Årsredovisning

BRP Sweden AB

Org.nr 556353-7413

Räkenskapsår 2024-02-01 - 2025-01-31

Fastställelseintyg

Undertecknad styrelseledamot i BRP Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2025-07-14. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Umeå 2025-07-14

Jan Andersson

Årsredovisning

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Umeå 2025- -

Jan Andersson

Årsredovisning

BRP Sweden AB

Org.nr 556353-7413

Räkenskapsår 2024-02-01 - 2025-01-31

Årsredovisning för räkenskapsåret 2024-02-01 - 2025-01-31

Styrelsen för BRP Sweden AB avger följande årsredovisning.

Innehåll **Sida**

Styrelsens säte: Umeå
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inget annat anges, i tusentals kronor (Tkr). Till följd av detta kan avrundningsdifferenser förekomma.

Förvaltningsberättelse

Information om verksamheten

Bolaget är ett helägt dotterföretag till Bombardier Recreational Products Inc. Org. nr 437231-0 med säte i Valcourt, Kanada och noterat på Torontobörsen TSX.

Bolaget har sitt säte i Umeå.

BRP Sweden AB bedriver försäljning av BRP Inc:s produkter och äger bland annat BRP Finland Oy som tillverkar produkterna.

Väsentliga händelser under räkenskapsåret

Det har under året beslutats om en nyemission som regleras via apportegendom. Nyemissionen registrerades hos bolagsverket i mars 2025.

Framtida utveckling

Bolagets strategi att erbjuda de bästa rekreationsprodukterna för väg, vatten och terräng fortsätter. Bolaget fortsätter även sin produktutvecklingsstrategi.

Flerårsöversikt (Tkr)	**2024/25**	**2023/24**	**2022/23**	**2021/22**	**2020/21**
Nettoomsättning	56 383	60 613	57 701	57 082	48 657
Resultat efter finansiella poster	166 049	328 807	731 723	781 872	14 823
Balansomslutning	2 842 885	1 827 181	1 809 476	1 882 699	1 863 678
Soliditet (%)	100	99	99	99	100
Antal anställda	15	15	16	16	15

För definitioner av nyckeltal, se Not 1 Redovisnings- och värderingsprinciper.

Förändringar i eget kapital (Tkr)

	Aktie kapital	**Reserv fond**	**Överkurs fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	97 100	75 126	0	1 307 096	324 614	**1 803 936**
Ej registrerad nyemmision			1 019 983			**1 019 983**
Disposition enligt beslut av årets årsstämma:				324 614	-324 614	**0**
Utdelning				-149 983		**-149 983**
Omräkningsdifferens				-175		**-175**
Årets resultat					161 851	**161 851**
Belopp vid årets utgång	**97 100**	**75 126**	**1 019 983**	**1 481 552**	**161 851**	**2 835 611**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	1 481 552 053
överkursfond	1 019 982 572
årets vinst	161 851 095
	2 663 385 720
disponeras så att	
i ny räkning överföres	2 663 385 720

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande bokslutskommentarer.

Resultaträkning

Tkr	Not 1	2024-02-01 -2025-01-31	2023-02-01 -2024-01-31
Nettoomsättning		56 383	60 613
Kostnad sålda varor		-11 383	-11 432
Bruttoresultat		**45 000**	**49 181**
Försäljningskostnader		-25 754	-28 113
Administrationskostnader		-180	-235
		-25 934	**-28 348**
Rörelseresultat	2, 3	**19 066**	**20 833**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	4	146 871	308 753
Övriga ränteintäkter och liknande resultatposter		112	0
Räntekostnader och liknande resultatposter		0	-779
		146 983	**307 974**
Resultat efter finansiella poster		**166 049**	**328 807**
Resultat före skatt		**166 049**	**328 807**
Skatt på årets resultat		-4 198	-4 193
Årets resultat		**161 851**	**324 614**

Balansräkning

Tkr	Not	2025-01-31	2024-01-31
	1		
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	5	442	646
		442	**646**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	2 812 619	1 792 636
Uppskjuten skattefordran	7	2	0
		2 812 621	**1 792 636**
Summa anläggningstillgångar		**2 813 063**	**1 793 283**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		15 776	9 894
		15 776	**9 894**
Kortfristiga fordringar			
Fordringar hos koncernföretag		9 087	9 351
Aktuella skattefordringar		998	0
Övriga fordringar		242	150
Förutbetalda kostnader och upplupna intäkter		883	824
		11 210	**10 325**
Kassa och bank		2 837	13 679
Summa omsättningstillgångar		**29 823**	**33 899**
SUMMA TILLGÅNGAR		**2 842 885**	**1 827 181**

Balansräkning

Tkr	Not	2025-01-31	2024-01-31
	1		
EGET KAPITAL OCH SKULDER			
Eget kapital	8		
Bundet eget kapital			
Aktiekapital		97 100	97 100
Reservfond		75 126	75 126
		172 226	**172 226**
Fritt eget kapital			
Överkursfond		1 019 982	0
Balanserad vinst eller förlust		1 481 552	1 307 096
Årets resultat		161 851	324 614
		2 663 386	**1 631 710**
Summa eget kapital		**2 835 611**	**1 803 936**
Kortfristiga skulder			
Leverantörsskulder		1 785	1 471
Skulder till koncernföretag		0	13 997
Aktuella skatteskulder		0	2 277
Övriga skulder		1 368	1 203
Upplupna kostnader och förutbetalda intäkter		4 121	4 298
Summa kortfristiga skulder		**7 274**	**23 245**
SUMMA EGET KAPITAL OCH SKULDER		**2 842 885**	**1 827 181**

Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Omräkning av utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen.

Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden. Royalty periodiseras i enlighet med den aktuella överenskommelsens ekonomiska innebörd. Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

Anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.
Följande avskrivningsperioder tillämpas:

Materiella anläggningstillgångar	
Inventarier, verktyg och installationer	5-10 år

Låneutgifter

De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Leverantörsskulder
Leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Pelare två
Lagstiftningen kommer att gälla för företagets räkenskapsår som börjar den 1 februari 2024. Företaget har gjort en bedömning av företagets potentiella exponering för inkomstskatter enligt pelare två.

Denna bedömning baseras på den senaste tillgängliga informationen om den eller de ingående enheternas finansiella resultat i Sverige. Baserat på den bedömning som gjorts förväntas den effektiva skattesatsen i pelare två i Sverige vara över 15 % och ledningen är för närvarande inte medveten om några omständigheter under vilka detta kan komma att ändras. Därför förväntar sig företaget inte en potentiell exponering mot top up-skatter enligt pelare två i Sverige.

Enligt artikel 88A i redovisningsstandarden IAS 12 om inkomstskatter, som infördes i maj 2023 och gäller tillsvidare, ska uppskjutna poster avseende tilläggsskatt inte redovisas. Detta är ett undantag från annars gällande principer för redovisning av uppskjuten skatt. BRP Sweden AB kommer att tillämpa detta undantag och således inte redovisa eller upplysa om uppskjutna poster avseende tilläggsskatt i den mån sådana skulle uppkomma.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Pensioner
Företaget har endast avgiftsbestämda pensionsplaner.

Likvida medel
Likvida medel inkluderar kassamedel och disponibla tillgodohavanden hos banker och andra kreditinstitut samt andra kortfristiga likvida placeringar som lätt kan omvandlas till kontanter och är föremål för en obetydlig risk för värdefluktuationer. För att klassificeras som likvida medel får löptiden inte överskrida tre månader från tidpunkten för förvärvet.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning

Antal anställda
Medelantal anställda under räkenskapsåret.

Not 2 Medelantalet anställda

	2024-02-01 -2025-01-31	2023-02-01 -2024-01-31
Medelantalet anställda	15	15

Not 3 Avskrivning per funktion

	2024-02-01 -2025-01-31	2023-02-01 -2024-01-31
Försäljningskostnader	-72	-72
Administrationskostnader	-132	-132
	-205	**-205**

Not 4 Resultat från andelar i koncernföretag

	2024-02-01 -2025-01-31	2023-02-01 -2024-01-31
Erhållna utdelningar	146 871	308 753
	146 871	**308 753**

Not 5 Inventarier, verktyg och installationer

	2025-01-31	2024-01-31
Ingående anskaffningsvärden	3 547	3 547
Utgående ackumulerade anskaffningsvärden	**3 547**	**3 547**
Ingående avskrivningar	-2 901	-2 696
Årets avskrivningar	-205	-205
Utgående ackumulerade avskrivningar	**-3 105**	**-2 901**
Utgående redovisat värde	**442**	**646**

Not 6 Andelar i koncernföretag

	2025-01-31	2024-01-31
Ingående anskaffningsvärden	1 792 636	1 792 636
Apport	1 019 983	0
Utgående ackumulerade anskaffningsvärden	**2 812 619**	**1 792 636**
Utgående redovisat värde	**2 812 619**	**1 792 636**

Not 7 Uppskjuten skatt på temporära skillnader

2025-01-31

Temporära skillnader	Uppskjuten skattefordran	Netto
Avdragsgilla temporära skillnader	2	2
	2	**2**

2024-01-31

Temporära skillnader	Uppskjuten skattefordran	Netto
Avdragsgilla temporära skillnader	0	0
	0	**0**

Förändring av uppskjuten skatt

	Belopp vid årets ingång	Redovisas i resultaträk.	Belopp vid årets utgång
Avdragsgilla temporära skillnader	0	2	2
	0	**2**	**2**

Not 8 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal aktier	971 002	100
	971 002	

Not 9 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsåret.

Not 10 Uppgifter om moderföretag
Företaget är ett helägt dotterföretag till Bombardier Recreational Products Inc. med säte i Kanada, 726 Saint-Joseph Street, Valcourt.
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget Bombardier Products Inc, registreringsnummer (437231-0) med säte i Kanada, Valcourt, upprättar koncernredovisning.

Not 11 Ställda säkerheter

	2025-01-31	**2024-01-31**
Företagsinteckningar	25 000	25 000
	25 000	**25 000**

Not 12 Eventualförpliktelser
Bolaget har inga eventualförpliktelser.

Umeå den dag som framgår av digital signering

Jan Andersson
Verkställande direktör

Johan Järnberg

Valto Ristimella

Vår revisionsberättelse har lämnats den dag som framgår av digital signering

Deloitte AB

Camilla Backlund
Auktoriserad revisor

Signaturerna i detta dokument är juridiskt bindande. Dokumentet är signerat genom Penneo™ för säker digital signering. Tecknarnas identitet har lagrats, och visas nedan.

"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

Valto Tapio Ristimella
Undertecknare
På uppdrag av: BRP Sweden AB
Serienummer:
fi_tupas:opbank:dxjY_1Bkw1Q4o26-97yLWjQfbE9g_HKo7Xn75mlFhjI=
IP: 147.161.xxx.xxx
2025-07-14 09:58:49 UTC

JAN ERIC ANDERSSON
Undertecknare
På uppdrag av: BRP Sweden AB
Serienummer: f0ea00aa9150b8[...]a6a29c3283b97
IP: 147.161.xxx.xxx
2025-07-14 10:41:30 UTC

JOHAN NIKLAS JÄRNBERG
Undertecknare
På uppdrag av: BRP Sweden AB
Serienummer: ba52bfcbe3eddd[...]eb9d11cd1c33d
IP: 81.234.xxx.xxx
2025-07-14 11:23:06 UTC

Sara Camilla Backlund
Undertecknare
På uppdrag av: Deloitte AB
Serienummer: 8be94acdd8cfbf[...]9867fb376fd77
IP: 163.116.xxx.xxx
2025-07-14 16:46:02 UTC

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i BRP Sweden AB
organisationsnummer 556353-7413

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för BRP Sweden AB för räkenskapsåret 2024-02-01 -- 2025-01-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av BRP Sweden ABs finansiella ställning per den 31 januari 2025 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till BRP Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för BRP Sweden AB för räkenskapsåret 2024-02-01 -- 2025-01-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till BRP Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Umeå, datum enligt min digitala signatur

Deloitte AB

Camilla Backlund
Auktoriserad revisor

Detta är ett elektroniskt undertecknat dokument

Underskrifterna i detta dokument uppfyller kraven för Avancerad Elektronisk Underskrift enligt definitionen i eIDAS (EU:s förordning 910/2014).

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Följande personer har genom sin elektroniska underskrift godkänt innehållet i detta dokument samt försäkrat att angivna uppgifter är korrekta.

Underskrift 1

Namn: Camilla Backlund
Identifieringsmetod: BankID SE
Datum och tid: 2025-07-14 18:44:13 GMT+02:00
Transaktions-ID: a983d5e8f4344bdc9dcd42a453bb5a89

Consolidated Financial Statements

BRP Inc.

For the years ended January 31, 2025 and 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of BRP Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of BRP Inc. and subsidiaries (the "Company") as at January 31, 2025 and 2024, the related consolidated statements of net income (loss), comprehensive income (loss), changes in equity, and cash flows, for each of the two years in the period ended January 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2025 and 2024, and its financial performance and its cash flows for each of the two years in the period ended January 31, 2025, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 25, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue – Refer to Notes 2m and 20 to the financial statements

Critical Audit Matter Description

The Company's revenue consists of transactions sourced from multiple order entry systems and databases. The Company's information technology (IT) environment, is complex and includes multiple IT systems that are used to process revenue-related data and the Company relies on the output of these systems to process and record its revenue transactions.

Given the Company's systems to process and record revenue are highly automated, there are potential risks arising from the capture, processing and transfer of data accurately and completely between the various IT systems. As such, auditing revenue resulted in an increased extent of audit effort and the nature of audit procedures were designed to include information outside of the IT systems.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's IT systems, software applications and automated controls used to process revenue transactions included the following, among others:

- With the assistance of IT specialists,
    - Assessed the general computer and automated controls for relevant IT systems used to process revenue transactions, including controls related to the monitoring of access rights to applications, operating systems and databases;
    - Assessed the interface configuration between certain relevant IT systems to determine that information transferred is accurate and complete; and
    - Evaluated the service auditor reports on which the Company relies.
- Selected a sample of revenue transactions and performed the following:
    - Compared revenue from the IT system to the customer confirmation and cash receipts;
    - Matched revenues from the IT system to the approved pricing outside of the IT system;
    - Compared revenue selections to the third-party bill of lading; and
    - Evaluated the reasonableness of manual journal entries posted to revenues in the general ledger.

/s/ Deloitte LLP

Chartered Professional Accountants
Montreal, Canada
March 25, 2025

We have served as the Company's auditor since 2006.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of BRP Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of BRP Inc. and subsidiaries (the "Company") as of January 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended January 31, 2025, of the Company and our report dated March 25, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Deloitte LLP

Chartered Professional Accountants
Montreal, Canada
March 25, 2025

BRP Inc.

CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)

[in millions of Canadian dollars, except per share data]

	Notes	Years ended January 31, 2025	Years ended January 31, 2024
			Reclassified (Note 2)
Revenues	20	**$7,829.7**	$9,963.0
Cost of sales		**6,056.1**	7,329.0
Gross profit		**1,773.6**	2,634.0
Operating expenses			
Selling and marketing		**438.4**	454.7
Research and development		**391.1**	401.9
General and administrative		**315.0**	346.4
Other operating expenses	23	**77.4**	24.0
Total operating expenses		**1,221.9**	1,227.0
Operating income		**551.7**	1,407.0
Financing costs	24	**198.2**	208.0
Financing income	24	**(8.0)**	(16.6)
Foreign exchange loss on long-term debt		**209.1**	10.2
Income before income taxes		**152.4**	1,205.4
Income tax expense	25	**89.7**	273.7
Net income from continuing operations		**62.7**	931.7
Net loss from discontinued operations	30	**(275.7)**	(187.2)
Net income (loss)		**$(213.0)**	$744.5
Attributable to shareholders		**$(213.1)**	$743.4
Attributable to non-controlling interest		**$0.1**	$1.1
Basic earnings per share - continuing operations	19	**$0.85**	$12.06
Diluted earnings per share - continuing operations	19	**$0.84**	$11.85
Basic loss per share - discontinued operations	19	**$(3.74)**	$(2.43)
Diluted loss per share - discontinued operations	19	**$(3.70)**	$(2.38)
Basic earnings (loss) per share	19	**$(2.89)**	$9.63
Diluted earnings (loss) per share	19	**$(2.86)**	$9.47

The accompanying notes are an integral part of these consolidated financial statements.

