth quarter ended April 3, 2022 compared to $64.5m for the fourth quarter ended March 28, 2021. The increase in operating loss of $5.5m was attributable to higher SG&A expenses as discussed above.

Net Interest, Finance and Other Costs

Net interest, finance and other costs were $7.0m for the fourth quarter ended April 3, 2022 compared to $8.2m for the fourth quarter ended March 28, 2021. The decrease of $1.2m or 14.6% was driven by lower interest charges of $1.0m on the Term Loan Facility due to a lower average interest rate on borrowings in the comparative quarter.

Income Taxes

Income tax expense was $3.0m for the fourth quarter ended April 3, 2022 compared to income tax recovery of $3.5m for the fourth quarter ended March 28, 2021. For the fourth quarter ended April 3, 2022, the effective and statutory tax rates were (49.20)% and 25.4%, respectively, compared to 350.0% and 25.4% for the fourth quarter ended March 28, 2021. Given our global operations, the effective tax rate is largely impacted by our profit or loss in taxable jurisdictions relative to the applicable tax rates. Also, the reduction in deferred tax assets related to the Swiss Tax Reform and non-capital losses contributed to net tax expense during a quarter of overall loss while in the prior year, there were less non-deductible expenses, creating a positive rate recovery.

Net Loss (Income)

Net loss for the fourth quarter ended April 3, 2022 was $9.1m compared to net income of $2.5m for the fourth quarter ended March 28, 2021, driven by the factors described above.

Quarterly Financial Information

	Fiscal 2022				Fiscal 2021			
CAD $ millions (except per share data)[(2)]	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Revenue								
DTC	185.4	443.9	82.0	29.1	171.6	299.1	46.2	10.4
Wholesale	35.1	138.2	149.1	26.1	33.9	161.1	118.5	8.7
Other	2.6	4.0	1.8	1.1	3.3	13.8	30.1	7.0
Total	223.1	586.1	232.9	56.3	208.8	474.0	194.8	26.1
% of fiscal year revenue	*20.3 %*	*53.4 %*	*21.2 %*	*5.1 %*	*23.1 %*	*52.5 %*	*21.6 %*	*2.9 %*
Net (loss) income	(9.1)	151.3	9.9	(57.5)	2.5	107.0	10.6	(49.8)
(Loss) earnings per share								
Basic	$(0.09)	$ 1.42	$ 0.09	$(0.52)	$ 0.02	$ 0.97	$ 0.10	$ (0.45)
Diluted	$(0.09)	$ 1.40	$ 0.09	$(0.52)	$ 0.02	$ 0.96	$ 0.10	$ (0.45)
Adjusted EBIT[(1)]	12.5	206.0	17.4	(61.3)	4.8	157.9	16.0	(46.1)
Adjusted net income (loss) per diluted share[(1)]	$ 0.04	$ 1.41	$ 0.13	$(0.46)	$ 0.01	$ 1.01	$ 0.11	$ (0.35)

(1) *See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure for the current and comparative period.*

(2) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

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

- the extra week in fiscal 2022 which has been added to the third quarter, as this fiscal year is our first 53-week year;
- COVID-19 beginning in the fourth quarter of fiscal 2020;
- 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;
- fluctuation of foreign currencies relative to the Canadian dollar;
- protests in many North American cities beginning in the first quarter of fiscal 2021; and
- PPE production beginning in the first quarter through to the third quarter of fiscal 2021.

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;
- costs incurred and relief received from government programs as a result of the COVID-19 pandemic beginning in the fourth quarter of fiscal 2020;
- 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 Baffin acquisition, and amendments to long-term debt agreements; and

- the proportion of taxable income in non-Canadian jurisdictions and changes to rates and tax legislation in those jurisdictions.

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, as well as certain financial measures that are “non-IFRS ratios”, including adjusted EBIT margin, adjusted net income per basic and diluted share, net debt leverage, and net working capital turnover, 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. 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.

	For the year ended		Fourth quarter ended	
CAD $ millions (except per share data)	**April 3, 2022**	**March 28, 2021[(1)]**	**April 3, 2022**	**March 28, 2021[(1)]**
Adjusted EBIT	174.6	132.6	12.5	4.8
Adjusted EBIT margin	*15.9 %*	*14.7 %*	*5.6 %*	*2.3 %*
Adjusted EBITDA	268.1	202.0	38.3	25.3
Adjusted net income	119.4	86.2	4.1	0.7
Adjusted net income per basic share	$ 1.10	$ 0.78	$ 0.04	$ 0.01
Adjusted net income per diluted share	$ 1.09	$ 0.78	$ 0.04	$ 0.01
Free operating cash flow	67.5	222.9	(49.5)	22.8

(1) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service (“SaaS”) arrangements. See “Changes in Accounting Policies” for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

CAD $ millions	**April 3, 2022**	**March 28, 2021**
Net debt	(333.8)	(154.2)
Net working capital	255.4	202.1

Adjusted EBIT, adjusted EBIT margin, adjusted EBITDA, adjusted net income, and adjusted net income per basic and diluted share

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.

For the years ended April 3, 2022 and March 28, 2021, 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 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. For the year ended April 3, 2022, these primarily comprised of temporary store closure costs including depreciation and interest expenses. These were partially offset by rent concessions recognized during the period.

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 section 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 measures 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 and net working capital turnover

We define net working capital as current assets, net of cash, minus current liabilities, excluding the short-term borrowings and current portion of lease liabilities. Net working capital turnover is the ratio of average net working capital to revenue, by averaging net working capital for each quarter. 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 to assess the Company's financial leverage and cash available for repayment of borrowings and other financing activities and as an indicator of operational financial performance. See "Cash Flows" below for a table providing the free operating cash flow balance for the year.