BRP Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

[in millions of Canadian dollars]

	Notes	Years ended January 31, 2025	Years ended January 31, 2024
Net income (loss)		**$(213.0)**	$744.5
Other comprehensive loss			
Items that will be reclassified subsequently to net income			
Net changes in fair value of derivatives designated as cash flow hedges		**(107.3)**	10.7
Net changes in unrealized loss on translation of foreign operations		**(21.7)**	(8.1)
Income tax (expense) recovery		**28.5**	(3.2)
		(100.5)	(0.6)
Items that will not be reclassified subsequently to net income			
Actuarial losses on defined benefit pension plans	16	**(4.5)**	(2.1)
Gain on fair value of restricted investments		**0.5**	0.5
Income tax recovery		**0.6**	0.3
		(3.4)	(1.3)
Total other comprehensive loss		**(103.9)**	(1.9)
Total comprehensive income (loss)		**$(316.9)**	$742.6
Attributable to shareholders		**$(317.4)**	$742.8
Attributable to non-controlling interest		**0.5**	(0.2)
Total comprehensive income (loss) attributable to shareholders			
Continuing operations		**$(49.1)**	$924.2
Discontinued operations	30	**(268.3)**	(181.4)
		$(317.4)	$742.8

The accompanying notes are an integral part of these consolidated financial statements.

BRP Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[in millions of Canadian dollars]
As at

	Notes	January 31, 2025	January 31, 2024
Cash and cash equivalents		**$180.7**	$491.8
Trade and other receivables	5	**617.3**	656.3
Income taxes and investment tax credits receivable		**140.9**	60.8
Other financial assets	6	**80.1**	106.6
Inventories	7	**1,730.2**	2,155.6
Other current assets	8	**63.9**	57.7
Assets classified as held for sale	30	**361.7**	—
Total current assets		**3,174.8**	3,528.8
Investment tax credits receivable		**23.6**	19.0
Other financial assets	6	**26.6**	49.6
Property, plant and equipment	9	**1,938.8**	2,004.3
Intangible assets	10	**603.8**	665.1
Right-of-use assets	11	**182.8**	169.7
Deferred income taxes	25	**338.2**	337.5
Other non-current assets	8	**4.8**	1.5
Total non-current assets		**3,118.6**	3,246.7
Total assets		**$6,293.4**	$6,775.5
Trade payables and accruals	12	**1,222.1**	1,450.4
Provisions	13	**790.8**	766.7
Other financial liabilities	14	**86.2**	45.8
Income tax payable		**44.3**	47.9
Deferred revenues		**64.9**	89.9
Current portion of long-term debt	15	**53.8**	58.1
Current portion of lease liabilities	11	**47.1**	46.3
Liabilities associated to assets classified as held for sale	30	**118.2**	—
Total current liabilities		**2,427.4**	2,505.1
Long-term debt	15	**2,871.3**	2,705.0
Lease liabilities	11	**158.2**	142.0
Provisions	13	**145.2**	148.5
Other financial liabilities	14	**80.2**	65.1
Deferred revenues		**84.4**	113.2
Employee future benefit liabilities	16	**194.0**	156.3
Deferred income taxes	25	**58.8**	105.9
Other non-current liabilities		**27.1**	20.5
Total non-current liabilities		**3,619.2**	3,456.5
Total liabilities		**6,046.6**	5,961.6
Equity		**246.8**	813.9
Total liabilities and equity		**$6,293.4**	$6,775.5

The accompanying notes are an integral part of these consolidated financial statements.

BRP Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

[in millions of Canadian dollars]

For the year ended January 31, 2025

	Attributed to shareholders							
	Capital Stock (Note 17)	Contributed surplus	Retained earnings (losses)	Translation of foreign operations	Cash-flow hedges	Total	Non-controlling interests	Total equity
Balance as at January 31, 2024	**$248.5**	**$71.8**	**$443.1**	**$0.6**	**$44.9**	**$808.9**	**$5.0**	**$813.9**
Net income (loss)	**—**	**—**	**(213.1)**	**—**	**—**	**(213.1)**	**0.1**	**(213.0)**
Other comprehensive income (loss)	**—**	**—**	**(3.4)**	**(22.1)**	**(78.8)**	**(104.3)**	**0.4**	**(103.9)**
Total comprehensive income (loss)	**—**	**—**	**(216.5)**	**(22.1)**	**(78.8)**	**(317.4)**	**0.5**	**(316.9)**
Dividends (Note 17)	**—**	**—**	**(61.9)**	**—**	**—**	**(61.9)**	**—**	**(61.9)**
Issuance of subordinate shares (Note 17)	**19.1**	**(4.9)**	**—**	**—**	**—**	**14.2**	**—**	**14.2**
Repurchase of subordinate shares (Note 17)	**(16.6)**	**—**	**(202.0)**	**—**	**—**	**(218.6)**	**—**	**(218.6)**
Stock-based compensation	**—**	**16.1** [a]	**—**	**—**	**—**	**16.1**	**—**	**16.1**
Balance as at January 31, 2025	**$251.0**	**$83.0**	**$(37.3)**	**$(21.5)**	**$(33.9)**	**$241.3**	**$5.5**	**$246.8**

[a] Includes $0.6 million of income tax recovery.

For the year ended January 31, 2024

	Attributed to shareholders							
	Capital Stock (Note 17)	Contributed surplus	Retained earnings	Translation of foreign operations	Cash-flow hedges	Total	Non-controlling interests	Total equity
Balance as at January 31, 2023	$255.8	$58.8	$175.5	$7.4	$37.4	$534.9	$5.2	$540.1
Net income	—	—	743.4	—	—	743.4	1.1	744.5
Other comprehensive income (loss)	—	—	(1.3)	(6.8)	7.5	(0.6)	(1.3)	(1.9)
Total comprehensive income (loss)	—	—	742.1	(6.8)	7.5	742.8	(0.2)	742.6
Dividends (Note 17)	—	—	(55.6)	—	—	(55.6)	—	(55.6)
Issuance of subordinate shares (Note 17)	24.8	(6.6)	—	—	—	18.2	—	18.2
Repurchase of subordinate shares (Note 17)	(32.1)	—	(418.9)	—	—	(451.0)	—	(451.0)
Stock-based compensation	—	19.6 [a]	—	—	—	19.6	—	19.6
Balance as at January 31, 2024	$248.5	$71.8	$443.1	$0.6	$44.9	$808.9	$5.0	$813.9

[a] Includes $1.1 million of income tax expense.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

[in millions of Canadian dollars]

	Notes	Years ended January 31, 2025	January 31, 2024
OPERATING ACTIVITIES			
Net income (loss)		**$(213.0)**	$744.5
Non-cash and non-operating items:			
Depreciation expense		**427.6**	391.7
Income tax expense (recovery)		**(1.0)**	209.6
Foreign exchange loss on long-term debt		**209.1**	10.2
Interest expense and transaction costs		**184.4**	197.3
Impairment charge		**193.4**	116.3
Other		**24.7**	16.5
Cash flows generated from operations before changes in working capital		**825.2**	1,686.1
Changes in working capital:			
Decrease in trade and other receivables		**17.6**	3.7
Decrease in inventories		**268.8**	122.6
Increase in other assets		**(31.4)**	(18.6)
Decrease in trade payables and accruals		**(215.2)**	(96.1)
Decrease in other financial liabilities		**(0.9)**	(6.2)
Increase in provisions		**31.0**	250.9
Decrease in other liabilities		**(7.7)**	(28.1)
Cash flows generated from operations		**887.4**	1,914.3
Income taxes paid, net of refunds		**(147.3)**	(256.2)
Net cash flows generated from operating activities		**740.1**	1,658.1
INVESTING ACTIVITIES			
Additions to property, plant and equipment	9	**(396.6)**	(548.4)
Additions to intangible assets	10	**(29.8)**	(37.4)
Other		**0.9**	10.9
Net cash flows used in investing activities		**(425.5)**	(574.9)
FINANCING ACTIVITIES			
Decrease in bank overdraft		**—**	(29.0)
Issuance of long-term debt	15	**3.6**	3.3
Long-term debt amendment fees	15	**—**	(10.9)
Repayment of long-term debt	15	**(59.7)**	(58.2)
Repayment of lease liabilities	11	**(52.4)**	(48.6)
Interest paid		**(177.8)**	(167.6)
Issuance of subordinate voting shares		**14.2**	18.2
Repurchase of subordinate voting shares	17	**(215.1)**	(446.2)
Dividends paid	17	**(61.9)**	(55.6)
Other		**(4.0)**	(2.2)
Net cash flows used in financing activities		**(553.1)**	(796.8)
Effect of exchange rate changes on cash and cash equivalents		**(73.3)**	3.1
Net increase (decrease) in cash and cash equivalents		**(311.8)**	289.5
Cash and cash equivalents at the beginning of year		**491.8**	202.3
Cash and cash equivalents at the end of year		**$180.0**	$491.8

The Company has elected to present a consolidated statement of cash flows that includes both continuing and discontinued operations. Amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 30.

The accompanying notes are an integral part of these consolidated financial statements.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

1. NATURE OF OPERATIONS

BRP Inc. ("BRP") is incorporated under the laws of Canada. BRP's multiple voting shares are owned by Beaudier Inc. and 4338618 Canada Inc. (collectively, "Beaudier Group"), Bain Capital Integral Investors II, L.P. ("Bain Capital") and La Caisse de dépôt et placement du Québec ("CDPQ"), (collectively, the "Principal Shareholders"). BRP's subordinate voting shares are listed in Canada on the Toronto Stock Exchange under the symbol DOO and in the United States on the Nasdaq Global Select Market under the symbol DOOO.

BRP and its subsidiaries (the "Company") design, develop, manufacture and sell powersports vehicles and marine products. The Company's Powersports segment comprises "Year-Round Products" which consists of all-terrain vehicles, side-by-side vehicles, three-wheel vehicles and two-wheel vehicles; "Seasonal Products" which consists of snowmobiles, personal watercraft and pontoons; and "PA&A and OEM Engines" which consists of parts, accessories and apparel ("PA&A"), engines for karts, recreational aircraft and jet boats, and other services. Additionally, the Company's Marine segment consists of boats, pontoons and outboard engines and related PA&A, and other services.

The Company's products are sold mainly through a network of independent dealers, independent distributors and to original equipment manufacturers (the "Customers"). The Company distributes its products worldwide and manufactures them in Mexico, Canada, Austria, the United States, Finland, Australia and Germany.

On October 17, 2024, the Company announced it initiated a process for the sale of its Marine businesses namely Alumacraft, Manitou, Telwater (Quintrex, Stacer, Savage and Yellowfin) and Marine parts, accessories, and apparel. Consequently, these businesses are presented as discontinued operations and the associated assets and liabilities as held for sale as at January 31, 2025 (Note 30).

The Company's headquarters is located at 726 Saint-Joseph Street, Valcourt, Québec, J0E 2L0.

2. MATERIAL ACCOUNTING POLICIES

a) Basis of presentation

These consolidated financial statements for the years ended January 31, 2025 and 2024 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

These consolidated financial statements have been prepared on a historical cost basis except for certain transactions that are measured using a different basis as explained below in the material accounting policies section.

On March 25, 2025, the Board of Directors of the Company approved these consolidated financial statements for the years ended January 31, 2025 and 2024.

b) Basis of consolidation

These consolidated financial statements include the financial statements of BRP and its subsidiaries. BRP controls all of its subsidiaries that are wholly owned through voting equity interests, except for BRP Commerce & Trade Shanghai Co. Ltd in China for which a non-controlling interest of 20% is recorded upon consolidation and Pinion GmbH in Germany for which there is a non-controlling interest of 20%. BRP is also part of a joint venture located in Austria.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

b) Basis of consolidation [continued]

The most significant subsidiaries of BRP included in these consolidated financial statements are as follows:

- Bombardier Recreational Products Inc., located in Canada;
- BRP US Inc., located in the United States;
- BRP-Rotax GmbH & Co. KG, located in Austria;
- BRP European Distribution SA, located in Switzerland;
- BRP Finland Oy, located in Finland; and
- BRP Mexico S.A de C.V, located in Mexico.

All inter-company transactions and balances have been eliminated upon consolidation.

c) Foreign currencies

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Company's foreign subsidiaries functional currencies are mainly the USD and Euro.

Transactions in foreign currency

For the purpose of preparing consolidated financial statements, the Company applies the following procedures on transactions and balances in currencies other than their functional currency. Monetary items are translated using exchange rates in effect at the consolidated statement of financial position date and non-monetary items are translated using exchange rates prevailing at the transaction date. Revenues and expenses (other than depreciation, which is translated at the same exchange rates as the related assets) are translated using exchange rates in effect on the transaction dates or at the average exchange rates of the period. Translation gains or losses are recorded in the consolidated statement of net income.

Consolidation of foreign operations

All assets and liabilities of foreign operations are translated into Canadian dollars at exchange rates in effect at the consolidated statement of financial position date. Revenues and expenses are translated at the average exchange rates for the period. The Company's gains and losses on translation of foreign operations are recognized in other comprehensive income and accumulated in equity until the Company no longer controls the foreign operation. At that time, gains or losses on translation accumulated in equity are entirely reclassified to net income.

d) Inventory valuation

Materials and work in progress, finished products and parts, accessories and apparel are valued at the lower of weighted average cost or net realizable value. The cost of work in progress and finished products manufactured by the Company includes the cost of materials, direct labour and directly attributable manufacturing overhead. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to complete the sale.

Inventories are written down to net realizable value when the cost of inventories is determined to be not fully recoverable. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

e) Property, plant and equipment

Property, plant and equipment includes land, building, equipment and tooling held for use in the development, production and distribution activities or for administrative purposes. They are stated at cost less accumulated depreciation and accumulated impairment charges.

The cost of an item of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating, which also includes the borrowing costs incurred during the construction.

Property, plant and equipment is depreciated, with the exception of land, using the straight-line method over their estimated useful lives. If an item of property, plant and equipment is composed of significant components having different estimated useful lives, depreciation is calculated on a component basis using the straight-line method over their respective useful lives. The Company's estimated useful lives per category are the following:

Tooling	3 to 7 years
Equipment	3 to 20 years
Building	10 to 60 years

Depreciation of assets under development begins when they are ready for their intended use.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis. The depreciation expense is recorded in cost of sales, selling and marketing ("S&M"), general and administrative ("G&A") or research and development ("R&D") expenses based on the function of the underlying asset.

Fully depreciated building, equipment and tooling are retained in the cost and accumulated depreciation accounts until such assets are removed from service. In the case of disposals, cost and related accumulated depreciation amounts are removed from the consolidated statement of financial position, and the net amounts, less proceeds from disposal, is recorded in the consolidated statement of net income.

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment in order to determine if there is any indication that those assets may be impaired. If any such indication exists, an impairment test is performed as described below in paragraph h).

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

f) Intangible assets

Goodwill represents the excess of the purchase price of businesses acquired over the fair value of the net assets acquired. Goodwill is systematically tested for impairment as at January 31 or more frequently if events or circumstances indicate that it might be impaired. Goodwill is tested for impairment at a cash generating unit ("CGU") or group of CGUs level, representing the lowest level at which management monitors it.

Trademarks are carried at cost and are not depreciated due to their indefinite expected useful lives for the Company. The assessment of indefinite expected useful lives is reviewed at each year-end. Trademarks are systematically tested for impairment as at January 31 or more frequently if events or circumstances indicate that they might be impaired. Trademarks are tested for impairment with the CGU to which they relate.

Software and licences, patents, dealer networks and customer relationships are carried at cost and are depreciated on a straight-line basis over their estimated useful lives, which are as follows:

Software and licences	3 to 5 years
Patents	10 years
Dealer networks	5 to 20 years
Customer relationships	10 to 15 years

At the end of each reporting period, the Company reviews the carrying amounts of its software and licences, dealer networks and customer relationships in order to determine if there is any indication that those assets may be impaired. If any such indication exists, an impairment test is performed as described below in paragraph h). The depreciation expense is recorded in cost of sales, S&M, G&A or R&D expense based on the function of the underlying asset.