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

	For the year ended		Fourth quarter ended	
CAD $ millions	**April 3, 2022**	**March 28, 2021(1)**	**April 3, 2022**	**March 28, 2021(1)**
Net income (loss)	94.6	70.3	(9.1)	2.5
Add (deduct) the impact of:				
Income tax expense (recovery)	23.1	15.8	3.0	(3.5)
Net interest, finance and other costs	39.0	30.9	7.0	8.2
Operating Income	156.7	117.0	0.9	7.2
Unrealized foreign exchange loss (gain) on Term Loan Facility (a)	2.7	(1.7)	1.1	(3.1)
Share-based compensation (b)	0.2	0.5	—	0.2
Net temporary store closure costs (c)	0.2	7.5	—	0.7
Net excess overhead costs from temporary closure of manufacturing facilities (c)	—	4.3	—	—
Pre-store opening costs (d)	3.2	5.2	0.1	0.4
Transition of logistics agencies (g)	0.1	2.2	—	—
Costs of the Baffin acquisition (h)	—	1.0	—	—
Non-cash provision release (i)	—	(3.0)	—	—
Joint Venture transaction costs (j)	0.7	—	0.7	—
Impairment losses (k)	7.7	—	7.7	—
Other (n)	3.1	(0.4)	2.0	(0.6)
Total adjustments	17.9	15.6	11.6	(2.4)
Adjusted EBIT	174.6	132.6	12.5	4.8
Adjusted EBIT margin	*15.9 %*	*14.7 %*	*5.6 %*	*2.3 %*

(1) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

CAD $ millions	For the year ended		Fourth quarter ended	
	April 3, 2022	March 28, 2021[1]	April 3, 2022	March 28, 2021[1]
Net income (loss)	94.6	70.3	(9.1)	2.5
Add (deduct) the impact of:				
Income tax expense (recovery)	23.1	15.8	3.0	(3.5)
Net interest, finance and other costs	39.0	30.9	7.0	8.2
Operating Income	156.7	117.0	0.9	7.2
Unrealized foreign exchange loss (gain) on Term Loan Facility (a)	2.7	(1.7)	1.1	(3.1)
Share-based compensation (b)	0.2	0.5	—	0.2
Net temporary store closure costs (c)	0.2	7.5	—	0.7
Net excess overhead costs from temporary closure of manufacturing facilities (c)	—	4.3	—	—
Pre-store opening costs (d)	3.2	5.2	0.1	0.4
Transition of logistics agencies (g)	0.1	2.2	—	—
Costs of the Baffin acquisition (h)	—	1.0	—	—
Non-cash provision release (i)	—	(3.0)	—	—
Joint Venture transaction costs (j)	0.7	—	0.7	—
Impairment losses (k)	7.7	—	7.7	—
Other (n)	3.1	(0.4)	2.0	(0.6)
Depreciation and amortization (o)	95.8	77.4	25.8	21.0
Temporary store closure costs - depreciation (e)	(0.2)	(5.0)	—	(0.4)
Pre-store opening costs - depreciation (f)	(2.1)	(3.0)	—	(0.1)
Adjusted EBITDA	268.1	202.0	38.3	25.3

(1) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

CAD $ millions	For the year ended April 3, 2022	For the year ended March 28, 2021[1]	Fourth quarter ended April 3, 2022	Fourth quarter ended March 28, 2021[1]
Net income (loss)	94.6	70.3	(9.1)	2.5
Add (deduct) the impact of:				
Unrealized foreign exchange loss (gain) on Term Loan Facility (a)	2.7	(1.7)	1.1	(3.1)
Share-based compensation (b)	0.2	0.5	—	0.2
Net temporary store closure costs (c) (e)	0.2	9.0	—	0.9
Net excess overhead costs from temporary closure of manufacturing facilities (c)	—	4.3	—	—
Pre-store opening costs (d) (f)	3.6	6.0	0.1	0.6
Transition of logistics agencies (g)	0.1	2.2	—	—
Costs of the Baffin acquisition (h)	—	1.0	—	—
Non-cash provision release (i)	—	(3.0)	—	—
Joint Venture transaction costs (j)	0.7	—	0.7	—
Impairment losses (k)	7.7	—	7.7	—
Deferred tax adjustment (l)	4.5	—	4.5	—
Acceleration of unamortized costs on Term Loan Facility Repricing (m)	9.5	1.1	—	—
Restructuring expense (c)	—	1.7	—	—
Other (n)	3.1	(0.2)	2.0	(0.6)
Total adjustments	32.3	20.9	16.1	(2.0)
Tax effect of adjustments	(7.5)	(5.0)	(2.9)	0.2
Adjusted net income	119.4	86.2	4.1	0.7

(1) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

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

(b) Non-cash based compensation expense on stock options issued prior to the Company's initial public offering ("IPO") under the Legacy Plan and cash payroll taxes paid of $nil and $0.1m in the fourth quarter and year ended April 3, 2022, respectively, (fourth quarter and year ended March 28, 2021 - $0.2m and $0.2m, respectively) on gains earned by option holders (compensation) when stock options are exercised.

(c) Net temporary store closure costs of $nil and $0.2m were incurred in the fourth quarter and year ended April 3, 2022, respectively. These were comprised of temporary store costs of $nil and $0.4m, partially offset by government subsidies of $nil and $0.2m in Europe in the fourth quarter and year ended April 3, 2022, respectively. Globally, government subsidies of

$0.4m and $27.5m were recognized in the fourth quarter and year ended March 28, 2021, respectively. Government subsidies were recorded as a reduction to excess overhead costs from temporary closure of manufacturing facilities ($nil and $1.3m), temporary store closure costs ($0.4m and $1.8m), and restructuring expense ($nil and $0.4m), for the fourth quarter and year ended March 28, 2021, respectively. The benefit of $0.4m and $24.0m of government subsidies therefore remained in adjusted EBIT as a reduction to the associated wage costs for the fourth quarter and year ended March 28, 2021, respectively.

(d) Costs incurred during pre-opening periods for new retail stores, including depreciation on right-of-use assets.

(e) Includes $nil and less than $0.1m of interest expense on lease liabilities for temporary store closures for the fourth quarter and year ended April 3, 2022, respectively (fourth quarter and year ended March 28, 2021 - $0.1m and $1.5m, respectively).

(f) Pre-store opening costs incurred in (d) above as well as less than $0.1m and $0.4m of interest expense on lease liabilities for new retail stores during pre-opening periods in the fourth quarter and year ended April 3, 2022, respectively (fourth quarter and year ended March 28, 2021 - $0.2m and $0.8m, respectively).

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

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

(i) Release of a non-cash sales contract provision as a result of the expiration of the statute of limitations in the respective jurisdiction in the year ended March 28, 2021.

(j) Acquisition and transactions costs related to the Japanese joint venture recognized in the year ended April 3, 2022.

(k) Impairment losses for non-financial retail assets recorded as the result of the annual impairment assessment for the year ended April 3, 2022.

(l) Deferred tax adjustment recorded as the result of Swiss tax reform in Canada Goose International AG in the year ended April 3, 2022.

(m) Non-cash unamortized costs accelerated in connection with the Repricing Amendment on April 9, 2021 during the year ended April 3, 2022 and the amendments to the Term Loan Facility on October 7, 2020 and May 10, 2019 for the year ended March 28, 2021.

(n) Costs for legal proceeding fees including for the defense of class action lawsuits and rent abatements received.

(o) Adjusted EBITDA is calculated as adjusted EBIT plus depreciation and amortization as determined in accordance with IFRS, less the depreciation impact for both temporary store closures (e) and pre-store opening costs (f). 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 April 3, 2022 and March 28, 2021:

CAD $ millions	April 3, 2022	March 28, 2021	$ Change	% Change
Current assets	762.3	896.9	(134.6)	(15.0)%
Deduct: Cash	(287.7)	(477.9)	190.2	(39.8)%
Current assets, net of cash	474.6	419.0	55.6	13.3 %
Current liabilities	281.5	262.1	19.4	7.4 %
Deduct the impact of:				
Short-term borrowings	(3.8)	—	(3.8)	— %
Current portion of lease liabilities	(58.5)	(45.2)	(13.3)	29.4 %
Current liabilities, net of short-term borrowings and current portion of lease liabilities	219.2	216.9	2.3	1.1 %
Net working capital	255.4	202.1	53.3	26.4 %

(1) See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures.

As at April 3, 2022, we had $255.4m of net working capital compared to $202.1m of net working capital as at March 28, 2021. The $53.3m increase, or 26.4%, was attributable to a $51.0m increase in inventory. Net working capital turnover[(1)] was 25.3% in the year ended April 3, 2022.

Cash Flows

The following table summarizes the Company's consolidated statement of cash flows for the year ended April 3, 2022 compared to the year ended March 28, 2021, and for the fourth quarter ended April 3, 2022 compared to the fourth quarter ended March 28, 2021.

	For the year ended			Fourth quarter ended		
CAD $ millions	**April 3, 2022**	**March 28, 2021[2]**	**$ Change**	**April 3, 2022**	**March 28, 2021[2]**	**$ Change**
Total cash provided by (used in):						
Operating activities	151.6	288.6	(137.0)	(21.6)	42.6	(64.2)
Investing activities	(37.2)	(26.9)	(10.3)	(13.8)	(8.8)	(5.0)
Financing activities	(298.2)	197.0	(495.2)	(80.5)	(17.3)	(63.2)
Effects of foreign currency exchange rate changes on cash	(6.4)	(12.5)	6.1	(4.5)	(7.6)	3.1
(Decrease) increase in cash	(190.2)	446.2	(636.4)	(120.4)	8.9	(129.3)
Cash, beginning of period	477.9	31.7	446.2	408.1	469.0	(60.9)
Cash, end of period	287.7	477.9	(190.2)	287.7	477.9	(190.2)
Free operating cash flow[1]	67.5	222.9	(155.4)	(49.5)	22.8	(72.3)

(1) *See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure - and "Free operating cash flow" for a reconciliation to the nearest IFRS measure.*

(2) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

Cash Requirements

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

Cash flows from operating activities

Cash flows from operating activities were $151.6m for the year ended April 3, 2022 compared to $288.6m for the year ended March 28, 2021. The decrease in cash from operating activities of $137.0m was largely driven by $127.7m of increased inventory production as our manufacturing facilities exclusively produced PPE in the comparative period.

Cash flows used in operating activities was $21.6m for the fourth quarter ended April 3, 2022 compared to cash flows from operating activities of $42.6m for the fourth quarter ended March 28, 2021. The decrease in cash from operating activities of $64.2m was driven by $14.9m of lower receivables, $25.4m of increased inventory production, and $27.2m of accounts payable and accrued liabilities driven by higher accrued expenses.

Cash flows used in investing activities

Cash flows used in investing activities were $37.2m for the year ended April 3, 2022 compared to $26.9m for the year ended March 28, 2021. The increase in cash flows used in investing activities of $10.3m was primarily due to the investment program behind our strategic initiatives, including higher costs incurred for retail store construction.

Cash flows used in investing activities were $13.8m for the fourth quarter ended April 3, 2022 compared to cash flows used in investing activities of $8.8m for the fourth quarter ended March 28, 2021. The increase in cash flows used in investing activities of $5.0m was due to the investment program behind our strategic initiatives as described above.