Expenditures related to research and development activities are recognized as expense in the period in which they are incurred, except for development activities if specific criteria for capitalization as intangible assets are met.

g) Leases

At inception, the Company assesses whether the contract is or contains a lease. Leases are recognized as right-of-use assets and lease liabilities at the lease commencement date. Payments associated with short-term leases and leases of low-value assets are recognized as an expense.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Company's incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities include the net present value of the following lease payments (when applicable):

- Fixed payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable under residual value guarantees;
- Exercise price of purchase options if the Company is reasonably certain to exercise that option; and
- Penalties for early termination of a lease, except if the Company is reasonably certain not to terminate early.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

g) Leases [continued]

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is remeasured, and a corresponding adjustment is made to the carrying amount of the right-of-use assets, when there is a change in future lease payments arising from a change in an index or rate, from a change in the estimation of a residual value guarantee or from a change in the assumption of purchase, extension or termination option. The lease liability is also remeasured when the underlying lease contract is amended.

The Company accounts for each lease component and any associated non-lease components as a single lease component.

The right-of-use asset is initially measured at cost, which includes the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less any incentives received. The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. In addition, the right-of-use asset is reduced by impairment losses resulting from impairment tests as described below in paragraph h), if any, and adjusted for certain remeasurements of the lease liability. The depreciation expense is recorded in cost of sales, S&M, G&A or R&D expense based on the function of the underlying asset.

h) Impairment of property, plant and equipment, intangible assets and right-of-use assets

An asset is impaired when its carrying amount is above its recoverable amount. The recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In that case, the asset is assessed for impairment within a CGU or group of CGUs, representing the lowest level of assets for which there are separately identifiable cash inflows. The recoverable amount of an asset, a CGU, or group of CGUs is the higher of its fair value less costs to sell and its value in use. Value in use is determined using a discounted future net cash flows approach. Fair value less costs to sell reflects the amount the Company could obtain from the asset's disposal in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. If there is no active market for the asset, the fair value is assessed by using appropriate valuations models dependent on the nature of the asset, CGU, or group of CGUs, such as discounted cash flow models. The impairment charge recorded in the consolidated statement of net income is the difference between the carrying amount and the recoverable amount.

At the end of each reporting period, the Company reviews the carrying amount of assets (excluding goodwill), CGUs, or group of CGUs impaired in previous periods to determine if there is any indication that its recoverable amount has increased. If any such indication exists, an impairment test is performed and the impairment recovery is recorded in the consolidated statement of net income up to the carrying amount that would have existed had the impairment charge never been recorded in prior years.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one party and a financial liability or equity for another party. Financial instruments are initially recorded at fair value when the Company becomes a party to the transaction and are subsequently revalued at fair value or amortized cost at the end of each reporting period depending on their classification.

When the Company acquires or issues a financial instrument that is not recorded at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance are incorporated in the carrying amount and amortized in the consolidated statement of net income using the effective interest rate method. When the Company acquires or issues a financial instrument measured at fair value through profit or loss, all transaction costs are expensed as incurred.

A modification of financial liabilities that includes a prepayment option at par with no break costs is equivalent to an extinguishment. When a modification is accounted for as an extinguishment, the original financial instrument is derecognized, including any unamortized transaction costs and any costs or fees incurred related to the modification, and the new instrument arising from the modification is recognized at fair value.

Financial assets and financial liabilities other than derivatives

At the end of each reporting period, financial assets and financial liabilities that are not derivatives are measured at fair value or amortized cost using the effective interest method depending on the following classification:

- Restricted investments are measured at fair value through other comprehensive income at the end of each reporting period.
- Cash and cash equivalents and trade and other receivables are measured at amortized cost at the end of each reporting period.
- Non-controlling interest liability is measured at fair value through profit and loss at the end of each reporting period.
- Revolving credit facilities, trade payables and accruals, other financial liabilities, long-term debt and lease liabilities are measured at amortized cost at the end of each reporting period.

Derivative financial instruments

Derivative financial instruments are financial assets or financial liabilities recorded at fair value through profit or loss. They are measured at fair value at the end of each reporting period including those derivatives that are embedded in financial and non-financial contracts that are not closely related to the host contract.

In the consolidated statement of net income, changes in fair value of derivatives used to manage foreign exchange exposure on working capital elements are recorded in other operating expenses.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

i) Financial instruments [continued]

Derivative financial instruments under cash flow hedge accounting

The Company applies cash flow hedge accounting when forecasted cash flows are highly probable to occur and all other cash flow hedge criteria are met. The effective portion of the change of fair value of derivative financial instruments designated as hedging items under the cash flow hedge model is recorded in other comprehensive income and accumulated in equity until the hedged transaction is recognized in the consolidated statement of net income. The ineffective portion is recognized in the consolidated statement of net income at each period end. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be effective in offsetting the cash flows of the respective hedged items during the period for which the hedge is designated.

If a derivative financial instrument accounted for using the cash flow hedge model has been settled prior to maturity or the hedge relationship is no longer meeting cash flow hedge criteria, accumulated gains or losses associated with the derivative financial instrument remain in equity as long as the underlying hedged transaction is expected to occur and are recognized in the consolidated statement of net income in the period in which the underlying hedged transaction is recognized in the consolidated statement of net income. In the event that the underlying hedged transaction is settled prior to maturity or is not expected to occur anymore, gains or losses accumulated in equity at this date are immediately reclassified in the consolidated statement of net income. Gains or losses related to derivative financial instruments accounted for using the cash flow hedge model are recorded in the same category as the hedged item in the consolidated statement of net income.

j) Derecognition of receivables

Receivables are derecognized from the consolidated statement of financial position only when the Company's contractual rights to the cash flows expire or when the Company has transferred to a third party substantially all the risks and rewards on receivables sold.

k) Provisions

Provisions represent liabilities for which the amount or timing of payment is uncertain. Provisions are recorded in the consolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Additionally, provisions are recorded for contracts under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received.

Provisions are measured at each period end at the best estimate of the expenditure required to settle the obligation. To account for the effect of the time value of money, provisions are measured at the present value of the outflows required to settle the obligation using a risk free rate adjusted to the specific risk of the obligation. They are re-measured at each consolidated statement of financial position date using interest rates prevailing at this date and an interest expense is recorded to reflect the passage of time.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

k) Provisions [continued]

The main provisions of the Company are described in more detail below:

Products related provisions

When the products are sold, the Company records a provision related to limited product warranties generally covering periods from six months to five years.

The Company records a provision for product liability claims or possible claims incurred but not reported at the end of each reporting period.

The Company provides for estimated sales promotions at time of revenue recognition. Examples of these costs include product rebates given to clients, volume discounts and retail financing programs. In the consolidated statement of net income, cash sales promotions are recorded as a reduction of revenues whereas non-cash sales promotions, such as delivery of free products, are included in cost of sales.

l) Employee benefits

Current benefits

The Company records an expense in the consolidated statement of net income for wages, salaries, bonuses, share-based compensations and social security contributions of employees in the period the services are rendered. Current benefit associated with manufacturing employees is included in the cost of inventory produced as described above in paragraph d).

Future benefits

The Company sponsors several Canadian and foreign funded and unfunded defined benefit and defined contribution pension plans covering most of its employees. The Company also provides other post-retirement benefit plans to certain employees.

Defined benefit plans and other post-retirement benefit plans

Annual costs of defined benefit pension plans and other post-retirement benefit plans, which include current service costs, net interest costs and past service costs, is actuarially determined using the projected unit credit method based on management's best estimate of discount rates, salary escalation, retirement ages of employees, life expectancy, inflation and health care costs.

Current service costs are recorded in the consolidated statement of net income when employees are rendering the services to the Company. For manufacturing employees, current service costs are included in the cost of inventory produced as described above in paragraph d).

Net interest costs are recorded in the consolidated statement of net income at each period following the passage of time.

Past service costs (gains) arising from the change in the present value of the defined benefit obligation resulting from a plan amendment or a curtailment are recorded in the consolidated statement of net income when the plan amendment or the curtailment occurs. A curtailment arises from a transaction that significantly reduces the number of employees covered by a plan.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

l) Employee benefits [continued]

Defined benefit plans and other post-retirement benefit plans [continued]

In the consolidated statement of net income, costs related to defined benefit pension plans and other post-retirement benefit plans are classified separately depending on their nature. Current service costs and past service costs (gains) are presented within operating income whereas the net interest expense on the employee future benefit liability is presented in financing costs.

The liability recognized in the consolidated statement of financial position is the present value of the plan obligations less the fair value of the plan assets at that date. Plan obligations are determined based on expected future benefit payments discounted using market interest rates prevailing as at January 31 and plan assets are stated at their fair value at that date. Actuarial gains and losses that arise in calculating the present value of plan obligations and the fair value of plan assets are recorded in other comprehensive income and accumulated directly in retained earnings (losses).

Defined contribution plans

Defined contribution plan expenses are recorded in the consolidated statement of net income when employees are rendering the services to the Company. Expenses associated with manufacturing employees are included in the cost of inventory produced as described above in paragraph d). Defined contribution plan expenses are entirely presented within operating income.

m) Revenue recognition

The Company's revenues are derived primarily from the sale of products and related parts and accessories. Each sale is considered as a single performance obligation and revenues are recognized when products are shipped, which corresponds to the point in time when the Customers have obtained control of the asset and the Company has satisfied its performance obligation. Revenues are measured at an amount equal to the consideration to which the Company expects to be entitled, which takes into account sales promotions and expected returns to occur after the shipment date. A deferred revenue is recognized if the Company receives consideration, or has an unconditional right to receive consideration, prior to the completion of its performance obligation.

When, in addition to the regular warranty coverage, an extended warranty coverage is given with the purchase of the product, a portion of the revenue representing the value of the extended warranty is deferred. The value deferred is based on the stand-alone selling price of both the unit sold and the extended warranty given. The deferred revenue is then recognized over the extended warranty coverage period.

n) Government assistance

Government assistance, including research and development tax credits, is recorded when the Company is complying with the assistance program requirements and the recovery is reasonably assured. Government assistance received but contingently repayable is recorded in the consolidated statement of net income as long as it is probable that the conditions for repayment will not be met. Government assistance granted to compensate expenses are presented in the consolidated statement of net income as a reduction of the expense they relate to, whereas assistance granted for the acquisition of property, plant and equipment and intangibles is deducted from the cost of the related asset.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

o) Share based payment plans

The Company grants stock options to officers and employees that are settled by the issuance of common shares. The Company establishes compensation expense for those grants based on the fair value of each tranche of option at the grant date. The compensation expense is recognized in the consolidated statement of net income over the vesting period of each tranche based on the number of options that are ultimately expected to vest. The Company estimates stock option forfeitures at time of grant and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The corresponding amount is recorded in contributed surplus within equity.

Other share-based payment plans based on the value of the Company's common shares are accounted for as cash-settled share-based payment transactions. The total liabilities for these plans are computed based on the estimated number of awards expected to vest at the end of the vesting period. The liabilities are measured at the fair value at the end of each reporting period. The liabilities are accrued and expensed on a straight-line basis over the vesting periods. The liabilities are settled in cash at the end of the vesting period.

p) Income taxes

The Company's income tax expense represents the sum of the taxes currently payable based on taxable income of the year, deferred taxes, and tax credits. Deferred income tax assets and liabilities are determined based on the differences between the carrying amounts and tax bases of assets and liabilities using enacted or substantively enacted tax rates and laws expected to be in effect when the differences reverse. Current and deferred income taxes are recognized in the consolidated statement of net income except to the extent it relates to items recognized in other comprehensive income or directly in equity, in which case the related tax is recognized in other comprehensive income or in equity.

Amendment to International Tax Reform – Pillar Two Model Rules

Applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules of the Organisation for Economic Co-operation and Development ("OECD"). The Company applied the exception to the recognition and disclosure of information about deferred tax assets and liabilities arising from the Pillar Two rules in the jurisdictions where they have been adopted.

q) Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares from stock option plans. For the stock options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock options.

2. MATERIAL ACCOUNTING POLICIES [CONTINUED]

r) Segmented information

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses (including revenues and expenses related to transactions with the other components of the entity). The related operations can be clearly distinguished and the revenues and gross profit are regularly reviewed by a chief operating decision-maker to make resource allocation decisions and to assess performance.

The Company has two operating and reportable segments: Powersports and Marine. The Powersports segment includes Year-Round Products, Seasonal Products and PA&A and OEM Engines. The Marine segment includes boats, pontoons, outboard engines and related PA&A, and other services, all of which are presented as discontinued operations and the associated assets and liabilities as held for sale as at January 31, 2025 (Note 30).

s) Discontinued operations, assets and liabilities held for sale

The assets of a disposal group are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets must be available for immediate sale in their present condition and a sale transaction must be highly probable. The assets of a disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this measurement requirement. A disposal group is impaired when its carrying amount is above its fair value less cost of disposal (Note 30).

A disposal group qualifies as discontinued operations if it is a component of the entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs at the earlier of the date on which an operation meets the criteria to be classified as held for sale or disposal.

The assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

The non-current assets of a disposal group are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount of net income from discontinued operations in the consolidated income statement and a single amount of comprehensive income from discontinued operations in the consolidated statement of comprehensive income.

When an operation is classified as a discontinued operation, the comparative consolidated income statement is reclassified as if the operation had been discontinued from the beginning of the comparative year.

3. SIGNIFICANT ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in accordance with the Company's accounting policies requires management to make estimates and judgments that can affect the reported amounts of assets and liabilities, related amounts of revenues and expenses, other comprehensive income and disclosures made.

a) Significant estimates in applying the Company's accounting policies

The Company's best estimates are based on the information, facts and circumstances available at the time estimates are made. Management uses historical experience and information, general economic conditions and trends, as well as assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Actual results could differ from the estimates used and such differences could be significant.

The Company's annual operating budget and operating budget revisions performed during the year (collectively "Budget") and the Company's strategic plan comprise fundamental information used as a basis for some significant estimates necessary to prepare these consolidated financial statements. Management prepares the annual operating budget and strategic plan each year using a process whereby a detailed one-year budget and three-year strategic plan are prepared by each entity and then consolidated.

Cash flows and profitability included in the Budget are based on the existing and future expected sales orders, general market conditions, current cost structures, anticipated cost variations and current agreements with third parties. Management uses the annual operating budget information as well as additional projections or assumptions to derive the expected results for the strategic plan and periods thereafter.

The Budget and the strategic plan are approved by management and the Board of Directors. Management then tracks performance as compared to the Budget. Significant variances in actual performance are a key trigger to assess whether certain estimates used in the preparation of financial information must be revised.

Management needs to rely on estimates in order to apply the Company's accounting policies and considers that the most critical ones are the following:

Estimating the net realizable value of inventory

The net realizable value of materials and work in progress is determined by comparing inventory components and value with production needs, current and future product features, expected production costs to be incurred and the expected profitability of finished products. The net realizable value of finished products and parts, accessories and apparel are determined by comparing inventory components and value with expected sales prices, sales programs and new product features.

3. SIGNIFICANT ESTIMATES AND JUDGMENTS [CONTINUED]

a) Significant estimates in applying the Company's accounting policies [continued]

Estimating recoverability and impairment of property, plant and equipment, intangible assets and right-of-use assets

The recoverable amount of a CGU or group of CGUs is based on a value in use calculation using cash flow projections, which considers the Company's one-year budget and three-year strategic plan, with a terminal value calculated by discounting the final year in perpetuity. The figures used as the basis for the key assumptions in the value in use calculation includes sales volume, sales price, sales mix, production costs, distribution costs, operating expenses, and capital expenditures, along with the selection of an appropriate discount rate, all of which are subject to inherent uncertainties and judgment. Discount rates are used to reflect the risks associated with the projected cash flows, representing the best information available as of the date of the impairment test. Changes in technology, trade agreements, industry, economic conditions, or other external factors can impact cash flows estimates potentially leading to charges for impairment. Refer to note 10 for additional details on the recoverability of the Company's cash-generating units.

Estimating recoverability of deferred tax assets

Deferred tax assets are recognized only if management believes it is probable that they will be realized based on the annual budget, strategic plan and additional projections to derive the expected results for the periods thereafter.

Estimating provisions for product regular warranty, product liability and sales program

The regular warranty cost is established by product line and recorded at the time of sale based on management's best estimate, using historical cost rates and trends. Adjustments to the regular warranty provision are made when the Company identifies a significant and recurring issue on products sold or when costs and trend differences are identified in the analysis of warranty claims.

The product liability provision at period end is based on management's best estimate of the amounts necessary to resolve existing claims. In addition, the product liability provision at the end of the reporting period includes incurred, but not reported claims based on average historical cost information.

Sales program provision is estimated based on current program features, historical data and expected retail sales for each product line.