Cash flows (used in) from financing activities

Cash flows used in financing activities were $298.2m for the year ended April 3, 2022 compared to cash flows from financing activities of $197.0m for the year ended March 28, 2021. The increase in cash flows from financing activities of $495.2m was driven by higher borrowings on the Term Loan Facility in the comparative period and the payments for the purchase of subordinate voting shares related to the Normal Course Issuer Bid (“NCIB”) as described below.

Cash flows used in financing activities were $80.5m for the fourth quarter ended April 3, 2022 compared to $17.3m for the fourth quarter ended March 28, 2021. The increase in cash flows used in financing activities of $63.2m was largely driven by $65.9m of payments for the purchase of subordinate voting shares related to the NCIB as described above.

Free operating cash flow[1]

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

CAD $ millions	For the year ended April 3, 2022	For the year ended March 28, 2021[2]	$ Change	Fourth quarter ended April 3, 2022	Fourth quarter ended March 28, 2021[2]	$ Change
Total cash from (used in):						
Operating activities	151.6	288.6	(137.0)	(21.6)	42.6	(64.2)
Investing activities	(37.2)	(26.9)	(10.3)	(13.8)	(8.8)	(5.0)
Deduct the impact of:						
Principal payments on lease liabilities	(46.9)	(38.8)	(8.1)	(14.1)	(11.0)	(3.1)
Free operating cash flow[1]	67.5	222.9	(155.4)	(49.5)	22.8	(72.3)

(1) *See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure.*

(2) *The Company adopted a change in accounting policy on the treatment of implementation costs related to Software as a Service ("SaaS") arrangements. See "Changes in Accounting Policies" for a description of the impact from adopting the agenda decision and the impact of retrospective application.*

Free operating cash flow decreased to $67.5m for the year ended April 3, 2022 from $222.9m for the year ended March 28, 2021 due to lower cash flows from operating and investing activities as described above, and higher principal paid on lease liabilities.

Free operating cash flow decreased to $(49.5)m for the fourth quarter ended April 3, 2022 from $22.8m for the fourth quarter ended March 28, 2021 due to the factors described above.

Indebtedness

The following table presents our net debt[1] as of April 3, 2022 and March 28, 2021.

CAD $ millions	April 3, 2022	March 28, 2021	$ Change
Cash	287.7	477.9	(190.2)
Mainland China Facilities	—	—	—
Revolving Facility	—	—	—
Term Loan Facility	(370.8)	(377.3)	6.5
Lease liabilities	(250.7)	(254.8)	4.1
Net debt[1]	(333.8)	(154.2)	(179.6)

(1) *See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure.*

As at April 3, 2022, net debt was $333.8m compared to $154.2m as at March 28, 2021. The increase of $179.6m was driven by a lower cash position of $190.2m partially offset by an increase in the borrowings of the Term Loan Facility by $6.5m due to the Refinancing Amendment and an increase of $4.1m in lease liabilities. Net debt leverage[1] as at April 3, 2022 was 1.2 times adjusted EBITDA.

Revolving Facility

The Company has an agreement with a syndicate of lenders for a senior secured asset-based credit facility (“Revolving Facility”) consisting of a 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 Facility matures on June 3, 2024. Amounts owing under the Revolving 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 facility. The revolving facility contains financial and non-financial covenants which could impact the Company’s ability to draw funds.

As at April 3, 2022, the Company had repaid all principle amounts owing on the revolving facility (March 28, 2021 - $nil). As at April 3, 2022, interest and administrative fees for $0.5m remain outstanding. Deferred financing charges in the amounts of $0.9m (March 28, 2021 - $1.7m), were included in other long-term liabilities. As at and during the year ended April 3, 2022, the Company was in compliance with all covenants.

The Company had unused borrowing capacity available under the Revolving Facility of $191.8m as at April 3, 2022 (March 28, 2021 - $181.2m).

The Company had a first-in, last-out facility included in the Revolving Facility in the amount of $50.0m which matured on May 25, 2021. No amounts were outstanding at the time of maturity and the first-in, last-out facility has not been renewed. As the facility was not renewed, deferred financing costs of $0.4m were written off to the statement of income.

As at April 3, 2022, the Company had letters of credit outstanding under the Revolving Facility of $4.6m (March 28, 2021 - $5.0m).

Term Loan Facility

The Company has a senior secured loan agreement (“Term Loan Facility”) with a syndicate of lenders that is secured on a split collateral basis alongside the Revolving Facility. As a result of the Refinancing Amendment which took place on October 7, 2020, the aggregate principal amount owing increased to US$300.0m from US$113.8m.

On April 9, 2021, the Company entered into an agreement with its lenders to reprice its term loan, referred to as the Repricing Amendment and Fifth Amendment to Credit Agreement ("Repricing Amendment"). The Repricing Amendment decreases the interest to a rate of LIBOR plus an applicable margin of 3.50% from LIBOR plus an applicable margin of 4.25%, payable quarterly in arrears. The Company elected to account for the Repricing Amendment as a debt extinguishment and re-borrowing of the loan amount. As a result, the acceleration of unamortized costs of $9.5m was included in net interest, finance and other costs in the statement of income. In connection with the Repricing Amendment, the Company incurred transaction costs of $0.9m which are being amortized using the effective interest rate method over the new term to maturity.

As a result of the Repricing Amendment, there were no changes to the following terms from the existing Term Loan Facility: a) the aggregate principal amount of US$300.0m; b) the maturity date of October 7, 2027; c) LIBOR may not be less than 0.75%, and d) US$0.75m on the principal amount is repayable quarterly. The Repricing Amendment had no impact on the existing derivative contracts entered into on October 30, 2020.