Estimating the discount rates used in assessing defined benefit plan expenses and liability

In order to select the discount rates used to determine defined benefit plan expenses and liabilities, management consults with external actuarial firms to provide commonly used and applicable discount rates that are based on the yield of high quality corporate fixed income investments with cash flows that match expected benefit payments for each defined benefit plan. Management uses its knowledge and comprehension of general economic factors in order to conclude on the accuracy of the discount rates used.

3. SIGNIFICANT ESTIMATES AND JUDGMENTS [CONTINUED]

b) Significant judgments in applying the Company's accounting policies

Management needs to make certain judgments in order to apply the Company's accounting policies and the most significant ones are the following:

Recoverability and impairment of property, plant and equipment, intangible assets and right-of-use assets

The Company operates using a high level of integration and interdependency between design, development, manufacturing and distribution operations. The cash inflows generated by each product line require the use of various assets of the Company, limiting the impairment testing to be done for a single asset. Therefore, management performs impairment testing by grouping assets into CGUs.

Functional currency

The Company operates worldwide, but its design, development, manufacturing and distribution operations are highly integrated, which require significant judgements from management in order to determine the functional currency of each entity using factors provided by *IAS 21 The Effects of Changes in Foreign Exchange Rates* ("IAS 21"). Management established the functional currency of each entity as its local currency unless the assessment of the criteria established by IAS 21 to assess the functional currency leads to the determination of another currency. IAS 21 criteria are reviewed annually for each entity.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

4. FUTURE ACCOUNTING CHANGES

Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

In May 2024, the International Accounting Standards Board ("IASB") issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of *IFRS 9 - Financial Instruments*. These amendments include application guidance on the recognition and derecognition date of certain financial assets and liabilities, application guidance to assess whether a financial asset meets the solely payments of principal and interest criteria, add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and new disclosures for certain instruments with contractual terms that could change cash flows.

The amendments will become effective for the Company's fiscal year beginning on February 1, 2026. The Company is assessing the potential impact of these amendments.

IFRS 18 – Presentation and disclosure in financial statements

In April 2024, the IASB issued *IFRS 18 – Presentation and Disclosure in Financial Statements*, which will replace *IAS 1 – Presentation of Financial Statements*. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standard also sets out guidance on classification of the information in the primary financial statements or in the notes.

The amendments will become effective for the Company's fiscal year beginning on February 1, 2027. The Company is assessing the potential impact of these amendments on its consolidated financial statements.

Other standards or amendments

The IASB has issued other standards or amendments to existing standards that are not expected to have a significant impact on the Company's consolidated financial statements.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

5. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables were as follows, as at:

	January 31, 2025	January 31, 2024
Trade receivables	**$475.3**	$538.5
Allowance for doubtful accounts	**(6.5)**	(5.5)
	468.8	533.0
Sales tax and other government receivables	**137.3**	107.2
Other	**11.2**	16.1
Total trade and other receivables	**$617.3**	$656.3

6. OTHER FINANCIAL ASSETS

The Company's other financial assets were as follows, as at:

	January 31, 2025	January 31, 2024
Restricted investments [a]	**$14.7**	$13.4
Derivative financial instruments	**27.3**	79.0
Advances to suppliers related to property, plant and equipment	**10.6**	22.2
Other	**54.1**	41.6
Total other financial assets	**$106.7**	$156.2
Current	**80.1**	106.6
Non-current [b]	**26.6**	49.6
Total other financial assets	**$106.7**	$156.2

[a] The restricted investments are publicly traded bonds that can only be used for severance payments and pension costs associated with Austrian pension plans, and are not available for general corporate use.

[b] The non-current portion is mainly attributable to derivative financial instruments and restricted investments.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

7. INVENTORIES

The Company's inventories were as follows, as at:

	January 31, 2025	January 31, 2024
Materials and work in progress	**$702.2**	$834.9
Finished products	**693.4**	929.7
Parts, accessories and apparel	**334.6**	391.0
Total inventories	**$1,730.2**	$2,155.6

During the year ended January 31, 2025, the Company recorded $5,321.9 million of inventories in cost of sales ($6,504.1 million for the year ended January 31, 2024). This amount includes a write-down on inventories of $52.7 million ($30.2 million for the year ended January 31, 2024) and a reversal of previously recorded write-downs of $11.2 million ($6.7 million for the year ended January 31, 2024).

8. OTHER ASSETS

The Company's other assets were as follows, as at:

	January 31, 2025	January 31, 2024
Prepaids	**$52.6**	$47.9
Deferred financing cost	**6.1**	3.1
Other	**10.0**	8.2
Total other assets	**$68.7**	$59.2
Current	**63.9**	57.7
Non-current	**4.8**	1.5
Total other assets	**$68.7**	$59.2

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

9. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment were as follows, as at:

	January 31, 2025			January 31, 2024		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Tooling	**$1,371.8**	**$892.4**	**$479.4**	$1,247.4	$787.8	$459.6
Equipment	**1,536.2**	**815.6**	**720.6**	1,461.9	726.2	735.7
Building	**861.5**	**277.1**	**584.4**	860.9	247.7	613.2
Land	**154.4**	**—**	**154.4**	195.8	—	195.8
Total	**$3,923.9**	**$1,985.1**	**$1,938.8**	$3,766.0	$1,761.7	$2,004.3

As at January 31, 2025 and 2024, assets under development amounted to $176.8 million and $217.3 million respectively and were included in the cost of property, plant and equipment.

The following table explains the changes in property, plant and equipment during the year ended January 31, 2025:

	Carrying amount as at January 31, 2024	Additions [a]	Disposals	Depreciation [b]	Impairment [c]	Assets held for sale (Note 30)	Effect of foreign currency exchange rate changes	Carrying amount as at January 31, 2025
Tooling	**$459.6**	**$188.5**	**$(0.4)**	**$(135.4)**	**$(39.6)**	**$(0.8)**	**$7.5**	**$479.4**
Equipment	**735.7**	**153.2**	**(0.6)**	**(156.3)**	**(18.2)**	**$(6.0)**	**12.8**	**720.6**
Building	**613.2**	**53.9**	**(0.1)**	**(41.5)**	**(6.4)**	**$(44.6)**	**9.9**	**584.4**
Land	**195.8**	**0.6**	**—**	**—**	**—**	**$(47.1)**	**5.1**	**154.4**
Total	**$2,004.3**	**$396.2**	**$(1.1)**	**$(333.2)**	**$(64.2)**	**$(98.5)**	**$35.3**	**$1,938.8**

[a] Government assistance of $0.4 million has been recorded against the additions.

[b] An amount of $258.7 million included in cost of sales.

[c] Impairment charge of $7.5 million is related to unutilized assets (Note 23) and an impairment of $56.7 million is related to Marine businesses assets held for sale (Note 30).

The following table explains the changes in property, plant and equipment during the year ended January 31, 2024:

	Carrying amount as at January 31, 2023	Additions [a]	Disposals	Depreciation [b]	Impairment (Note 30)	Effect of foreign currency exchange rate changes	Carrying amount as at January 31, 2024
Tooling	$427.0	$166.6	$(0.1)	$(120.4)	$(16.5)	$3.0	$459.6
Equipment	672.0	234.7	(1.3)	(142.0)	(26.8)	(0.9)	735.7
Building	544.7	107.4	—	(37.9)	—	(1.0)	613.2
Land	166.7	29.9	—	—	—	(0.8)	195.8
Total	$1,810.4	$538.6	$(1.4)	$(300.3)	$(43.3)	$0.3	$2,004.3

[a] Government assistance of $9.8 million has been recorded against the additions.

[b] An amount of $236.2 million is included in cost of sales.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

10. INTANGIBLE ASSETS

The Company's intangible assets were as follows, as at:

	January 31, 2025			January 31, 2024		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Goodwill	**$252.3**	**$—**	**$252.3**	$252.3	$—	$252.3
Trademarks	**138.2**	**—**	**138.2**	164.6	—	164.6
Software and licenses	**344.2**	**174.5**	**169.7**	322.9	149.3	173.6
Patents	**45.7**	**12.1**	**33.6**	48.3	8.1	40.2
Dealer networks	**51.2**	**51.2**	**—**	115.8	92.8	23.0
Customer relationships	**37.3**	**27.3**	**10.0**	36.5	25.1	11.4
Total	**$868.9**	**$265.1**	**$603.8**	$940.4	$275.3	$665.1

The following table explains the changes in intangible assets during the year ended January 31, 2025:

	Carrying amount as at January 31, 2024	Additions [a]	Depreciation [b]	Impairment [c]	Assets held for sale (Note 30)	Effect of foreign currency exchange rate changes	Carrying amount as at January 31, 2025
Goodwill	**$252.3**	**$—**	**$—**	**$—**	**$—**	**$—**	**$252.3**
Trademarks	**164.6**	**—**	**—**	**(8.9)**	**(18.6)**	**1.1**	**138.2**
Software and licenses	**173.6**	**28.2**	**(31.8)**	**(2.0)**	**—**	**1.7**	**169.7**
Patents	**40.2**	**—**	**(4.4)**	**—**	**—**	**(2.2)**	**33.6**
Dealer networks	**23.0**	**—**	**(1.7)**	**(3.8)**	**(18.3)**	**0.8**	**—**
Customer relationships	**11.4**	**—**	**(1.3)**	**—**	**—**	**(0.1)**	**10.0**
Total	**$665.1**	**$28.2**	**$(39.2)**	**$(14.7)**	**$(36.9)**	**$1.3**	**$603.8**

[a] Government assistance of $1.6 million has been recorded against the additions.
[b] An amount of $8.5 million is included in cost of sales.
[c] Impairment charge of $1.9 million is related to unutilized assets (Note 23) and an impairment of $12.8 million is related to Marine businesses assets held for sale (Note 30).

The following table explains the changes in intangible assets during the year ended January 31, 2024:

	Carrying amount as at January 31, 2023	Additions [a]	Depreciation [b]	Impairment (Note 30)	Effect of foreign currency exchange rate changes	Carrying amount as at January 31, 2024
Goodwill	$252.3	$—	$—	$—	$—	$252.3
Trademarks	216.3	—	—	(50.9)	(0.8)	164.6
Software and licenses	164.9	37.4	(28.4)	(0.3)	—	173.6
Patents	45.0	—	(4.3)	—	(0.5)	40.2
Dealer networks	50.2	—	(6.8)	(19.3)	(1.1)	23.0
Customer relationships	12.6	—	(1.3)	—	0.1	11.4
Total	$741.3	$37.4	$(40.8)	$(70.5)	$(2.3)	$665.1

[a] Government assistance of nil has been recorded against the additions.
[b] An amount of $12.2 million included in cost of sales.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

10. INTANGIBLE ASSETS [CONTINUED]

Recoverability of cash-generating units and group of cash-generating units

When the Company acquired the recreational products business from Bombardier Inc. in 2003, trademarks and goodwill were recorded as part of the business acquisition. Following various business combinations that occurred after 2003, additional trademark and goodwill were recorded.

Goodwill and trademarks acquired during these business combinations have been allocated to the Company's CGU or group of CGUs as follows:

	January 31, 2025	**January 31, 2024**
Powersports - Goodwill	**$179.6**	$179.6
Pinion - Goodwill	**72.7**	72.7
Ski-Doo - Indefinite life intangible assets	**63.6**	63.6
Sea-Doo - Indefinite life intangible assets	**59.1**	59.1
Pinion - Indefinite life intangible assets	**15.5**	15.5

The Company performed its annual goodwill impairment test for all its CGU or group of CGUs. In performing the annual goodwill impairment test, the carrying amount of a CGU or group of CGUs, including goodwill, was compared to their recoverable amount. The Company concluded that the recoverable amount of the CGU or group of CGUs to which goodwill had been allocated exceeded their carrying amount. As a result, no impairment charges were recognized for the year ended January 31, 2025 (no impairment charges for the year ended January 31, 2024).

The Company performed its annual indefinite life intangible assets impairment test for all its CGUs. Indefinite life intangible assets tested comprise trademarks acquired during business combinations. In performing the annual trademark impairment test, the carrying amount of a CGU, excluding goodwill, was compared to its recoverable amount. The Company concluded that the recoverable amount of the CGUs to which trademark had been allocated exceeded their carrying amount. As a result, no impairment charges were recognized for the year ended January 31, 2025 (no impairment charges for the year ended January 31, 2024).

10. INTANGIBLE ASSETS [CONTINUED]

Recoverability of cash-generating units and group of cash-generating units [continued]

The Company determined the recoverable amounts of the CGU or group of CGUs for which goodwill had been allocated, and of the Ski-Doo, Sea-Doo and Pinion CGUs for which trademarks had been allocated based on the value in use method. The Company has determined that the discounted cash flow ("DCF") technique provided the best assessment of what each CGU or group of CGUs could be exchanged for in an arm's length transaction. Fair value is represented by the present value of expected future cash flows of the business together with the residual value of the business at the end of the forecasted period. The DCF technique was applied on an enterprise-value basis, where the after-tax cash flows prior to interest expense are discounted using a weighted average cost of capital. This approach requires assumptions regarding revenue growth rates, earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins, capital expenditures, tax rates and discount rates. The assumptions used in the DCF are Level 3 inputs (as defined in Note 27). The estimated future cash flows are discounted to their present value using a pre-tax discount rate ranging from 8.0% to 9.5%. These discount rates were calculated by adding to the Company's weighted average cost of capital the risk factor associated with the CGU or group of CGUs tested. A growth rate ranging from 2.0% to 3.1% was used to calculate the terminal value.

Sensitivity analysis

The Company performs sensitivity analysis on the cash flows and discount rates in order to confirm the trademarks and goodwill recoverable amounts. Holding all other variables constant, a 5% decrease in the estimated cash flows or an increase of 100 basis points in the discount rates used would not have resulted in an impairment charge as at January 31, 2025.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

11. LEASES

The main leasing activities of the Company are attributable to the Company's manufacturing facility located in Finland, to offices located in Canada and to warehouses used for the distribution of parts, accessories and apparel.

The following table explains the changes in right-of-use assets during the year ended January 31, 2025:

	Carrying amount as at January 31, 2024	Additions	Depreciation [a]	Impairment [b]	Effect of foreign currency exchange rate changes	Termination, remeasurement and other	Carrying amount as at January 31, 2025
Building & land	**$152.4**	**$36.7**	**$(47.5)**	**$(6.1)**	**$3.3**	**$27.3**	**$166.1**
Equipment	**17.3**	**5.9**	**(7.7)**	**—**	**0.9**	**0.3**	**16.7**
Total	**$169.7**	**$42.6**	**$(55.2)**	**$(6.1)**	**$4.2**	**$27.6**	**$182.8**

[a] An amount of $28.4 million included in cost of sales.
[b] Impairment charge of $6.1 million is related to Marine businesses assets held for sale (Note 30).

The following table explains the changes in right-of-use assets during the year ended January 31, 2024:

	Carrying amount as at January 31, 2023	Additions	Depreciation [a]	Effect of foreign currency exchange rate changes	Termination, remeasurement and other	Carrying amount as at January 31, 2024
Building & land	$163.2	$19.0	$(43.0)	$0.7	$12.5	$152.4
Equipment	17.1	8.6	(7.6)	(0.9)	0.1	17.3
Total	$180.3	$27.6	$(50.6)	$(0.2)	$12.6	$169.7

[a] An amount of $26.2 million included in cost of sales.

The following table explains the changes in lease liabilities during the year ended January 31, 2025:

	Carrying amount as at January 31, 2024	Issuance	Interest	Repayment [a]	Liabilities associated with assets held for sale (Note 30)	Effect of foreign currency exchange rate changes	Termination, remeasurement and other	Carrying amount as at January 31, 2025
Lease liabilities	**$188.3**	**$43.1**	**$8.5**	**$(60.9)**	**$(6.7)**	**$7.6**	**$25.4**	**$205.3**

[a] Includes $8.5 million of interest paid.

The following table explains the changes in lease liabilities during the year ended January 31, 2024:

	Carrying amount as at January 31, 2023	Issuance	Interest	Repayment [a]	Effect of foreign currency exchange rate changes	Termination, remeasurement and other	Carrying amount as at January 31, 2024
Lease liabilities	$196.9	$27.3	$7.7	$(56.3)	$0.3	$12.4	$188.3

[a] Includes $7.7 million of interest paid.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

12. TRADE PAYABLES AND ACCRUALS

The Company's trade payables and accruals were as follows, as at:

	January 31, 2025	**January 31, 2024**
Trade payables	**$829.4**	$1,026.8
Wages and related employee accruals	**114.3**	128.2
Other accruals	**278.4**	295.4
Total trade payables and accruals	**$1,222.1**	$1,450.4

13. PROVISIONS

The Company's provisions were as follows, as at:

	January 31, 2025	**January 31, 2024**
Product-related	**$876.1**	$863.9
Restructuring	**20.1**	4.4
Other	**39.8**	46.9
Total provisions	**$936.0**	$915.2
Current	**790.8**	766.7
Non-current	**145.2**	148.5
Total provisions	**$936.0**	$915.2

Product-related provisions include provisions for regular warranty coverage on products sold, product liability provisions and provisions related to sales programs offered by the Company to its Customers in order to support the retail activity.

The non-current portion of provisions is mainly attributable to product-related provisions. As at January 31, 2025, the Company estimates that cash outflows related to those non-current provisions could occur from February 1, 2026 to January 31, 2029.

The changes in provisions were as follows:

	Product-related	**Restructuring**	**Other**	**Total**
Balance as at January 31, 2024	**$863.9**	**$4.4**	**$46.9**	**$915.2**
Expensed during the period	**1,301.7**	**84.3**	**48.9**	**1,434.9**
Paid during the period	**(1,297.6)**	**(68.5)**	**(29.2)**	**(1,395.3)**
Reversed during the period	**(2.6)**	**(0.4)**	**(18.1)**	**(21.1)**
Effect of foreign currency exchange rate changes	**47.7**	**0.3**	**1.6**	**49.6**
Unwinding of discount and effect of changes in discounting estimates	**3.7**	**—**	**—**	**3.7**
Liabilities associated with assets held for sale (Note 30)	**(40.7)**	**—**	**(10.3)**	**(51.0)**
Balance as at January 31, 2025	**$876.1**	**$20.1**	**$39.8**	**$936.0**

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

14. OTHER FINANCIAL LIABILITIES

The Company's other financial liabilities were as follows, as at:

	January 31, 2025	January 31, 2024
Dealer holdback programs and customer deposits	**$39.8**	$40.1
Due to Bombardier Inc.	**22.7**	22.4
Derivative financial instruments	**64.3**	7.8
Non-controlling interest liability	**23.4**	26.4
Other	**16.2**	14.2
Total other financial liabilities	**$166.4**	$110.9
Current	**86.2**	45.8
Non-current [a]	**80.2**	65.1
Total other financial liabilities	**$166.4**	$110.9

[a] The non-current portion is mainly comprised of the amount due to Bombardier Inc. in connection with indemnification related to income taxes and the amount of the non-controlling interest liability.

15. DEBT

Revolving credit facility

The Company has a Revolving Credit Facility totaling $1,500.0 million, which can also be drawn in U.S dollar or Euro equivalent. As at January 31, 2025, the Company had no outstanding amount drawn on the Revolving Credit Facility (nil as at January 31, 2024). Commitment fees on the undrawn amount of the Revolving Credit Facility, varying from 0.25% to 0.40%, were 0.30%.

On May 10, 2024, the maturity of the facility was extended from May 2026 to May 2029 and the pricing grid updated to incorporate the transition to the Canadian Overnight Repo Rate Average ("CORRA"). The applicable interest rates are subject to a customary credit spread adjustment ranging from 0.45% to 3.00%, which varies depending on a Leverage Ratio. Based on the Leverage Ratio, the cost of borrowing as at January 31, 2025, in Canadian dollars, was either the CORRA plus 2.00% or the Canadian Prime Rate plus 1.00%. In U.S. dollars, it was either the SOFR plus 2.00%, the U.S. Base Rate plus 1.00% or the U.S. Prime Rate plus 1.00%. In Euros, it was the EURIBOR plus 2.00%.

The Company is required to maintain, under certain conditions, a minimum fixed charge coverage ratio. Additionally, the total available borrowing under the Revolving Credit Facility is subject to a borrowing base calculation representing 75% of the carrying amount of trade and other receivables plus 50% of the carrying amount of inventories.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

15. DEBT [CONTINUED]

Long-term debt

As at January 31, 2025 and 2024, the maturity dates, interest rates, outstanding nominal amounts and carrying amounts of long-term debt were as follows:

					January 31, 2025
	Maturity date	Contractual interest rate	Effective interest rate	Outstanding nominal amount	Carrying amount
Term Facility					
Term Loan B-1	May 2027	6.41%	6.61%	U.S. $465.7	**$673.6** [a]
Term Loan B-2	December 2029	7.06%	7.31%	U.S. $488.8	**706.9** [a]
Term Loan B-3	January 2031	7.06%	7.20%	U.S. $987.5	**1,418.8** [a]
Term Loans	Mar. 2025 to Dec. 2030	0.93% to 3.89%	2.02% to 6.50%	€88.0	**125.8**
Total long-term debt					**$2,925.1**
Current					**53.8**
Non-current					**2,871.3**
Total long-term debt					**$2,925.1**

[a] Net of unamortized transaction costs of nil for Term Loan B-1, nil for Term Loan B-2 and $9.4 million for Term Loan B-3.

					January 31, 2024
	Maturity date	Contractual interest rate	Effective interest rate	Outstanding nominal amount	Carrying amount
Term Facility					
Term Loan B-1	May 2027	7.43%	7.71%	U.S. $465.7	$623.4 [a]
Term Loan B-2	December 2029	8.08%	8.41%	U.S. $493.8	661.0 [a]
Term Loan B-3	January 2031	8.08%	8.23%	U.S. $997.5	1,325.3 [a]
Term Loans	Mar. 2024 to Dec. 2030	0.87% to 5.14%	1.90% to 6.28%	€109.1	153.4
Total long-term debt					$2,763.1
Current					58.1
Non-current					2,705.0
Total long-term debt					$2,763.1

[a] Net of unamortized transaction costs of nil for Term Loan B-1, nil for Term Loan B-2 and $10.0 million for Term Loan B-3.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

15. DEBT [CONTINUED]

Long-term debt [continued]

The following table explains the changes in long-term debt during the year ended January 31, 2025:

		Statements of cash flows		Non-cash changes		
	Carrying amount as at January 31, 2024	Issuance	Repayment	Effect of foreign currency exchange rate changes	Other	Carrying amount as at January 31, 2025
Term Facility	**$2,609.7**	**$—**	**$(20.9)**	**$209.1**	**$1.4**	**$2,799.3**
Term Loans	**153.4**	**3.6**	**(38.8)**	**5.0**	**2.6**	**125.8**
Total	**$2,763.1**	**$3.6**	**$(59.7)**	**$214.1**	**$4.0**	**$2,925.1**

The following table explains the changes in long-term debt during the year ended January 31, 2024:

		Statements of cash flows		Non-cash changes		
	Carrying amount as at January 31, 2023	Issuance	Repayment	Effect of foreign currency exchange rate changes	Other	Carrying amount as at January 31, 2024
Term Facility	$2,611.4	$—	$(25.5)	$10.2	$13.6	$2,609.7
Term Loans	178.8	3.3	(32.7)	0.6	3.4	153.4
Total	$2,790.2	$3.3	$(58.2)	$10.8	$17.0	$2,763.1

Under security arrangements, amounts borrowed under the Revolving Credit Facility and the Term Facility (the "Credit Facilities") are secured by substantially all the assets of the Company.

a) Term facility

On March 10, 2023, the Company amended its Term Loan B-1 by replacing the LIBOR references with SOFR references, with all other conditions remaining the same. On October 4, 2023, the Company repriced its Term Loan B-2, which reduced the cost of borrowing by 0.75%, with all other conditions remaining the same. The Company incurred transactions costs of $0.9 million, which have been recorded in financing costs. In addition, the previous unamortized transaction costs of $19.1 million were derecognized and recorded in financing costs.

On January 22, 2024, the Company refinanced its Term Loan B-1, reducing the outstanding amount to U.S. $465.7 million and taking on a new Term Loan B-3 of U.S $1,000 million. This new tranche has an extended maturity date of January 22, 2031 and a cost of borrowing of Term SOFR plus 2.75%. The Company incurred transactions costs of $10.0 million, which have been incorporated into the carrying amount of the Term Loan B-3 and are amortized over its expected life using the effective interest rate method. In addition, the previous unamortized transaction costs on Term Loan B-1 of $2.7 million were derecognized and recorded in financing costs.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

15. DEBT [CONTINUED]

a) Term facility [continued]

As at January 31, 2025, the cost of borrowing under the Term Loan B-1 was as follows:

(i) Term SOFR plus 2.00% per annum, with a Term SOFR floor of 0.00%; or
(ii) U.S. Base Rate plus 1.00%; or
(iii) U.S. Prime Rate plus 1.00%

As at January 31, 2025, the cost of borrowing under the Term Loan B-2 was as follows:

(i) Term SOFR, plus 2.75% per annum, with a Term SOFR floor of 0.50%

As at January 31, 2025, the cost of borrowing under the Term Loan B-3 was as follows:

(i) Term SOFR, plus 2.75% per annum, with a Term SOFR floor of 0.00%

Under the Term Facility, the cost of borrowing in U.S. Base Rate or U.S. Prime Rate cannot be lower than the cost of borrowing in SOFR.

The Company is required to repay a minimum of 0.25% of the nominal amount each quarter, less any voluntary prepayments done to date. Consequently, the Company repaid an amount of U.S. $15.2 million ($20.9 million) during the year ended January 31, 2025. Also, the Company may be required to repay a portion of the Term Facility in the event that it has an excess cash position at the end of the fiscal year and its leverage ratio is above a certain threshold level. As at January 31, 2025 and 2024, the Company was not required to repay any portion of the Term Facility under this requirement.

b) Term loans

During the year ended January 31, 2025, the Company entered into term loan agreements at favourable interest rates under an Austrian government program. This program supports research and development projects based on the Company's incurred expenses in Austria. The term loans have a nominal amount of €2.4 million ($3.6 million) with an interest rate varying between 2.50% and 3.23% with maturity dates varying from March 2028 to December 2028. The Company recognized a grant of €0.1 million ($0.2 million) as a reduction of research and development expenses representing the difference between the fair value of the term loan at inception and the cash received.

During the year ended January 31, 2024, these term loans had a nominal amount of €2.3 million ($3.3 million) with an interest rate varying between 1.00% and 4.53% with maturity dates varying from March 2027 to December 2027. The Company recognized a grant of €0.1 million ($0.2 million) as a reduction of research and development expenses representing the difference between the fair value of the term loan at inception and the cash received.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

16. EMPLOYEE BENEFITS

Employee benefits expenses, which represent the expenses related to all forms of consideration provided by the Company in exchange for services rendered by its employees, were as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
		Reclassified (Note 2)
Current remuneration	**$1,179.8**	$1,247.1
Post-employment defined benefit plans	**10.1**	10.6
Post-employment defined contribution plans	**56.7**	55.5
Termination benefits	**46.6**	6.0
Stock-based compensation (Note 18)	**15.5**	20.7
Other long-term benefits	**6.1**	2.5
Total [a]	**$1,314.8**	$1,342.4

[a] An amount of $644.2 million included in cost of sales for period ended January 31, 2025 ($758.6 million for period ended January 31, 2024)

a) Post-employment benefits

The Company sponsors defined contribution retirement plans and non-contributory defined benefit plans that provide for pensions and other post-retirement benefits to a majority of its employees.

Canadian employees

The Company sponsors defined benefit pension plans and other post-retirement benefit plans for its Canadian executive employees and defined contribution plans for executive and non-executive employees. Additionally, the Company retained defined benefit obligations with certain active and former employees for services rendered prior to 2005.

The Company's other post-retirement benefit plans provide, during retirement, non-contributory life insurance benefits and healthcare benefits to eligible employees that are funded on a pay-as-you-go basis. The healthcare benefits are payable from retirement to age 65.

The defined benefit plans are registered with the governments and follow their applicable laws. The plans are governed by a retirement committee composed of representatives from the employer and the employees. The retirement committee delegated its responsibilities to the investment committee, which is responsible for the investment policy with regard to the assets of the fund. This committee is composed of representatives from the employer. The plans have a strategy to decrease the risk level by increasing progressively, when the solvency of the plans will improve, the part of the plan assets in long-term fixed income securities. The Company contributes to the plans the minimum funding obligations required under the current regulations. The weighted average duration of the defined benefit obligations is approximately 12 years. As at January 31, 2025, the Company expects that 50% of the future payments associated with its Canadian defined benefit obligations will be paid in the next 15 years.

In addition, the Company sponsors a defined benefit retirement plan to provide supplemental pension benefits to its executives ("SERP").

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

16. EMPLOYEE BENEFITS [CONTINUED]

a) Post employment benefits [continued]

United States employees

In the United States, the Company offers a defined contribution plan to its employees as well as a defined benefit final average earnings non-registered supplementary executive retirement plan for its executive employees ("SERP").

European employees

The Company's sponsors defined contribution plans to its employees in most of its European entities. In addition, the Company maintains an unfunded defined benefit plan and sponsors a lump sum retirement indemnity plan in Austria. Under the defined benefit plan, the benefits are based on such employees' length of service, applicable pension accrual rates and compensation at retirement. Under the lump sum retirement indemnity plan, the benefits are based on the length of service and compensation at retirement. These plans are regulated by the applicable Austrian laws. The weighted average duration of the defined benefit obligation is approximately 11 years. As at January 31, 2025, the Company expects that 50% of the future payments associated with its Austrian defined benefit obligations will be paid in the next 13 years.

b) Defined benefit plans

Actuarial risks

The significant actuarial risks to which the plans expose the Company are as follows:

Market related risks

Investment risk

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to high quality corporate fixed income investments. If the return on plan assets is below this rate, it will increase the plan liability. Currently, the funded plans have investments in equity securities and fixed income securities. Due to the long-term nature of the plan liabilities, the Company considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and income securities to leverage the return generated by the fund.

Interest risk

A decrease in the fixed income investments interest rate will increase the plans' liabilities. However, for funded plans, this will be partially offset by an increase in the fair value of the plans' fixed income securities.

Employee related risks

Longevity risk

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans' liabilities.

Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plans' liabilities.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

16. EMPLOYEE BENEFITS [CONTINUED]

b) Defined benefit plans [continued]

Actuarial assumptions

The weighted average of the significant actuarial assumptions adopted to determine the defined benefit cost and the defined benefit obligation were as follows:

	Years ended			
	January 31, 2025		January 31, 2024	
	Canada	Foreign	Canada	Foreign
Benefit cost actuarial assumptions [a]				
Discount rates used to determine:				
Current service cost	**5.05%**	**3.46%**	4.95%	3.61%
Net interest cost	**5.05%**	**3.48%**	4.95%	3.56%
Expected rate of compensation increase	**3.00%**	**3.00%**	3.00%	3.00%
Mortality table	**CPM 2014 Private**	**AVOE 2018**	CPM 2014 Private	AVOE 2018
Defined benefit obligation actuarial assumptions [b]				
Discount rate	**4.65%**	**3.41%**	5.05%	3.48%
Rate of compensation increase	**3.00%**	**3.00%**	3.00%	3.00%
Mortality table	**CPM 2014 Private**	**AVOE 2018**	CPM 2014 Private	AVOE 2018

[a] Determined as at beginning of the reporting periods.

[b] Determined as at end of the reporting periods.

The discount rate represents the market rate for high quality corporate fixed income investments consistent with the currency and the estimated term of the defined benefit plan obligation. The expected rate of compensation increase is determined considering the current salary structure, historical and anticipated wage increases.