Voluntary prepayments of amounts owing under the Term Loan Facility may be made at any time without premium or penalty but once repaid may not be reborrowed. The Company began quarterly repayments of US$0.75m on the principal amount during the first quarter ended June 27, 2021. The Company has pledged substantially all of its assets as collateral for the Term

Loan Facility. The Term Loan Facility contains financial and non-financial covenants which could impact the Company’s ability to draw funds. As at and during the year ended April 3, 2022, the Company was in compliance with all covenants.

As the Term Loan Facility is denominated in U.S. dollars, the Company remeasures the outstanding balance in Canadian dollars at each balance sheet date. As at April 3, 2022, we had $370.8m (US$296.3m) aggregate principal amount outstanding under the Term Loan Facility (March 28, 2021 - $377.3m). The difference in amounts in these periods is the result of the change in the CAD:USD exchange rate. As at March 28, 2021, prior to the Refinancing Amendment, the aggregate principal amount owing was $377.3m.

Mainland China Facilities

A subsidiary of the Company in Mainland China has two uncommitted loan facilities in the aggregate amount of RMB 310.0m ("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 loan prime rate of 1 year, plus 0.15% per annum, 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 April 3, 2022, the Company had no amounts owing on the Mainland China Facilities (March 28, 2021 - $nil).

Short-term Borrowings

As at April 3, 2022, the Company has short-term borrowings in the amount of $3.8m. Short-term borrowings are the quarterly principal repayments on the term loan of $3.8m (March 28, 2021 - $nil). Short-term borrowings are all due within the next 12 months.

Lease Liabilities

The Company had $250.7m (March 28, 2021 - $254.8m) of lease liabilities as at April 3, 2022, of which $58.5m (March 28, 2021 - $45.2m) are due within one year. Lease liabilities represent the discounted amount of future payments under leases for right-of-use assets.

Normal Course Issuer Bid (“NCIB”)

The Company has initiated a NCIB in relation to its subordinate voting shares. The Company is authorized to make purchases under the NCIB from August 20, 2021 to August 19, 2022, in accordance with the requirements of the Toronto Stock Exchange (the “TSX”). The Board of Directors of the Company has authorized the Company to repurchase up to 5,943,239 subordinate voting shares, representing approximately 10.0% of the issued and outstanding subordinate voting shares as at August 6, 2021. Purchases will be made by means of open market transactions on both the TSX and the New York Stock Exchange (the “NYSE”), or alternative trading systems, if eligible, or by such other means as a securities regulatory authority may permit. Under the NCIB, the Company will be allowed to purchase daily, through the facilities of the TSX, a maximum of 256,010 subordinate voting shares, representing 25% of the average daily trading volume, as calculated per the TSX rules for the six-month period starting on February 1, 2021 to July 31, 2021. Repurchased subordinate voting shares will be cancelled. A copy of the Company's notice of intention to commence a normal course issuer bid through the facilities of the TSX may be obtained, without charge, by contacting the Company. The Company believes that the purchase of its subordinate voting shares under the NCIB is an appropriate and desirable use of available excess cash.

Further, the Board of Directors has authorized the Company to initiate 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 period. 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.

For the year ended April 3, 2022, the Company purchased 5,636,763 subordinate voting shares for cancellation for total cash consideration of $253.2m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining $241.3m charged to retained earnings.

For the fourth quarter ended April 3, 2022, the Company purchased 1,771,627 subordinate voting shares for cancellation for total cash consideration of $65.9m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining $62.0m charged to retained earnings.

Capital Management

The Company manages its capital and capital structure, which the objectives of safeguarding sufficient net working capital[(1)] 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. We will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business.

(1) See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures.

Contractual Obligations

The following table summarizes certain of our significant contractual obligations and other obligations as at April 3, 2022:

CAD $ millions	**2023**	**2024**	**2025**	**2026**	**2027**	**Thereafter**	**Total**
Accounts payable and accrued liabilities	176.2	—	—	—	—	—	176.2
Term Loan Facility	3.8	3.8	3.8	3.8	3.8	351.8	370.8
Interest commitments relating to borrowings[(1)]	17.2	16.7	16.7	16.7	16.7	8.4	92.4
Foreign exchange forward contracts	0.9	—	—	2.7	—	—	3.6
Lease obligations	65.8	54.6	50.5	39.6	33.3	79.9	323.7
Pension obligation	—	—	—	—	—	2.2	2.2
Total contractual obligations	263.9	75.1	71.0	62.8	53.8	442.3	968.9

(1) Interest commitments are calculated based on the loan balance and the interest rate payable on the term loan of 4.51% as at April 3, 2022.

As at April 3, 2022, we had additional liabilities which included provisions for warranty, sales returns, asset retirement obligations, and deferred income tax liabilities. These liabilities have not been included in the table above as the timing and amount of future payments are uncertain.

Off-Balance Sheet Arrangements

The Company uses off-balance sheet arrangements including letters of credit and guarantees in connection with certain obligations, including leases. The Company in Europe also entered into an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of €20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice. Refer to the "Credit risk" section of this MD&A for additional details on the Trade accounts receivable factoring program. 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 April 3, 2022.

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 through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits. The Company shall immediately reimburse the issuing bank for amounts drawn on issued letters of guarantees. As at April 3, 2022, the Company had $5.4m outstanding in connection to the letters of guarantee.

In addition, during the fourth quarter ended April 3, 2022, a subsidiary of the Company in Mainland China entered into letters of guarantee in the amount of $9.3m. Amounts will be used to support retail operations through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits.

Outstanding Share Capital

Canada Goose is a publicly traded company and the subordinate voting shares are listed on the New York Stock Exchange (NYSE: GOOS) and on the Toronto Stock Exchange (TSX: GOOS). As at May 13, 2022, there were 54,190,432 subordinate voting shares issued and outstanding, and 51,004,076 multiple voting shares issued and outstanding.