Health care cost trend

The health care cost is assumed to be a rate of 4.5% in fiscal year 2025 and to a rate that will gradually decline to reach 3.3% in fiscal year 2034. After this date, the rate is assumed to remain at 3.3%. An increase of 1% of the health care cost trend rate would not have a significant impact on the defined benefit cost and on the defined benefit obligations for the years ended January 31, 2025 and 2024.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

16. EMPLOYEE BENEFITS [CONTINUED]

b) Defined benefit plans [continued]

Employee future benefit liabilities

The amounts arising from the Company's obligations under defined benefit obligations were as follows, as at:

	January 31, 2025		January 31, 2024	
	Canada	Foreign	Canada	Foreign
Defined benefit obligation of funded plans	**$(263.0)**	**$(2.5)**	$(306.0)	$(2.3)
Fair value of plans assets	**256.0**	**2.0**	269.6	1.7
	(7.0)	**(0.5)**	(36.4)	(0.6)
Defined benefit obligation of unfunded plans	**(74.0)**	**(112.5)**	(13.8)	(105.5)
Employee future benefit liabilities	**$(81.0)**	**$(113.0)**	$(50.2)	$(106.1)

The following table provides a reconciliation of the changes in the pension plans' defined benefit obligations (funded and unfunded) as at the consolidated statement of financial position dates:

	January 31, 2025		January 31, 2024	
	Canada	Foreign	Canada	Foreign
Defined benefit obligation at beginning of year	**$(319.8)**	**$(107.8)**	$(321.2)	$(104.4)
Current service cost	**(2.1)**	**(1.6)**	(2.0)	(1.8)
Interest cost	**(15.7)**	**(3.8)**	(15.7)	(3.8)
Actuarial losses from changes in demographic assumptions	**—**	**(2.3)**	—	—
Actuarial gains (losses) from changes in financial assumptions	**(15.4)**	**(1.9)**	3.9	(1.7)
Actuarial losses from experience adjustments	**—**	**(2.1)**	(0.7)	(1.5)
Benefits paid	**16.0**	**8.6**	15.9	5.9
Effect of foreign currency exchange rate changes	**—**	**(4.1)**	—	(0.5)
Defined benefit obligation at end of year	**$(337.0)**	**$(115.0)**	$(319.8)	$(107.8)

The following table provides a reconciliation of the changes in the pension plans' fair value of assets as at consolidated statement of financial position dates:

	January 31, 2025		January 31, 2024	
	Canada	Foreign	Canada	Foreign
Assets fair value at beginning of year	**$269.6**	**$1.7**	$266.1	$1.5
Interest income	**13.4**	**—**	13.0	—
Administration costs	**(0.3)**	**—**	(0.3)	—
Actuarial gains (losses) from return on plan assets	**17.2**	**—**	(2.1)	—
Employer contributions	**8.4**	**8.9**	8.8	6.1
Distributions to employer [a]	**(36.3)**	**—**	—	—
Benefits paid	**(16.0)**	**(8.6)**	(15.9)	(5.9)
Assets fair value at end of year	**$256.0**	**$2.0**	$269.6	$1.7

[a] On December 31, 2024, the Company amended its Canadian SERPs resulting in the partially funded Canadian SERPs being converted to secured SERPs supported by irrevocable surety bonds. As a result of this amendment, $36.3 million of plan assets were distributed and $80.8 million of surety bonds were issued with a maturity date of January 1, 2026, renewable annually. An amount of $28.0 million representing a refundable withholding tax is expected to be received by January 31, 2026.

In accordance with the minimum funding obligations required under the current regulations, the Company expects to contribute $15.0 million to all defined benefit pension plans for the year ending January 31, 2026.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

16. EMPLOYEE BENEFITS [CONTINUED]

b) Defined benefit plans [continued]

The actual return (loss) on plan assets was as follows:

	Years ended			
	January 31, 2025		January 31, 2024	
	Canada	**Foreign**	Canada	Foreign
Actual return on plan assets	**$30.3**	**$—**	$10.6	$—

The fair value of the plan assets for each category was as follows, as at:

	January 31, 2025	January 31, 2024
Publicly traded Canadian equity securities	**$22.9**	$25.7
Publicly traded foreign equity securities	**39.6**	41.4
Publicly traded fixed income securities	**10.4**	6.2
Insurance contracts [a]	**147.8**	147.2
Other	**37.3**	50.8
Total	**$258.0**	$271.3

[a] On December 8, 2022, the Company purchased $155.1 million of qualifying annuity buy-in insurance contracts on behalf of certain defined benefit plans as a mechanism to reduce pension plan risk. The fair value of annuity buy-in insurance contracts fluctuates based on changes in the associated defined benefit obligation. These values are unquoted due to the use of the significant unobservable inputs used in deriving these assets' fair values.

The fair values of the above equity and fixed income securities were determined based on quoted market prices in active markets.

Defined benefit costs

Components of the total defined benefit costs recognized in the consolidated statement of net income were as follows:

	Years ended			
	January 31, 2025		January 31, 2024	
	Canada	**Foreign**	Canada	Foreign
Current service cost	**$2.1**	**$1.6**	$2.0	$1.8
Net interest on the future employee benefit liabilities	**2.3**	**3.8**	2.7	3.8
Administration costs	**0.3**	**—**	0.3	—
Defined benefit costs	**$4.7**	**$5.4**	$5.0	$5.6

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

16. EMPLOYEE BENEFITS [CONTINUED]

b) Defined benefit plans [continued]

Sensitivity analysis

Actuarial assumptions that influence significantly the determination of the defined benefit obligations of the Company are the discount rate, the expected rate of compensation increase and the participants' longevity. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The impact on employee future benefit liabilities would be the following as at January 31, 2025:

	Increase (Decrease) of the liabilities
Discount rate	
Impact of a 0.5% increase	**$(25.0)**
Impact of a 0.5% decrease	**27.4**
Expected rate of compensation increase	
Impact of a 0.5% increase	**$5.1**
Impact of a 0.5% decrease	**(4.7)**
Participant longevity	
Impact of a 1 year increase	**$8.2**
Impact of a 1 year decrease	**(8.5)**

The sensitivity analysis presented above may not be representative of the potential change in the employee future benefit liabilities as it is unlikely that the change in assumptions would occur in isolation from one another as some of the assumptions may be correlated.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

17. CAPITAL STOCK

The authorized capital stock of the Company is comprised of an unlimited number of multiple voting shares carrying six votes per share with no par value, an unlimited number of subordinate voting shares carrying one vote per share with no par value, and an unlimited number of non-voting preferred shares issuable in series with no par value.

The changes in capital stock issued and outstanding were as follows:

	Number of shares	Carrying Amount
Subordinate voting shares		
Balance as at February 1, 2023	**36,522,508**	**$252.4**
Issued upon exercise of stock options	454,359	24.8
Issued in exchange of multiple voting shares [a]	2,236,284	0.2
Repurchased under the NCIB	(4,404,598)	(32.1)
Balance as at January 31, 2024	**34,808,553**	**245.3**
Issued upon exercise of stock options	422,087	19.1
Issued in exchange of multiple voting shares	1,628,558	0.1
Repurchased under the NCIB	(2,346,799)	(16.6)
Balance as at January 31, 2025	**34,512,399**	**$247.9**
Multiple voting shares		
Balance as at February 1, 2023	**42,384,200**	**$3.4**
Exchanged for subordinate voting shares	(2,236,284)	(0.2)
Balance as at January 31, 2024	**40,147,916**	**$3.2**
Exchanged for subordinate voting shares	(1,628,558)	(0.1)
Balance as at January 31, 2025	**38,519,358**	**$3.1**
Total outstanding as at January 31, 2025	**73,031,757**	**$251.0**

[a] Amount of 2,171,428 related to secondary offering (described below) and 64,856 related to a Beaudier Inc. donation.

a) Normal course issuer bid program ("NCIB")

On December 6, 2024, the Company announced the renewal of its NCIB to repurchase for cancellation up to 3,331,852 of its outstanding subordinate voting shares over a twelve-month period commencing on December 10, 2024, and ending no later than December 9, 2025 (the "Current NCIB"). During the year ended January 31, 2025, no shares were repurchased under the Current NCIB. In addition, during the same period, the Company continued its share repurchases under the NCIB that was announced and started during the fiscal year ended January 31, 2024 ("Previous NCIB", as defined hereafter). The Company repurchased for cancellation 2,346,799 subordinate voting shares, the total allowable under the program, for a total consideration of $218.6 million, of which $3.5 million in taxes is unpaid.

During the year ended January 31, 2025, the Company recognized no impact in financing costs (gain of $4.8 million in financing income for the year ended January 31, 2024) related to an automatic share purchase plan. The gain represents the difference between the share price used to establish the financial liability at the end of each quarter and the amount actually paid to repurchase shares during the regulatory restrictions or self-imposed blackout periods.

For the year ended January 31, 2025, of the total consideration of $218.6 million, $16.6 million represents the carrying amount of the shares repurchased and $202.0 million represents the amount charged to retained losses.

17. CAPITAL STOCK [CONTINUED]

a) Normal course issuer bid program ("NCIB") [continued]

On November 30, 2023, the Company announced the renewal of its NCIB to repurchase for cancellation up to 3,231,999 of its outstanding subordinate voting shares over a twelve-month period commencing on December 5, 2023, and ending no later than December 4, 2024 ("Previous NCIB") and 885,200 subordinate voting shares for a total consideration of $79.1 million were repurchased under the Previous NCIB during the year ended January 31, 2024. For the year ended January 31, 2024, the Company repurchased a total of 4,404,598 subordinate voting shares under NCIB programs.

For the year ended January 31, 2024, of the total consideration of $446.2 million, $32.1 million represents the carrying amount of the shares repurchased, $418.9 million represents the amount charged to retained losses and $4.8 million represents the gain recognized in net income.

b) Secondary offering

On April 19, 2024, Bain Capital Integral Investors II, L.P. ("Bain Capital") completed a secondary offering of 1,500,000 subordinate voting shares of the Company through an underwriter and a distribution in kind of 128,558 subordinate voting shares to certain affiliates and limited partners. Prior to such transaction, Bain Capital converted 1,628,558 multiple voting shares into an equivalent number of subordinate voting shares. The Company did not receive any of the proceeds of the secondary offering. In accordance with the terms of the registration rights agreement entered into in connection with the initial public offering of the Company's subordinate voting shares, the Company incurred approximately $1.0 million of fees and expenses related to this secondary offering.

On January 26, 2024, Bain Capital Integral Investors II, L.P. ("Bain Capital") completed a secondary offering of 2,000,000 subordinate voting shares of the Company through an underwriter and a distribution in kind of 171,428 subordinate voting shares to certain affiliates and limited partners. Prior to such transaction, Bain Capital converted 2,171,428 multiple voting shares into an equivalent number of subordinate voting shares. The Company did not receive any of the proceeds of the secondary offering. In accordance with the terms of the registration rights agreement entered into in connection with the initial public offering of the Company's subordinate voting shares, the Company incurred approximately $0.9 million of fees and expenses related to this secondary offering.

c) Dividend

During the year ended January 31, 2025, the Company declared four quarterly dividends of $0.21 per share for holders of its multiple voting shares and subordinate voting shares. The dividends were paid on April 22, 2024, July 12, 2024, October 11, 2024 and January 14, 2025 for a total consideration of $61.9 million to shareholders.

During the year ended January 31, 2024, the Company declared four quarterly dividends of $0.18 per share for holders of its multiple voting shares and subordinate voting shares. The dividends were paid on April 17, 2023, July 14, 2023, October 13, 2023 and January 12, 2024 for a total consideration of $55.6 million to shareholders.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

18. SHARE BASED PAYMENT PLANS

a) Stock options

A reserve of 10,814,828 subordinate voting shares are available to be granted in stock options to officers and employees under the Company's stock option plan. Such stock options are time vesting and 25% of the options will vest on each of the first, second, third and fourth anniversary of the grant. The stock options have a ten-year term at the end of which the options expire.

The following table summarizes the weighted-average fair value of options granted and the main assumptions that were used to calculate the fair value during the years ended January 31, 2025 and 2024:

	January 31, 2025	**January 31, 2024**
Weighted-average fair value at grant date	**$39.70**	$42.02
Weighted average assumptions used in the fair value models		
Share price	**$97.32**	$103.07
Risk-free interest rate	**3.47%**	3.53%
Expected life	**5.04 years**	5.00 years
Expected volatility	**45.44%**	44.66%
Expected annual dividend per share	**0.86%**	0.70%

The Company uses the Black-Scholes option-pricing model to estimate the fair value of options granted. The expected volatility used in option pricing models is calculated based on historical volatility of similar listed entities.

The number of stock options varied as follows:

	Number of options	**Weighted average exercise price**
Balance as at February 1, 2023	**3,546,663**	**$58.60**
Granted	590,700	103.74
Forfeited/Cancelled	(134,500)	90.94
Exercised [a]	(454,359)	38.52
Balance as at January 31, 2024	**3,548,504**	**$67.46**
Granted	433,070	98.12
Forfeited/Cancelled	(153,825)	103.80
Exercised [b]	(422,087)	33.42
Balance as at January 31, 2025	**3,405,662**	**$73.94**

[a] The weighted average stock price on these exercised stock options was $104.48.

[b] The weighted average stock price on these exercised stock options was $93.02.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

18. SHARE BASED PAYMENT PLANS [CONTINUED]

a) Stock options [continued]

The following table summarizes information about stock options outstanding and exercisable, as at January 31, 2025:

	Outstanding			Exercisable	
Exercise price range	**Number of options**	**Weighted-average exercise price**	**Weighted-average remaining life (years)**	**Number of options**	**Weighted-average exercise price**
$20 to $40	**818,726**	**$27.44**	**4.9**	**818,726**	**$27.44**
$40 to $60	**493,580**	**45.86**	**4.3**	**493,580**	**45.86**
$60 to $80	**252,011**	**62.95**	**3.5**	**252,011**	**62.95**
$80 to $100	**456,720**	**97.46**	**9.1**	**18,800**	**90.26**
$100 to $120	**1,379,325**	**105.62**	**7.2**	**641,825**	**106.60**
$120 to $140	**5,300**	**123.03**	**6.6**	**3,975**	**123.03**
Balance as at January 31, 2025	**3,405,662**	**$73.94**	**6.2**	**2,228,917**	**$59.03**

The following table summarizes information about stock options outstanding and exercisable, as at January 31, 2024:

	Outstanding			Exercisable	
Exercise price range	**Number of options**	**Weighted-average exercise price**	**Weighted-average remaining life (years)**	**Number of options**	**Weighted-average exercise price**
$20 to $40	1,129,001	$27.47	5.9	764,326	$27.86
$40 to $60	584,980	45.86	5.3	584,980	45.86
$60 to $80	274,473	62.96	4.5	272,223	62.90
$80 to $100	39,400	90.31	8.7	9,850	90.31
$100 to $120	1,514,050	105.61	8.2	320,900	107.66
$120 to $140	6,600	123.03	7.6	3,300	123.03
Balance as at January 31, 2024	3,548,504	$67.46	6.7	1,955,579	$51.69

Share based compensation expense of $15.5 million for the year ended January 31, 2025 ($20.7 million for the year ended January 31, 2024) has been recorded in general and administrative expenses in the consolidated statements of net income.

As at January 31, 2025, the total unrecognized compensation cost related to unvested share-based payments totalled $17.2 million ($21.7 million as at January 31, 2024).

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

18. SHARE BASED PAYMENT PLANS

b) Restricted and deferred share units

The Company offers a share unit plan to certain eligible employees under which restricted share units ("RSUs") are granted. These grants fully vest after three years of continuous employment from the date of the grant and are paid in cash once vested. Holders of restricted share units are entitled to dividends declared by the Company which are paid out in cash once the grants fully vest.

The Company also offers a deferred share unit plan ("DSUs") to the independent members of the Company's Board of Directors. The value of these DSUs is based on the Company's share price at the time of payment. Holders of deferred share units are entitled to dividends declared by the Company which are recognized in the form of additional awards equivalent in value to the dividends paid on common shares. DSUs granted under the plan will be redeemable and the value thereof payable in cash only after the member ceases to act as a director of the Company.

The following tables presents the changes in the plans' status during the years ended January 31, 2025 and 2024:

	Number of units	
	DSU	**RSU**
Balance as at February 1, 2023	**99,937**	**—**
Granted	20,535	—
Paid	(6,138)	—
Balance as at January 31, 2024	**114,334**	**—**
Granted	24,888	167,800
Forfeited/Cancelled	—	(18,150)
Paid	(29,980)	—
Balance as at January 31, 2025	**109,242**	**149,650**

As at January 31, 2025, the liability related to the RSU plan was $3.0 million, all of which is presented under other non-current liabilities (nil as at January 31, 2024). The associated compensation expense for the years ended January 31, 2025 and January 31, 2024 were $3.0 million and nil million, respectively. No amount was paid under this plan for the year ended January 31, 2025 (nil for the year ended January 31, 2024).

As at January 31, 2025, the liability related to the DSU plan was $7.6 million, all of which is presented under other non-current liabilities ($9.7 million as at January 31, 2024). The associated expense for the year ended January 31, 2025 was immaterial ($0.8 million gain for the year ended January 31, 2024). An amount of $2.1 million was paid under these plans for the year ended January 31, 2025 ($0.6 million for the year ended January 31, 2024).