As at May 13, 2022, there were 2,719,189 options and 215,248 restricted share units outstanding under the Company's equity incentive plans, of which 1,034,458 options were vested as of such date. Each option is exercisable for one subordinate voting share. We expect that vested restricted share units will be paid at settlement through the issuance of one subordinate voting share per restricted share unit.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions in the normal course of our business. Such risk is principally associated with credit risk, foreign exchange 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. 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 accounts receivable from certain designated customers subject to a total deductible of $0.1m, to a maximum of $30.0m per year. As at April 3, 2022, accounts receivable totaling approximately $8.1m (March 28, 2021 - $5.7m) were insured subject to the policy cap. Complementary to third party insurance, the Company establishes payment terms with customers to mitigate credit risk and continues to closely monitor its accounts receivable credit risk exposure.

Customer deposits are received in advance from certain customers for seasonal orders to further mitigate credit risk, and applied to reduce accounts receivable when goods are shipped. As at April 3, 2022, customer deposits of $0.2m (March 28, 2021 - $1.6m) were included in accounts payable and accrued liabilities.

The aging of trade receivables was as follows:

					Past due
CAD $ millions	**Total**	**Current**	**≤ 30 days**	**31-60 days**	**≥ 61 days**
	$	**$**	**$**	**$**	**$**
Trade accounts receivable	22.0	14.4	2.8	2.1	2.7
Credit card receivables	2.5	2.5	—	—	—
Other receivables	19.3	9.5	—	—	9.8
April 3, 2022	43.8	26.4	2.8	2.1	12.5
Trade accounts receivable	21.9	9.0	5.4	1.4	6.1
Credit card receivables	2.1	2.1	—	—	—
Government grant receivable	4.4	4.4	—	—	—
Other receivables	14.3	14.3	—	—	—
March 28, 2021	42.7	29.8	5.4	1.4	6.1

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

For the year ended April 3, 2022, the Company received cash proceeds from the sale of trade accounts receivable with carrying values of $26.6m which were derecognized from the Company’s statement of financial position (March 28, 2021 - $16.9m). Fees of less than $0.1m were incurred during the year ended April 3, 2022 (March 28, 2021 - less than $0.1m) and included in net interest, finance and other costs in the statement of income. As at April 3, 2022, the outstanding amount of trade accounts receivable derecognized from the Company’s statement of financial position, but which the Company continued to service, was $2.0m (March 28, 2021 - $nil).

Foreign exchange risk

Foreign exchange risk in operating cash flows

Our Annual 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, and Hong Kong dollars. Furthermore, as our business in Greater China grows, transactions in Chinese yuan and Hong Kong 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. 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 denominated purchases as a result of changes in U.S. dollar exchange rates. A depreciating Canadian dollar relative to the U.S. dollar will negatively impact operating income and net income by increasing our costs of raw materials, while an appreciating Canadian dollar relative to the U.S. dollar will have the opposite impact.

The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk to fluctuations in the U.S. dollar, euro, British pound sterling, Swiss franc, Chinese yuan, Hong Kong dollar, and Swedish krona exchange rates for revenues and purchases. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges. On December 18, 2020, the Company initiated the operating hedge program for the fiscal year ending April 3, 2022. During the second quarter ended September 26, 2021, the Company initiated the operating hedge program for the fiscal year ending April 2, 2023.

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

	For the year ended				Fourth quarter ended			
	April 3, 2022		March 28, 2021		April 3, 2022		March 28, 2021	
CAD $ millions	**Net loss**	**Tax expense**	**Net loss**	**Tax expense**	**Net loss**	**Tax expense**	**Net loss**	**Tax expense**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Forward foreign exchange contracts designated as cash flow hedges	(4.5)	(0.1)	(0.3)	(1.1)	(0.2)	(0.4)	(1.5)	(0.6)

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

	For the year ended		Fourth quarter ended	
CAD $ millions	**April 3, 2022**	**March 28, 2021**	**April 3, 2022**	**March 28, 2021**
Loss (gain) from other comprehensive income	**$**	**$**	**$**	**$**
Forward foreign exchange contracts designated as cash flow hedges				
Revenue	3.9	3.3	1.9	3.3
SG&A expenses	(0.4)	(0.2)	(0.2)	(2.1)
Inventory	(0.9)	(0.9)	(0.1)	(0.7)

For the fourth quarter and year ended April 3, 2022, unrealized gains of $4.3m and $4.7m, respectively (fourth quarter and year ended March 28, 2021 - unrealized gains of $1.5m and $6.4m, respectively) on forward exchange contracts that were not treated as hedges were recognized in SG&A expenses in the statement of income.

Foreign currency contracts outstanding as at April 3, 2022 related to operating cash flows were:

(in millions)	**Aggregate Amounts**		**Currency**
Forward contract to purchase Canadian dollars	US$	57.4	U.S. dollars
	€	66.0	euros
Forward contract to sell Canadian dollars	US$	35.6	U.S. dollars
	€	34.5	euros
Forward contract to purchase euros	CNY	293.3	Chinese yuan
	£	29.9	British pounds sterling
	CHF	2.1	Swiss francs
Forward contract to sell euros	CHF	8.3	Swiss francs
	£	3.9	British pounds sterling

Foreign exchange risk on borrowings

Amounts available for borrowing under part of our Revolving Facility are denominated in U.S. dollars. As at April 3, 2022, there were no principal amounts owing under the Revolving Facility.

Amounts available for borrowing under the Term Loan Facility are denominated in U.S. dollars. Based on our outstanding balances of $370.8m (US$296.3m) under the Term Loan Facility as at April 3, 2022, a $0.01 depreciation in the value of the Canadian dollar compared to the U.S. dollar would have resulted in a decrease in our pre-tax income of $3.0m solely as a result of that exchange rate fluctuation’s effect on the debt.