The Company uses total return swaps to mitigate the impact of the share price variation on the RSU payment plan. During the year ended January 31, 2025, the Company entered 12-month term swaps contracts that are renewable annually until the end of the vesting period for an amount of $14.6 million. The change in fair value of the total return swaps was $4.3 million for the year ended January 31, 2025 (nil for the year ended January 31, 2024), of which $1.2 million was recorded under general and administrative expenses.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

19. EARNINGS PER SHARE

a) Basic earnings per share

Details of basic earnings per share were as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
Net income attributable to shareholders - continuing operations	**$62.6**	$930.6
Net loss attributable to shareholders - discontinued operations	**(275.7)**	(187.2)
Net income (loss) attributable to shareholders	**$(213.1)**	$743.4
Weighted average number of shares	**73,661,874**	77,166,505
Basic earnings per share - continuing operations	**$0.85**	$12.06
Basic loss per share - discontinued operations	**(3.74)**	(2.43)
Basic earnings (loss) per share	**$(2.89)**	$9.63

b) Diluted earnings per share

Details of diluted earnings per share were as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
Net income (loss) attributable to shareholders - continuing operations	**$62.6**	$930.6
Net loss attributable to shareholders - discontinued operations	**(275.7)**	(187.2)
Net income (loss) attributable to shareholders	**$(213.1)**	$743.4
Weighted average number of shares	**73,661,874**	77,166,505
Dilutive effect of stock options	**924,347**	1,357,285
Weighted average number of diluted shares	**74,586,221**	78,523,790
Diluted earnings (loss) per share - continuing operations	**$0.84**	$11.85
Diluted loss per share - discontinued operations	**(3.70)**	(2.38)
Diluted earnings (loss) per share	**$(2.86)**	$9.47

Excluded from the above calculation is 1,841,345 options for the twelve-month period ended January 31, 2025 (1,550,200 for the twelve-month period ended January 31, 2024), which were deemed to be anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of stock options was based on share value on the Toronto Stock Exchange for the period during which the options were outstanding.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

20. REVENUES

Details of revenues were as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
		Reclassified (Note 2)
Year-Round Products	**$4,306.3**	$5,339.4
Seasonal Products	**2,370.4**	3,410.7
PA&A and OEM Engines	**1,153.0**	1,212.9
	$7,829.7	$9,963.0

21. GEOGRAPHIC INFORMATION

The following table provides geographic information on Company's revenues, property, plant and equipment, intangible assets and right-of-use assets. The attribution of revenues was based on customer locations.

	Revenues		Property, plant and equipment, intangible assets and right-of-use assets	
	Years ended		As at	
	January 31, 2025	**January 31, 2024**	**January 31, 2025**	**January 31, 2024**
		Reclassified (Note 2)		
United States	**$4,522.8**	$6,007.1	**$252.9**	$336.9
Canada	**1,102.2**	1,561.5	**906.2**	901.0
Europe	**1,117.8**	1,246.2	**566.6**	549.1
Asia Pacific	**489.9**	561.0	**58.7**	118.4
Latin America	**585.4**	571.4	**941.0**	927.5
Other	**11.6**	15.8	**—**	6.2
	$7,829.7	$9,963.0	**$2,725.4**	$2,839.1

22. GOVERNMENT ASSISTANCE

The Company's government assistance, including tax credits, was as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
		Reclassified (Note 2)
Recorded against research and development expense	**$65.2**	$40.2
Recorded against other elements of operating income	**2.6**	4.7
	$67.8	$44.9
Recorded against the cost of property, plant and equipment	**$0.4**	$9.8
Recorded against the cost of intangibles	**$1.6**	$—

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

23. OTHER OPERATING EXPENSES

Details of other operating expenses were as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
		Reclassified (Note 2)
Foreign exchange (gain) loss on working capital elements	**$(47.3)**	$6.9
Loss on forward exchange contracts	**51.5**	11.7
Impairment charge [a]	**9.4**	—
Restructuring costs [b]	**76.8**	3.8
Other	**(13.0)**	1.6
Total	**$77.4**	$24.0

[a] During the twelve-month period ended January 31, 2025, the Company recorded an impairment charge of $9.4 million on unutilized assets.
[b] During the twelve-month period ended January 31, 2025, the Company recorded restructuring costs of $76.8 million, which includes severance packages to employees as part of workforce reduction, contract exit costs and supplier claims related to restructuring activities.

24. FINANCING COSTS AND INCOME

Details of financing costs and financing income were as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
		Reclassified (Note 2)
Interest on long-term debt	**$166.7**	$159.7
Transaction costs on long-term debt	**—**	22.7
Interest on lease liabilities	**8.1**	7.4
Net interest on employee future benefit liabilities	**6.1**	6.5
Interest and commitment fees on revolving credit facilities	**9.2**	7.2
Other	**8.1**	4.5
Financing costs	**198.2**	208.0
Financing income	**(8.0)**	(16.6)
Net financing costs	**$190.2**	$191.4

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

25. INCOME TAXES

a) Income tax expense (recovery)

Details of income tax expense (recovery) were as follows:

	Years ended January 31, 2025	Years ended January 31, 2024
		Reclassified (Note 2)
Current income tax expense (recovery)		
Related to current year	**$85.7**	$241.1
Related to prior years	**(3.6)**	(2.1)
	82.1	239.0
Deferred income tax expense		
Temporary differences	**(22.1)**	33.7
Effect of income tax rate changes on deferred income taxes	**—**	(0.3)
Increase (decrease) in valuation allowance	**29.7**	1.3
	7.6	34.7
Income tax expense	**$89.7**	$273.7

The reconciliation of income taxes computed at the Canadian statutory rates to income tax expense (recovery) recorded was as follows:

	Years ended January 31, 2025		Years ended January 31, 2024	
			Reclassified (Note 2)	
Income taxes calculated at statutory rates	**$40.4**	**26.5%**	$319.4	26.5%
Increase (decrease) resulting from:				
Income tax rate differential of foreign subsidiaries	**(5.2)**		(7.6)	
Effect of income tax rate changes on deferred income taxes	**—**		(0.3)	
Increase in valuation allowance	**29.7**		1.3	
Recognition of income taxes on foreign currency translation	**18.2**		(15.7)	
Recognition of income taxes on inflation	**(7.4)**		(7.0)	
Permanent differences	**16.8**		(0.7)	
Recognition of tax incentives	**—**		(20.5)	
Adjustments in respect of prior years and other	**(2.8)**		4.8	
Income tax expense	**$89.7**		$273.7	

The income tax statutory rate is 26.5% for the year ended January 31, 2025 and 2024. The income tax statutory rate is the Bombardier Recreational Products Inc. combined rate applicable in jurisdictions in which it operates.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

25. INCOME TAXES [CONTINUED]

b) Deferred income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income tax assets (liabilities) were as follows, as at:

	January 31, 2025	January 31, 2024
Related to current assets and liabilities		
Inventories	**$71.2**	$77.5
Income taxes and investment tax credits receivable	**(3.0)**	(3.9)
Trade payables and accruals	**20.2**	18.7
Provisions	**143.4**	143.9
Other financial liabilities	**15.3**	5.1
Lease liabilities	**12.5**	12.6
Deferred revenues	**13.7**	21.9
Other financial asset	**(8.0)**	(15.4)
Other	**0.3**	(4.6)
	265.6	255.8
Related to non-current assets and liabilities		
Property, plant and equipment	**(99.0)**	(73.2)
Intangible assets	**(52.5)**	(55.6)
Right-of-use assets	**(42.3)**	(47.5)
Provisions	**35.0**	33.2
Long-term debt	**26.5**	2.6
Lease liabilities	**35.6**	39.9
Deferred revenues	**20.4**	23.4
Employee future benefit liabilities	**37.5**	30.3
Other non-current liabilities	**(4.0)**	(6.9)
Other	**19.6**	12.6
	(23.2)	(41.2)
Related to non-capital losses carried forward	**88.7**	40.7
Related to capital losses carried forward	**29.3**	29.2
	360.4	284.5
Unrecognized tax benefits	**(81.0)**	(52.9)
Total	**$279.4**	$231.6

As at January 31, 2025, non-capital losses amounted to $365.0 million ($162.1 million as at January 31, 2024), of which $331.9 million ($125.9 million as at January 31, 2024) is available to reduce future federal taxable income in the United States and $31.1 million ($36.2 million as at January 31, 2024) is available to reduce future taxable income in other tax jurisdictions.

25. INCOME TAXES [CONTINUED]

b) Deferred income taxes [continued]

As at January 31, 2025, the balance of deductible capital losses amounted to $110.4 million ($110.1 million as at January 31, 2024) and are available to offset future taxable capital gains in Canada for an unlimited period of time.

As at January 31, 2025, the Company has $62.7 million in investment tax credits receivable, of which $53.4 million is refundable and $9.3 million is available to reduce future income taxes in the United States (respectively $57.6 million, $50.3 million and $7.3 million as at January 31, 2024).

As at January 31, 2025 and 2024, deferred income taxes assets have been entirely recognized except for certain elements, consisting mainly of deductible capital losses carried forward and deferred income taxes assets related to long-term debt, as the Canadian and Quebec taxation laws required those losses to be offset with available capital gains in order to be deductible.

In addition, deferred income taxes have not been provided for the undistributed earnings of foreign subsidiaries since either income taxes would not be applicable upon distribution of earnings or the Company determined that such earnings will be indefinitely reinvested. However, distribution in the form of dividends or otherwise from countries where earnings are indefinitely reinvested may be subject to income taxes.

c) International Tax Reform – Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("GloBE Rules") designed to ensure that a multinational enterprise is subject to tax at an effective minimum tax rate of 15% calculated under the GloBE Rules regardless of the jurisdictions where it operates. The GloBE Rules have been enacted or are in process of being enacted into the domestic law of many jurisdictions where the Company operates. The Company does not expect that the application of the GloBE Rules should have a material impact on the income taxes expenses.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

26. RELATED PARTY TRANSACTIONS

The Company had related party transactions during the years ended January 31, 2025 and 2024. The most significant transactions are described below and were made on an arm's length basis, unless otherwise indicated.

a) Transactions with key management personnel

Key management personnel of the Company, defined as employees with authority and responsibility for planning, directing and controlling the activities of the Company, are considered related parties to the Company. The key management personnel of the Company are its directors and the executive officers.

The Company incurred the following benefit expenses in relation with key management personnel:

	Years ended	
	January 31, 2025	**January 31, 2024**
		Reclassified (Note 2)
Current remuneration	**$7.8**	$8.2
Post-employment benefits	**1.0**	1.0
Stock-based compensation expense	**9.9**	9.5
Total	**$18.7**	$18.7

b) Due to Bombardier Inc., a company related to Beaudier group

Pursuant to the purchase agreement entered into in 2003 in connection with the acquisition of the recreational product business of Bombardier Inc., the Company is committed to reimburse to Bombardier Inc. income taxes amounting to $22.7 million as at January 31, 2025 ($22.4 million as at January 31, 2024). The payments will begin when Bombardier Inc. starts making income tax payments in Canada and/or in the United States.

27. FINANCIAL INSTRUMENTS

a) Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the Company's financial instruments take into account the credit risk embedded in the instrument. For financial assets, the credit risk of the counterparty is considered whereas for financial liabilities, the Company's credit risk is considered.

In order to determine the fair value of its financial instruments, the Company uses, when active markets exist, quoted prices from these markets ("Level 1" fair value). When public quotations are not available in the market, fair values are determined using valuation techniques. When inputs used in the valuation techniques are only inputs directly and indirectly observable in the marketplace, fair value is presented as "Level 2" fair value. If fair value is assessed using inputs that require considerable judgment from the Company in interpreting market data and developing estimates, fair value is presented as "Level 3" fair value. For Level 3 fair value, the use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

27. FINANCIAL INSTRUMENTS [CONTINUED]

a) Fair value [continued]

The fair value, fair value level and valuation techniques and inputs were as follows:

		As at January 31, 2025		As at January 31, 2024		
	Fair value level	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Valuation techniques and inputs**
Restricted investments (Note 6)	Level 2	**$14.7**	**$14.7**	$13.4	$13.4	Discounted cash flows at a discount rate that reflects the current market rate for this type of investments at the end of the reporting period
Non-controlling interest liability (Note 14)	Level 3	**$(23.4)**	**$(23.4)**	$(26.4)	$(26.4)	Discounted cash flows. Future cash flows are estimated based on Pinion's performance and a predetermined purchase price formula, discounted at a rate that reflects the credit risk of the Company
Derivative financial instruments						
Forward exchange contracts						Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of the Company
Assets (Note 6)	Level 2	**$6.2**	**$6.2**	$19.6	$19.6	
Liabilities (Note 14)	Level 2	**(60.2)**	**(60.2)**	(7.8)	(7.8)	
Interest rate cap (Note 6)	Level 2	**21.1**	**21.1**	59.4	59.4	Discounted cash flows. Future cash flows, which correspond to series of caplets, are estimated using the Normal valuation model and discounted at a rate that reflects credit market conditions
Other (Note 14)	Level 2	**(4.1)**	**(4.1)**	—	—	Discounted cash flows. Future cash flows are estimated based on commodity exchange rates and market price of the Company's shares (from observable commodity exchange rates and share price at the end of the reporting period), discounted at a rate that reflects the credit risk of the Company.
Total derivative financial instruments	Level 2	**$(37.0)**	**$(37.0)**	$71.2	$71.2	
Term Facility (Note 15)	Level 1	**$(2,799.3)**	**$(2,809.6)**	$(2,609.7)	$(2,614.0)	Quoted bid prices in an active market
Term Loans (Note 15)	Level 2	**$(125.8)**	**$(134.5)**	$(153.4)	$(158.3)	Discounted cash flows. Cash flows used for valuation are those contractually due and are discounted at a rate that reflects the credit risk of the Company

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

27. FINANCIAL INSTRUMENTS [CONTINUED]

a) Fair value [continued]

For cash and cash equivalents, trade and other receivables, Revolving Credit Facility, trade payables and accruals, dealer holdback programs and customer deposits, the carrying amounts reported on the consolidated statements of financial position or in the notes approximate the fair values of these items due to their short-term nature. During the years ended January 31, 2025 and 2024, no changes in fair value level classifications occurred.

Cash includes $4.0 million held by BRP Saint Petersburg LLC ($5.4 million as at January 31, 2024). This cash is subject to regulatory restrictions and is therefore not available for general use by the other entities within the group.

b) Foreign exchange risk

The foreign exchange risk associated with financial instruments is defined by the risk that the future cash flows of a recorded financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk associated with financial instruments arises from financial instruments denominated in a currency other than the functional currency of the Company.

The Company's significant foreign exchange risk exposure associated with financial instruments are with Credit Facilities, trade and other receivables, trade payables and accruals, lease liabilities and derivative financial instruments.

The table below presents the impact on consolidated net income and consolidated other comprehensive income of a variation of foreign exchange rates on financial instruments subject to foreign exchange risks as at January 31, 2025 and 2024:

	As at January 31, 2025			As at January 31, 2024		
	Percentage of Variation [a]	**Impact on Net income**	**Impact on Other comprehensive income**	**Percentage of Variation [a]**	**Impact on Net income**	**Impact on Other comprehensive income**
					Reclassified (Note 2)	Reclassified (Note 2)
USD / CAD	**5%**	**$157.5 [b]**	**$54.3**	5%	$127.3 [b]	$76.1
Euro / CAD	**2%**	**$17.0**	**$—**	5%	$1.9	$—
Other	**3%**	**$(30.9)**	**$(0.8)**	3%	$(8.4)	$3.1

[a] Based on variations that might exist at the closing dates.
[b] Mainly from the long-term debt denominated in U.S. dollars.

The Company uses foreign exchange contracts to manage its foreign currency risks mainly in U.S. dollars and the Company uses short-term foreign exchange contracts to manage its daily cash position.

For currencies over which the Company cannot achieve an offset through its recurring business transactions, the Company uses foreign exchange contracts according to the Company's hedging strategy. Management periodically reviews the relevant hedging position and may hedge at any level within the authorized parameters of the policy, up to the maximum percentage allowed.