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 Facility denominated in U.S. dollars. The Company also entered into a five-year forward exchange contract by selling $368.5m and receiving US$270.0m as measured on the trade date, to fix the foreign exchange risk on a portion of the Term Loan Facility.

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

	For the year ended				Fourth quarter ended			
	April 3, 2022		March 28, 2021		April 3, 2022		March 28, 2021	
CAD $ millions	**Net gain**	**Tax expense**	**Net (loss) gain**	**Tax (expense) recovery**	**Net gain**	**Tax expense**	**Net gain**	**Tax expense**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Swaps designated as cash flow hedges	13.2	(4.5)	(0.9)	(0.5)	11.5	(3.9)	3.9	(1.3)
Euro-denominated cross-currency swap designated as a net investment hedge	—	—	0.2	0.1	—	—	—	—

The Company reclassified the following losses from other comprehensive income on derivatives designated as hedging instruments to SG&A expenses:

	For the year ended		Fourth quarter ended	
CAD $ millions	**April 3, 2022**	**March 28, 2021**	**April 3, 2022**	**March 28, 2021**
Loss from other comprehensive income	**$**	**$**	**$**	**$**
Swaps designated as cash flow hedges	0.9	5.6	0.2	0.3

For the fourth quarter and year ended April 3, 2022, unrealized losses of $4.9m and $4.6m, respectively (fourth quarter and year ended March 28, 2021 - unrealized losses of $5.3m and $21.7m, respectively) in the fair value of the long-dated forward exchange contract related to a portion of the term loan balance were recognized in SG&A expenses in the statement of income.

Interest rate risk

We are exposed to interest rate risk related to the effect of interest rate changes on borrowings outstanding under the Revolving Facility, the Term Loan Facility, and the Mainland China Facilities. Based on the weighted average amount of outstanding borrowings on the Mainland China Facilities during the year ended April 3, 2022, a 1.00% increase in the average interest rate on our borrowings would have increased interest expense by $0.1m (year ended March 28, 2021 - $0.1m). Correspondingly, a 1.00% increase in the average interest rate would have increased interest expense on the Term Loan Facility by $3.7m (year ended March 28, 2021 - $2.6m).

The Company entered into five-year interest rate swaps by fixing the LIBOR component of its interest rate at 0.95% on notional debt of US$270.0m. The swaps terminate on December 31, 2025. Subsequent to the Repricing Amendment, the applicable interest rate on the interest rate swaps was 4.45%. The interest rate swaps were designated at inception and accounted for as cash flow hedges.

Interest rate risk on the Term Loan Facility is partially mitigated by cross-currency swap hedges. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of our borrowings at that time.

RELATED PARTY TRANSACTIONS

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of the Board of Directors by incurring expenses for business services. During the year ended April 3, 2022, the Company incurred expenses with related parties of $1.7m (March 28, 2021 - $1.2m, March 29, 2020 - $1.7m) from companies related to certain shareholders. Net balances owing to related parties as at April 3, 2022 were $0.3m (March 28, 2021 - $0.3m).

A lease liability due to the previous controlling shareholder of the acquired Baffin Inc. business (the “Baffin Vendor”) for leased premises was $3.8m as at April 3, 2022 (March 28, 2021 - $4.6m). During the year ended April 3, 2022, 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 totaling $1.4m (March 28, 2021 - $1.2m, March 29, 2020 - $1.4m). No amounts were owing to Baffin entities as at April 3, 2022 and March 28, 2021.

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

Terms and conditions of transactions with related parties

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

Key management compensation

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

CAD $ millions	**April 3, 2022**	**March 28, 2021**
Short term employee benefits	12.5	13.2
Long term employee benefits	0.1	0.1
Share-based compensation	11.5	8.6
Compensation expense	24.1	21.9

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

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

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

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

We periodically review our inventories and make provisions as necessary to appropriately value obsolete or damaged raw materials and finished goods. In addition, as part of inventory valuations, we accrue for inventory shrinkage for lost or stolen items based on historical trends from actual physical inventory counts.

Leases. We exercise judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. We consider all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if we are reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term.

We determine the present value of future lease payments by estimating the incremental borrowing rate specific to each leased asset or portfolio of leased assets. We determine the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating our creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

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

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

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

Warranty. The critical assumptions and estimates used in determining the warranty provision at the balance sheet date are: number of jackets expected to require repair or replacement; proportion to be repaired versus replaced; period in which the warranty claim is expected to occur; cost of repair; cost of jacket replacement; and risk-free rate used to discount the provision to present value. We review our inputs to this estimate on a quarterly basis to ensure the provision reflects the most current information regarding our products.

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 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. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The Company is assessing the potential impact of the amendment.

Standards issued and adopted

Configuration or Customization Costs in a Cloud Computing Arrangement

In April 2021, the International Financial Reporting Interpretations Committee ("IFRIC") finalized an agenda decision within the scope of IAS 38, *Intangible Assets* which clarified the accounting of configuration and customization costs in cloud computing arrangements often referred to as Software as a Service ("SaaS") arrangements. As a result of the decision, costs that do not meet the capitalization criteria for intangible assets are required to be expensed as incurred.

The adoption of the agenda decision was recognized as a change in accounting policy in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.* The Company amended the existing accounting policies related to implementation costs on SaaS arrangements as at April 1, 2019. The Company assessed the impact of the interpretation and identified $25.4m of costs recognized as intangible assets within ERP and computer software related to SaaS arrangements that were no longer eligible for capitalization and amortization in accordance with the agenda decision. As a result, these costs were written off as at April 1, 2019 as these costs would have been required to be expensed in the period incurred.