As at January 31, 2025, the maximum length of time over which the Company is hedging its exposure to variability in future cash flow from anticipated sales is 36 months. All foreign exchange contracts used to hedge highly probable anticipated sales are recorded under the cash flow hedge model. The Company does not trade in derivative financial instruments for speculative purposes.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

27. FINANCIAL INSTRUMENTS [CONTINUED]

b) Foreign exchange risk [continued]

The following tables set out the notional amounts outstanding under hedging foreign exchange contracts, the carrying amount, the average contractual exchange rates and the settlement periods of these contracts:

			As at January 31, 2025	
			Carrying amount	
Currencies (sold/bought)	**Average rate**	**Notional amount [a]**	**Other financial assets**	**Other financial liabilities**
Cash flow hedge				
USD/CAD				
Less than 12 months	**1.3468**	**$669.5**	**$4.1**	**$43.4**
Between 12 and 24 months	**1.3587**	**344.0**	**—**	**12.2**
Between 24 and 36 months	**1.3708**	**103.1**	**—**	**1.2**
Other currencies				
Less than 12 months	**n.a**	**93.1**	**1.4**	**2.5**
Between 12 and 24 months	**n.a**	**23.6**	**0.2**	**0.4**
Total cash flow hedge			**$5.7**	**$59.7**
Fair value hedge				
USD/CAD				
Less than 12 months	**1.4407**	**$639.3**	**$0.3**	**$—**
Euro/CAD				
Less than 12 months	**1.5027**	**172.6**	**—**	**0.3**
Other currencies				
Less than 12 months	**n.a**	**106.5**	**0.2**	**0.2**
Total fair value hedge			**$0.5**	**$0.5**
Total foreign exchange contracts			**$6.2**	**$60.2**

[a] Exchange rates as at January 31, 2025 were used to translate notional amounts denominated in foreign currencies into Canadian dollars.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

27. FINANCIAL INSTRUMENTS [CONTINUED]

b) Foreign exchange risk [continued]

			As at January 31, 2024	
			Carrying amount	
Currencies (sold/bought)	**Average rate**	**Notional amount [a]**	**Other financial assets**	**Other financial liabilities**
Cash flow hedge				
USD/CAD				
Less than 12 months	1.3492	$682.7	$8.5	$2.4
Between 12 and 24 months	1.3475	735.7	6.5	0.2
Between 24 and 36 months	1.3501	208.2	2.3	—
Other currencies				
Less than 12 months	n.a	116.7	1.5	3.0
Between 12 and 24 months	n.a	36.2	0.2	1.5
Total cash flow hedge			$19.0	$7.1
Fair value hedge				
USD/CAD				
Less than 12 months	1.3371	$137.3	$—	$—
Euro/CAD				
Less than 12 months	1.4576	181.9	0.1	0.1
Other currencies				
Less than 12 months	n.a	16.0	0.5	0.6
Total cash flow hedge			$0.6	$0.7
Total foreign exchange contracts			$19.6	$7.8

[a] Exchange rates as at January 31, 2024 were used to translate notional amounts denominated in foreign currencies into Canadian dollars.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

27. FINANCIAL INSTRUMENTS [CONTINUED]

c) Liquidity risk

Liquidity risk is defined as the Company's exposure to the risk of not being able to meet its financial obligations. The Company manages its liquidity risk by continuously monitoring its operating cash requirements and by the use of its funding sources to ensure its financial flexibility and mitigate its liquidity risk (see Note 27).

The following table summarizes the contractual maturities of the Company's financial liabilities as at January 31, 2025:

	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total amount
Trade payables and accruals	$1,222.1	$—	$—	$—	$1,222.1
Long-term debt (including interest)	231.3	1,126.4	1,053.6	1,453.7	3,865.0
Lease liabilities (including interest)	54.4	78.7	41.2	58.6	232.9
Derivative financial instruments	46.3	18.0	—	—	64.3
Other financial liabilities	39.9	27.8	1.3	33.1	102.1
Total	**$1,594.0**	**$1,250.9**	**$1,096.1**	**$1,545.4**	**$5,486.4**

d) Interest risk

The Company is exposed to the variation of interest rates on financial instruments mainly on its Credit Facilities. As at January 31, 2025, an increase of a 0.25 percentage base point would have resulted in an unfavourable impact of $7.4 million on consolidated net income and consolidated comprehensive income for the year ended January 31, 2025 (unfavorable $6.9 million as at January 31, 2024) while a decrease of a 0.25 percentage base point would have resulted in a favourable impact of $7.4 million (favourable $6.9 million as at January 31, 2024) on consolidated net income and consolidated comprehensive income for the year ended January 31, 2025 without considering the effects of hedging instruments. Percentage increases or decreases of interest rates above are based on changes that might exist at the consolidated statement of financial position dates and have been applied on the Company's financial instruments subject to interest rate changes. To limit its exposure to interest rate increase, the Company entered into interest rate cap contracts.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

27. FINANCIAL INSTRUMENTS [CONTINUED]

e) Credit risk

The Company could be exposed, in the normal course of business, to the potential inability of dealers, distributors and other business partners to meet their contractual obligations on financial assets and on amounts guaranteed under dealer and distributor financing agreements.

The Company considers that its credit risk associated with its trade receivables and its limited responsibilities under dealer and distributor financing agreements does not represent a significant concentration of risk and loss due to the large number of dealers, distributors and other business partners and their dispersion across many geographic areas. Moreover, the Company mitigates such risk by doing business through its own distribution channels and by monitoring its independent dealers' and distributors' credit.

The following table provides further details on receivables for which the Company considers to be exposed to credit risk as at January 31, 2025 and 2024:

	January 31, 2025	January 31, 2024
Trade and other receivables	**$617.3**	$656.3
Sales tax and other government receivables	**(137.3)**	(107.2)
Total exposed to credit risk	**$480.0**	$549.1
Not past due	**$475.4**	$527.9
Past due		
Under 60 days	**2.6**	13.4
From 60 to 90 days	**2.0**	2.5
Over 90 days	**6.5**	10.8
Allowance for doubtful accounts	**(6.5)**	(5.5)
Total exposed to credit risk	**$480.0**	$549.1

The counterparties to the derivative financial instruments and restricted investments are all investment grade financial institutions, which the Company anticipates will satisfy their obligations under these contracts. Over the past years, the Company has not incurred significant losses related to credit risk on its financial assets and does not expect losses based on future expectations.

As described in Note 29 a), the Company has provided financial guarantees to third party financing companies in case of dealers' inability to meet their obligations under their financing agreements with the financing companies.

[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

28. CAPITAL MANAGEMENT

The Company's primary uses of capital are for capital investments and working capital. Based on the current level of operations, management believes that cash on hand, cash flows from operations and available borrowings under the Credit Facilities will enable the Company to meet its working capital, capital expenditure, debt service and other funding requirements.

The Company's capital is composed of long-term debt and shareholders' equity. The Company's aim is to maintain a level of capital that is adequate to meet several objectives, including an acceptable Leverage ratio in order to provide access to adequate funding sources to support current operations, pursue its internal growth strategy and maintain capital flexibility. The Company may repurchase subordinate voting shares for cancellation pursuant to a NCIB or substantial issuer bid ("SIB"), issue capital stock, or vary the amount of dividends paid to shareholders.

The Company's objective is to maintain a Leverage ratio of 3.5 or less, which was continuously achieved during the years ended January 31, 2025 and 2024.

29. COMMITMENTS AND CONTINGENCIES

In addition to the commitments and contingencies described elsewhere in these consolidated financial statements, the Company is subject to the following (all amounts presented are undiscounted):

a) Dealer and distributor financing arrangements

The Company, most of its independent dealers and some of its independent distributors are parties to agreements with third-party financing service providers. These agreements provide financing to facilitate the purchase of the Company's products and improve the Company's working capital by allowing an earlier collection of accounts receivable from dealers and distributors.

The outstanding financing between the Company's independent dealers and distributors and third-party finance companies amounted to $3,151.5 million and $3,469.2 million as at January 31, 2025 and 2024, respectively. The breakdown of outstanding amounts by country and local currency between the Company's independent dealers and distributors with third-party finance companies was as follows:

	Currency	January 31, 2025	January 31, 2024
Total outstanding as at	CAD	**$3,151.5**	$3,469.2
United States	USD	**$1,593.9**	$1,877.6
Canada	CAD	**$670.4**	$727.1
Europe	Euro	**€ 49.8**	€ 66.1
Australia and New Zealand	AUD	**$112.0**	$150.1
Total outstanding - continuing operations	CAD	**$3,000.3**	$3,218.5
Total outstanding - discontinued operations	CAD	**$151.2**	$250.7

29. COMMITMENTS AND CONTINGENCIES [CONTINUED]

a) Dealer and distributor financing arrangements [continued]

Under the dealer and distributor financing agreements, in the event of default, the Company may be required to purchase, from the finance companies, repossessed new and unused products at the total unpaid principal balance of the dealer or distributor to the finance companies.

The combined consolidated maximum obligation is generally within a range of:

i) U.S. $14.0 million ($20.2 million) or 15% of the calendar year twelve-month average amount of consolidated financing outstanding under the financing agreements ($17.9 million as at January 31, 2025) and;
ii) U.S. $25.0 million ($36.2 million) or 10% of the last twelve-month average amount of consolidated financing outstanding under the financing agreements ($326.7 million as at January 31, 2025).

As such, the maximum consolidated amount subject to the Company's obligation to purchase repossessed new and unused products from the finance companies was $346.9 million as at January 31, 2025 and $304.0 million as at January 31, 2024.

For the year ended January 31, 2025, the Company incurred a loss of $0.8 million related to new and unused products repossessed by the finance companies ($0.9 million loss for the year ended January 31, 2024).

b) Guarantees under various agreements

In the normal course of business, the Company has entered into agreements that include indemnities in favour of third parties and which are customary in the industry, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, underwriting and agency agreements, information technology agreements, and service agreements. These indemnification agreements may require the Company to compensate counterparties for losses they incurred as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered as a consequence of the transaction.

The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability that stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Company has not made any significant payments under such or similar indemnification agreements.

The Company shall indemnify directors and officers of the Company for various losses including, but not limited to, all costs to settle suits or actions due to association with the Company, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to acts taking place during the period over which the indemnified party served as a trustee, director or officer of the Company. The maximum amount of any potential future payment cannot be reasonably estimated.

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

29. COMMITMENTS AND CONTINGENCIES [CONTINUED]

c) Litigation

The Company intends to vigorously defend its position in litigation matters to which it is a party. Management believes the Company has recorded adequate provisions to cover potential losses in relation to pending legal actions. Additionally, the Company has a general liability insurance coverage for claims relating to injuries or damages incurred with the Company's products. This insurance coverage limits the potential losses associated with legal claims related to product usage.

While the final outcome with respect to actions pending as at January 31, 2025 cannot be predicted with certainty, it is the management's opinion that their resolution will not have material effects on the Company's future results of operations or cash flows.

30. DISCONTINUED OPERATIONS

On October 17, 2024, the Company announced it initiated a process for the sale of its Marine businesses namely Alumacraft, Manitou, Telwater (Quintrex, Stacer, Savage and Yellowfin) and Marine parts, accessories, and apparel. Consequently, these businesses are presented as discontinued operations and the associated assets and liabilities as held for sale as at January 31, 2025.

The net loss and comprehensive loss from discontinued operations are as follows:

	Years ended	
	January 31, 2025	**January 31, 2024**
Revenues	**$237.5**	$404.0
Cost of sales	**334.5**	436.7
Gross loss	**(97.0)**	(32.7)
Operating expenses		
Selling and marketing	**28.3**	25.3
Research and development	**21.8**	39.6
General and administrative	**25.3**	33.8
Other operating expenses	**9.7**	2.3
Impairment charge	**183.9**	116.3
Total operating expenses	**269.0**	217.3
Operating loss	**(366.0)**	(250.0)
Financing costs	**0.2**	1.3
Loss before income taxes	**(366.2)**	(251.3)
Income tax recovery	**(90.5)**	(64.1)
Net loss from discontinued operations	**$(275.7)**	$(187.2)

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

30. DISCONTINUED OPERATIONS [CONTINUED]

	Years ended January 31, 2025	Years ended January 31, 2024
Net loss from discontinued operations [a]	**$(275.7)**	$(187.2)
Net changes in unrealized gain on translation of foreign operations	**7.4**	6.0
Total comprehensive loss from discontinued operations [a]	**$(268.3)**	$(181.2)

[a] Nil amount of net loss and comprehensive loss are attributable to non-controlling interest.

As at January 31, 2025, the carrying amount of assets and liabilities presented as held for sale is as follows:

	January 31, 2025
Trade and other receivables	**$24.4**
Inventories	**110.5**
Property, plant and equipment	**98.5**
Intangible assets	**36.9**
Deferred tax assets	**88.1**
Other assets	**3.3**
Assets classified as held for sale	**$361.7**
Trade payables and accruals	**$31.8**
Provisions	**51.0**
Lease liabilities	**6.7**
Deferred revenues	**17.3**
Other liabilities	**11.4**
Liabilities associated to assets classified as held for sale	**$118.2**
Assets net of liabilities held for sale	**$243.5**

The net cash flows from (used in) discontinued operations are as follows:

	Years ended January 31, 2025	Years ended January 31, 2024
Net cash flows used in operating activities	**$(118.9)**	$(180.7)
Net cash flows used in investing activities	**(21.7)**	(69.4)
Net cash flows from financing activities	**147.8**	242.3
Net cash flows from (used in) discontinued operations	**$7.2**	$(7.8)

For the years ended January 31, 2025 and 2024
[Tabular figures are in millions of Canadian dollars, unless otherwise indicated]

30. DISCONTINUED OPERATIONS [CONTINUED]

Recoverability under Fair value less costs of disposal for disposal groups

During the year ended January 31, 2025, the Company remeasured the Alumacraft and Manitou disposal groups at the lower of their carrying amount and their fair value less costs of disposal, resulting in an impairment charge of $183.9 million on assets held for sale. The Company concluded that the fair value less costs of disposal of the Telwater disposal group exceeded its carrying amount. As a result, no impairment charges were recognized on this disposal group for the year ended January 31, 2025. The Company determined that no reversal of previously recognized impairment charges was required as at January 31, 2025.

The impairment charge recorded during the year-ended January 31, 2025 is allocated as follows:

	Impairment as at January 31, 2025
Inventories	**$108.3**
Property, plant and equipment	**56.7**
Right of use assets	**6.1**
Intangible assets	**12.8**
Impairment on assets classified as held for sale	**$183.9**

The fair value measurement was categorized as a level 2 fair value. The fair values of Alumacraft, Manitou and Telwater were based on the market offers that the Company has received since announcing the sale of the Marine businesses on October 17, 2024. The costs of disposal represent management's best estimate based on historical data from external and internal sources.

Recoverability under the recoverable amount method for CGU

During the year ended January 31, 2024, the Company performed an impairment test as a result of softening consumer demand for the boating industry and related decrease in financial performance. The Company recorded an impairment charge of $25.0 million related to intangible assets of Alumacraft CGU and $45.5 million related to Manitou CGU. The Company also recorded an impairment charge of $17.8 million to property, plant and equipment of Alumacraft CGU and $25.5 million related to Manitou CGU. The charges were determined by comparing the carrying amount of each CGU to its recoverable amount, which is the higher of the fair value less costs of disposal or the value in use. The Company concluded that recoverable amount of the Telwater CGU exceeded its carrying amount, and as such no impairment was recorded for this CGU as at January 31, 2024.

30. DISCONTINUED OPERATIONS [CONTINUED]

During the year ended January 31, 2024, the Company determined the recoverable amounts of the Alumacraft, Manitou and Telwater CGUs using the value in use method. The Company determined that the discounted cash flow ("DCF") technique provided the best assessment of what each impaired CGU could be exchanged for in an arm's length transaction. Fair value is represented by the present value of expected future cash flows of the business together with the residual value of the business at the end of the forecast period. The DCF technique was applied on an enterprise-value basis, where the after-tax cash flows prior to interest expense are discounted using a weighted average cost of capital. This approach requires assumptions regarding revenue growth rates, EBITDA margins, level of working capital, capital expenditures, tax rates and discount rates. The assumptions used in the DCF are Level 3 inputs (as defined in Note 27). The estimated future cash flows are discounted to their present value using a pre-tax discount rate ranging from 12.9% to 13.1%. These discount rates were calculated by adding to the Company's weighted average cost of capital the risk factor associated with the CGU tested. A growth rate of 1.5% was used to calculate the terminal value.

31. SUBSEQUENT EVENTS

Over the last months, the United States has announced their intention to impose new tariffs on imports originating from Canada, Mexico, Europe and China. The nature, extent and timing of the potential imposition of such tariffs by the United States, as well as new duties, other trade restrictions and any retaliatory measures by any of those countries, as well as the impact they may have on the Company and consumer demand is uncertain, such that accurately estimating the financial impact is not possible at this time.