In accordance with IAS 8, retrospective application is required for accounting policy changes and comparative financial information was restated in these consolidated financial statements. The following tables outline the impacts of the restatements on the comparative periods:

Condensed Comprehensive Income Information

Increase (decrease)

	March 28, 2021			March 29, 2020		
	As previously reported	**Adjustments**	**Restated**	**As previously reported**	**Adjustments**	**Restated**
	$	**$**	**$**	**$**	**$**	**$**
SG&A expenses	437.1	(0.1)	437.0	401.2	5.0	406.2
Income tax expense	15.8	—	15.8	12.0	(1.3)	10.7
Net income	70.2	0.1	70.3	151.7	(3.7)	148.0
Cumulative translation adjustment	(12.6)	0.3	(12.3)	9.4	(0.3)	9.1

Condensed Financial Position Information

Increase (decrease)

	March 28, 2021			March 29, 2020		
	As previously reported	**Adjustments**	**Restated**	**As previously reported**	**Adjustments**	**Restated**
	$	**$**	**$**	**$**	**$**	**$**
Deferred income taxes (asset)	46.9	1.5	48.4	40.8	1.0	41.8
Intangible assets	155.0	(30.2)	124.8	161.7	(30.6)	131.1
Deferred income taxes (liability)	21.6	(6.2)	15.4	15.1	(6.7)	8.4
Shareholders' equity	600.1	(22.5)	577.6	520.2	(22.9)	497.3

	April 1, 2019		
	As previously reported	Adjustments	Restated
	$	$	$
Deferred income taxes (asset)	12.2	1.0	13.2
Intangible assets	155.6	(25.4)	130.2
Deferred income taxes (liability)	16.7	(5.5)	11.2
Shareholders' equity	399.1	(18.9)	380.2

Condensed Cash Flow Information

Increase (decrease)

	March 28, 2021			March 29, 2020		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
	$	$	$	$	$	$
Net income	70.2	0.1	70.3	151.7	(3.7)	148.0
Depreciation and amortization	84.6	(7.2)	77.4	63.1	(6.0)	57.1
Income tax expense	15.8	—	15.8	12.0	(1.3)	10.7
Changes in non-cash items	102.5	2.0	104.5	(130.6)	—	(130.6)
Investment in intangible assets	(5.1)	5.1	—	(17.0)	11.0	(6.0)

Leases - COVID-19 Rent Concessions

In March 2021, the IASB issued an amendment to IFRS 16, *Leases* to extend the period over which the practical expedient is available for use. This amendment exempts lessees from determining whether COVID-19 related rent concessions for lease payments originally due on or before June 30, 2022 are lease modifications. In accordance with the guidance issued, the Company adopted the amendment effective March 29, 2021 and elected not to treat COVID-19 related rent concessions as lease modifications. Rent concessions of $0.4m and $0.6m were recognized in the statement of income in the fourth and four quarters ended April 3, 2022, respectively.

Interest Rate Benchmark Reform

In August 2020, the IASB issued “Interest Rate Benchmark Reform – Phase II (amendments to IFRS 9, *Financial Instruments*; IFRS 7, *Financial Instruments: Disclosures*; IAS 39, *Financial Instruments: Recognition and Measurement*; IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*)”, which addresses issues that affect financial reporting once an existing benchmark rate is replaced with an alternative rate and provides specific disclosure requirements. The amendments introduce a practical expedient for modifications required by the Interbank Offer Rate (“IBOR”) reform. The amendments relate to the modification of financial instruments where the basis for determining the contractual cash flows changes as a result of the IBOR reform, allowing for prospective application of the alternative rate. A similar practical expedient exists for lessee accounting under IFRS 16. It also relates to the application of hedge accounting, which is not discontinued solely because of the IBOR reform. Hedging relationships, including formal designation and documentation, must be amended to reflect modifications to the hedged item, however, the practical expedient allows the hedge relationship to continue, although additional ineffectiveness may be required. The amendments were effective for annual reporting periods beginning on or after January 1, 2021. A broader market-wide initiative is underway to transition the various IBOR based on rates in use to alternative reference rates. The Company’s term loan facility at a net book value of $370.0m, will be impacted by the IBOR reform. As such, the reformed IFRS guidance has been adopted, however, accounting under the adopted standard will take place once IBOR related arrangements are modified, which constitutes as an accounting event. As no accounting events have occurred to date, the Company has determined there is no financial reporting impact as of April 3, 2022. The Company is in discussions with its lenders and is currently determining if any modifications will meet the requirements for the application of the practical expedient.

SUBSEQUENT EVENTS

Joint Venture

On April 4, 2022, the Company along with its long-standing distribution partner Sazaby League, Ltd. formed a joint venture, Canada Goose Japan, to capture synergies in their business arrangement. The Company contributed $2.5m for 50% of the legal entity comprising the joint venture, and controls the joint venture from the date of its inception. Sazaby contributed cash as well as certain assets and liabilities in exchange for its 50% share.

The acquisition will be accounted for as a business combination, with the Company consolidating 100% of the results of the joint venture from the date of the acquisition. Given the timing of the transaction and measurement uncertainty with final purchase agreement consideration adjustments, the purchase price allocation is yet to be finalized and a preliminary purchase price allocation will be disclosed in the Company’s first quarter 2023 condensed consolidated interim financial statements.

There were $0.7m in transaction related costs included in the SG&A expenses in the consolidated statement of income and comprehensive income for the year ended April 3, 2022.

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 at April 3, 2022 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.

Management's Annual Report on Internal Control Over Financial Reporting

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

Management of the Company, under the supervision and with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of April 3, 2022, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013) ("COSO 2013"). Based on evaluation performed, management concluded that, as of April 3, 2022, the Company's internal control over financial reporting was effective.

Deloitte LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of April 3, 2022.

Limitations of Controls and Procedures

There has been no change in the Company's internal control over financial reporting during the year ended April 3, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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.